

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Thursday, March 30, 1967

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions

MR. ROBERT STEEN (St. Matthews): Mr. Speaker, I beg to present the petition of the Fidelity Trust Company praying for the passing of an Act to amend an Act to incorporate The Fidelity Trust Company.

MR. SPEAKER: Reading and Receiving Petitions

MR. CLERK: The petition of Robert Scott Cunningham and others, praying for the passing of an Act to incorporate Atkinson Centre.

MR. SPEAKER: Presenting Reports by Standing and Special Committees
Notices of Motion
Introduction of Bills

Before we proceed, I would like to direct the attention of the Honourable Members to the gallery on my left where there are 20 Lorette Girl Guides under the direction of Captain Barbara Sarrasin. I should mention for the benefit of the honourable members that the colours of this group is the Manitoba tartan.

We also have 19 students of Grade 12 Commercial of the Dauphin Collegiate Technical Institute. These students are under the direction of Mrs. Audry Snodgrass. This school is located in the constituency of the Honourable the Minister of Public Works.

On behalf of all the members of the Legislative Assembly, I welcome you all here today. Orders of the Day. The Honourable Member for Inkster.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I'd like to direct a question to the First Minister. I'm sure that all, or most of the people in Manitoba, have been shocked with the situation which has occurred in the southern beaches of England by virtue of which half of the bird population appears to be in danger and also many people who live off the beaches will not be able to -- or apparently the beaches will be ruined for recreation purposes this year and people who make their living in that way will likely suffer greatly, and seeing that Winnipeg, and Manitoba in particular, was the beneficiary of over half the countries in the world apparently participating to help us with our flood disaster in 1950, whether the Minister wouldn't enquire whether there is anything that Manitoba, or if he feels it should go broader, Canada can do, either financially or otherwise to help the people who apparently have been stricken by an unusual and unique disaster which was entirely unforeseen, fortuitous and which they could do nothing about.

HON. DUFF ROBLIN (Premier)(Wolseley): I thank my honourable friend for the suggestion. It is true that there are from time to time disasters all around the world which engage our interest and our sympathy. I think on this occasion, as it is a matter which lies outside the borders of the country, it would be appropriate for me to enquire of the Secretary of State for External Affairs if there's any suitable action that could be taken by this Legislature.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I'd like to direct a question to the Minister of Education. In these 19 school divisions which voted against the referendum on single-district divisions, if referendums are held later this year and the divisions vote in favour of the referendum, will the grants be made retroactive?

HON. GEORGE JOHNSON (Minister of Education)(Gimli): Mr. Speaker, I'll be discussing this during Bills 93 and 89 as they come before the House at second reading.

MR. GILDAS MOLGAT (Leader of the Opposition)(Ste. Rose): Mr. Speaker, I'd like to direct a question to the First Minister. Is it correct that the Metro Council appeared as a council yesterday to meet with the First Minister, and was any additional financial assistance offered to Metro Council by the government?

MR. ROBLIN: Mr. Speaker, it is true that the Metro Council met with me almost the entire afternoon yesterday and they made a submission to the Government of Manitoba which is now under consideration.

MR. MOLGAT: Mr. Speaker, a subsequent question. Has the government given any consideration or given Metro any encouragement that they might exempt them from the fuel taxes insofar as the transit system?

MR. ROBLIN: Mr. Speaker, those would be matters of policy and there's nothing I can add to my previous reply.

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, I'd like to direct a question to my honourable friend the Minister of Agriculture. He now has two questions that I asked, one a week ago and one about the week before that, and he said he would take it as notice - both of them as notice and reply to me. I'm still waiting for the replies. I wonder does he recall what they were now. You do? Fine.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I'd like to address a question either to the Minister of Education or the First Minister. When can we expect the returns on the referendum on a poll basis?

MR. JOHNSON: These will be Gazetted very shortly. I've asked the department to see that they are Gazetted for the convenience of members. I don't know if I could have them prepared and copies for the members or not. That might be the best course of action to take.

ORDERS OF THE DAY

MR. SPEAKER: The adjourned debate on second reading of Bill 56. The Honourable Member for Gladstone.

MR. SHOEMAKER: Mr. Speaker, last evening when we were discussing Bill No. 56, I was going over some of the statements that my honourable friend the Provincial Treasurer made on two occasions this week and the lecture that we got from the Honourable the First Minister in regard to the new tax, and you will recall that the First Minister read to us part of an editorial from the Free Press that he said he rather liked. I wonder if he has read the editorial of March 22, 1967, of the Winnipeg Tribune that is headed, "Government Responsibility", where it quotes, "The Attorney-General Lyon has custom and precedent to buttress his assertion that the government must take responsibility for the sales tax without public hearings. A willingness to assume that responsibility is laudable in itself and, as such, is a principle inherent in the parliamentary system of government. However, the government is responsible for placing before the Legislature Bill 56, The Sales Tax Act, which contains serious omissions and sweeping powers. Because of this, some force has been given to the demand for public hearings."

Now this is what we have been asking for since February 10th --(Interjection)-- February 20th, I'm informed, the date on which Bill 56 was presented to this House and laid on our desk. --(Interjection)-- 23rd was it? Well, some honourable members say it was the 20th and some say the 23rd. Well, according to --(interjection)--well, the Leader of the Opposition has marked on his that it was tabled 9:08 p.m. - it was laid on our desk at 9:08 p.m. on February 20th. But in any case, whatever the date, the time, the minute and the second that it was laid on, it is now five weeks ago, and in all those five weeks we have been asking for more information. Some we got this week. We have been asking that it - the Bill - be referred to Law Amendments Committee and we still hold that view, that it should go there. Apparently it's not going to go now but we still think it should. The Tribune believes that it should. It would be helpful if it did.

Now there are many people, Mr. Speaker, many people who believe that the sales tax is not necessary, that some alternatives could still be found, and if the Bill were referred to a committee, perhaps we would have the people coming to us telling us other ways and means of raising the necessary money quite apart from the sales tax.

I don't know, Mr. Speaker, whether you recall that on March 25 last, that's just slightly over one year ago, there was a propaganda sheet went out from the Information Services section headed "\$298 Million Budget with Selected Tax Cuts", and on the very bottom of that page - I'm quoting - "Premier Roblin said the buoyant revenues showed that rote policies were paying off and, as a result, our economy, in turn, is now generating sufficient tax revenues to support greatly increased provincial expenditures including a new capital investment program being charged to current revenues and at the same time permitting selective tax decreases." This is what the Premier himself said just over one year ago, that the economy was so buoyant at that time that they were not only able to provide all the money necessary for the budget but they were taking care of certain capital out of current revenue and that they were at the same time making selective tax cuts. A year ago. Well, what has happened in the meantime. It's quite evident that the economy is not so buoyant then. This is what was said a year ago.

When the Honourable Provincial Treasurer was speaking to us the other evening I noticed that he was a great disciple of Carter, because on one page alone he quoted or mentioned Carter's name 11 times, and by reading it over and re-reading it, you would think that the Honourable Provincial Treasurer wrote the Carter Commission because he concurs in everything -- Carter concurs in everything that my honourable friend has now put into effect apparently.

(MR. SHOEMAKER cont'd)...I've only checked on one page but I find that he used Carter's name 11 times on one page. It was interesting to note, too, that my honourable friend the Provincial Treasurer said on this whole subject of cash registers that they weren't necessary at all; you could still get along with a couple of old tobacco cans, I guess, as some people still do. --(Interjection)--Well, you said it was not necessary -- here is the paragraph and I'll read the whole thing, on Page 2049: "Well, will it be necessary for merchants, especially those in small businesses, to buy cash registers? No, it will not be necessary; there is no requirement in the Act. There will be no regulations requiring anyone to have a cash register. However, most merchants will find that a cash register would be useful."

HON. GURNEY EVANS (Provincial Treasurer)(Fort Rouge): That's what I did say.

MR. SHOEMAKER: Well that's right. That is right. Then some announcement should be made to the 24,000 vendors, because my guess is that a lot of the cash register people in this province and out of the province have made substantial sales over the course of the last two to three months, convincing the 24,000 vendors that they do in fact need cash registers, and cash registers that will report the tax. That's probably what they are being told and what the manufacturers are attempting to sell them.

I noticed that my honourable friend the First Minister when he spoke at Neepawa, and I had the pleasure of sitting at the head table along with him on September 23, 1964, and it was on that occasion that he announced the revenue tax of 1964 and said what a wonderful thing it was and that he was one that was happy to still say that Manitoba was not going to have a sales tax and he thought this was the best way to look after the finances of the province. I'm certainly not going to read all that he said at Neepawa on that occasion, but I would like to read into the records just a little bit of what he said, and I'm quoting now. "The Tribune made a calculation the other day which I rather liked on gas and telephones, electricity and fuel. They figured it out as seven to eight cents per day for a family of four as being the cost of that tax, that series of taxes. It would be two cents per person per day. When you say it that way, it doesn't sound quite so bad as when you look at taxes from the overall point of view, but I do not overlook the fact that taxes are taxes and nobody cares about new ones, nobody even likes recommending new ones but we have to take the responsibility sometime of recognizing that these taxes will apply not only to individuals but to businesses and commerce as well, recommending what seems to be the fairest combination under the circumstances. Not that it's perfect, not that one can bring legitimate criticism to bear, but simply when compared with the alternatives, it's the better thing to do. I suggest to you that compared with the alternative we have, which was a general sales tax, that this was the better thing to do.

"I think the fact that the people of eastern Saskatchewan are still flocking into Russell, your Worship" - because the Mayor of Russell was Chairman of that meeting - "and to Swan River and to Virden, and even I guess into Melita and some of those other places, and that the people of Kenora still come to Winnipeg to do their shopping, indicates that things aren't so bad in Manitoba after all. I was interested to hear of a merchant near the tourist depot in Winnipeg who has a sign in his window which says, "Buy your tourist souvenirs in Manitoba, the lowest tax province in Canada. That's the kind of advertising that I really appreciate."

That's the Honourable the First Minister speaking two or three years ago and saying at that time the people were all coming in to the border towns along -- flocking into Russell, Swan River, Virden, Melita, and even coming in from Kenora to do their shopping here because we didn't have a tax. By the same token then, Mr. Speaker, I suggest to you that they will probably now be flocking out because they are going to be allowed to bring back \$100 per trip tax-free if they go across into Minnesota which I understand still has no sales tax.

Well now, Mr. Speaker, I believe that I only have two or three minutes left. I still believe that it would be most useful and most desirable to have the public at large come and tell us not only what they think of Bill 56, the sales tax, I still think it would be most helpful to have their advice on any tax that is so far-reaching as this one and I think that they could provide us with a lot of information. For instance, I have a note here from - I think he is the recording secretary of a Chamber of Commerce, in which he says the sales tax is not necessary. It would be helpful to have him come in and speak to us. He says that if governments, both at the federal and provincial level, would think twice before giving themselves a 300% increase in salaries, and if governments when elected would govern instead of setting up Royal Commissions for every little problem, we wouldn't need any increase in taxes. It would be helpful to have this chap come and elaborate on that. Come in to us and elaborate on that.

(MR. SHOEMAKER cont'd).....

And, Mr. Chairman, there is another fellow that thinks along the same lines as this chap and they are both recognized thinkers, people who think in depth, and one of them is a fellow by the name of Nick Mandziuk, MP for Marquette. I suppose there are still some people present that were at the meeting at Minnedosa a week ago tonight surely, and I wonder if they recall what he said at Minnedosa in respect to the Federal Government because I think the same thing - the same thing can be said of this one, and I'm quoting Nick Mandziuk. This is from the Brandon Sun and I think it also appeared in the Tribune or Free Press, but they go on to say what Mandziuk had to say about John Diefenbaker, and regardless of who they choose at the convention to replace him, Dief would still be in there pitching as the leader. Now here is the complete following paragraph. "He also raked the government over the coals for the present abundance of Royal Commissions, saying that they do more harm than good," Nick Mandziuk - that's what he said. I see my honourable friend the Provincial Secretary - I guess he was up at that meeting - do you recall him saying that, because it's in quotes here. I know I often have ...

HON. STEWART E. McLEAN, Q.C. (Provincial Secretary)(Dauphin): Don't stop on my account, carry right on.

MR. SHOEMAKER: I have difficulty with my honourable friend though, because when I read statements of this kind he generally denies having been at the meeting. But I think he was there and no doubt he heard my friend Mandziuk make that statement.

Well, let's have this Bill go to a committee and let's find out what some of these experts have to say. We haven't got all the corner on the brains in Manitoba in this Assembly. There are a few people outside of this Assembly that have brains in abundance - brains in abundance - and I think it would be helpful to have them in giving us of their sound advice and ...

MR. SPEAKER: I interrupt the honourable gentleman to tell him he has four minutes.

MR. SHOEMAKER: Four minutes, thank you kindly. Now, Mr. Speaker ...

MR. EVANS: Mr. Speaker, on a point of order, the honourable gentleman is speaking on a matter already decided by this Legislature in this Session and I think he is out of order.

MR. SHOEMAKER: What is that specifically?

MR. EVANS: That Bill 56 be referred to Law Amendments Committee.

MR. SHOEMAKER: Well, we have talked about Law Amendments Committee, Mr. Speaker; we have talked about the six-months hoist; I must confess I have no intention of mentioning them any more. So I believe that we can reach a compromise. My honourable friend, I know, would welcome any compromise at this stage of the game so that we could proceed, and proceed in the manner that would provide outside information and outside expert help.

And so with that, Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Boniface, that the motion be amended by striking out all the words after "that" in the first line thereof and substituting therefor the following: "In the opinion of this House, much useful information could be obtained from citizens and organized bodies to improve Bill 56; that much useful information could be given to the people of Manitoba regarding the sales tax by having Bill 56 referred to a committee outside this House; and that Bill 56 be referred to a Special Committee of this House, to be named later, for study outside this House and to hear representations for a period of ten days."

MR. SPEAKER presented the motion.

MR. EVANS: Mr. Speaker, on a point of order, I seriously question whether this amendment is in order on the ground that this matter of reference of Bill 56 to a committee outside this House has already been decided by this House.

MR. MOLGAT: Mr. Speaker, on the same point of Order, I think if the Honourable Minister will look at the previous amendment he will see that it specifically referred the Bill to the Law Amendments Committee. This is a different committee that we are speaking of and there is the further proviso here that this be for a limited period of time which was not in the original resolution. The government was not prepared to support an unlimited study apparently; this brings in a new concept and a new committee.

MR. EVANS: If I might be permitted to make a further comment, it was open to the honourable gentlemen over there to offer a further amendment to the previous amendment if they thought it should have been refined at that time, but the principle of the matter was decided on the vote already taken and I would regard this motion as being out of order.

MR. MOLGAT: Mr. Speaker, on the same point of order if I may, the only principle that was decided on the previous vote was that it should not go to the Law Amendments Committee. That was the question before the House, not that there should not be a special committee set up to study the matter. However, Mr. Speaker, if you wish to take the matter under advisement it would be satisfactory to us.

MR. SPEAKER: Are you ready for the question?

MR. MOLGAT: You are accepting the motion then, Mr. Speaker.

MR. SPEAKER: Yes.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I would like to say a few words to the amendment. Mr. Speaker, we have had in effect a committee outside this House hearing representations already. My honourable friends of the Cabinet have been hearing representations now for about five weeks. Surely if they can hear these and make decisions, this whole House should have the right and so should all of the public have the right to speak and be heard and to make judgments at a committee outside this House. Apparently, some of these special interest groups have spoken with telling effect to my honourable friends across there because changes have been made and other changes are rumoured.

It is my understanding that province-wide the municipal people are extremely unhappy over the fact that they have to levy tax, a 5% tax on their purchases, and this is placing a tax upon a tax. Even a small community like Portage la Prairie, a 5% sales tax there on their estimated purchases for the year will mean 1 mill - 1 more mill for the people to pay there - and if we look at every community across the province, this is something that is worthy of consideration. The municipal people should be given the opportunity to be heard and not just be heard by the private ear of the Premier or members of the Cabinet; they should be heard by a House Committee.

You take the matter of truck leasing, office equipment leasing by hospitals and by municipalities, these are institutions or forms of government that are being supported by taxpayers' dollars already. Surely the case that they propose that there should be some exemptions in this field is worthy of consideration.

The other night when the Honourable the First Minister was castigating us on this side for proposing measures that would cost money to the taxpayers, the First Minister had a great deal to say about a resolution that I proposed, namely, in the field of housing. So we've heard from the lips of the Provincial Treasurer that it's going to add from three to four hundred dollars to the cost of a fifteen or \$18,000 house.

One of the members on that side has a resolution on the Order Paper calling on the Federal Government to remove the sales tax on many items in the building industry, and should not the people who are concerned in the building industry be able to make representations? I would think so.

We've heard a great deal in this House about what this government is supposedly doing in northern development. I've had a constructive suggestion made to me by a northerner that there should be no sales tax north of 53. After all, there are only about 60,000 people north of 53 and if each individual spent \$1,000 that was under the five percent, this would be about \$3 million less of revenue to the government but it would be encouragement to the people of the north and it would be an incentive for more people to live there and earn their livings there.

Well, Mr. Speaker, I think this amendment that proposes a limited length of time is something that this House should consider seriously, and let people be heard openly and not privately behind closed doors in speaking with the Premier, and let this House decide whether some of these special interest groups have a valid case or not and not just the First Minister and a few of his Ministers.

MR. SPEAKER: Are you ready for the question?

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I beg to move, seconded by the Honourable Member for Carillon, that the debate be adjourned.

MR. SPEAKER presented the motion.

MR. PATRICK: Mr. Speaker, if anyone wishes to speak he may do so.

MR. SPEAKER put the question and after a voice vote declared the motion lost.

MR. MOLGAT: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the Members.

A standing vote was taken, the result being as follows:

(MR. SPEAKER cont'd).....

YEAS: Messrs. Barkman, Campbell, Cherniack, Clement, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Johnston, Miller, Molgat, Patrick, Paulley, Petursson, Shoemaker, Tanchak, Uskiw and Vielfaure.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Roblin, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney, and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 25; Nays, 30.

MR. SPEAKER: I declare the motion lost.

MR. SPEAKER: Are you ready for the question?

MR. PATRICK: Mr. Speaker, I rise to support the amendment of the honourable member that the Bill should go to committee for further study, because there are many areas in this Bill that are not too clear on how it's going to affect many industries. For instance, if you refer to Section 3 subsection (3) in the Bill, Tax on Lease of Tangible Personal Property, and I would just quote a few lines of subsection (3): "For the purposes of subsection (2) of this section where the tangible personal property is subject of a lease, the tax shall be payable in rental, payable from time to time for the personal use of property leased and shall be paid at the time each payment of rental is due."

Well, Mr. Speaker, today there are thousands of contracts in existence covering leased equipment from many office supplies, from small equipment to large construction equipment, and this equipment is in lease for a period of one year, two years or three years. So certainly this is going to have a great effect on this leased equipment and going to disrupt the contracts as they are presently now. I feel that leased equipment also will include computers, IBM machines, where the rental is in amounts of thousands of dollars, Mr. Speaker. I feel since this equipment has already been leased under a lease contract and the interest rate has been figured on this lease to give the lessor a certain percentage back on his investment, then it would seem unrealistic for the lessee to be charged a sales tax now which I don't feel he'll be able to get a proper return on his investment.

There are many areas in this Bill as the one that applies to the leased equipment, Mr. Speaker. I know the Honourable Minister has told us and quoted many parts from the Carter Commission and what the Carter Commission has recommended in respect to laundry and dry cleaning. Well, this may be true, but I think he has taken it completely out of context because the Carter Commission has recommended a complete change, a complete new formula for taxation and they have included many other areas that should be taxed. So I don't believe that you can take it in the way that the Honourable Minister did and say, "This is what the Carter Commission has recommended," because I think that he's taken it completely out of context.

Now, Mr. Speaker, the Carter Commission has also recommended - and it's in the Chamber of Commerce Brief that I mentioned - "The Carter Commission in its recent comprehensive study of our national tax structure had many recommendations to make in the area of general tax administration. Chapter 32, Volume V deals with tax formation and calls for greater public participation in a parliamentary review of tax legislation. It proposed public discussion and hearing of all tax bills and notes that in an increasingly complex society it has become almost impossible for any small group of tax experts, restricted in their contacts largely to those who seek them out, to foresee the major implications of a proposal for tax reform, particularly one of a highly technical character. Such procedure should be adopted in Manitoba and we believe that it would provide opportunity to avoid inequities which can flow from tax legislation." So it also, I can say, it's in the Carter Commission that suggests this Bill should go to a committee for study and have public participation in it.

Mr. Chairman, I also feel that this tax is unjust because it also strikes the hardest on the people that can least afford it. We all know that almost half of the working population of Manitoba receive below \$3,500 a year and this in itself is a good indication that the people that can least afford this tax will be hit the most.

I have also mentioned that I feel home ownership is a very important thing and home ownership has given the people in Manitoba, and perhaps in Canada, a pretty good standard of living and I can't see why we should put tax on lumber materials for houses. I disagreed when the Federal Government put tax on lumber and I disagree now that we should have the five percent tax on building materials. I think this will also create a situation, Mr. Speaker,

(MR. PATRICK cont'd)....where there will be a decrease in home construction and as a result will probably affect employment in construction industry. I know for years, Mr. Speaker, all levels of government have encouraged home ownership as a basis of direct boost to employment and general economy of the country and I think it's wrong to put tax on materials that go for shelter, be it apartment blocks or houses.

There are many areas in this Bill that are not clear and I think it will affect many industries in a very bad way if we don't have it go to a committee, because as I pointed out in the leasing equipment in the construction industry and the office supplies where the leases have been signed for more than one year, I think this is going to have a great effect on these people and I cannot see where it is fair to put a five percent sales tax on existing contracts. I could see perhaps on new contracts but I cannot see any sales tax being placed on existing contracts that are presently in force, because certainly this is not fair to the people and they will not have the investment that they have worked in in these contracts. For these reasons, Mr. Speaker, I feel that this Bill should go to a committee for further study.

Mr. Speaker, what about the people who cannot afford to buy a home and must live in rental accommodation. If there is five percent sales tax on material, the rent is going to go up as well and there are many people in this area here in Winnipeg. So I feel that this Bill needs more study and more review before this legislation should be allowed to pass.

MR. SPEAKER: Are you ready for the question?

MR. FROESE: Mr. Speaker, I'd also like to make some comments in connection with the amendment that is before us on the second reading of Bill 56. The amendment states that they wish a special committee to be set up in order to hear representations and that this time be limited to 10 days. I think the people of this province should have the right to come before a committee of this type and make known their views on Bill 56 and on the tax that the government intends to impose on the people of Manitoba. I think this is a right that they should have, and we as members should have the benefit of hearing them so that we know where they stand on this matter, and I feel for one that the tax is far too high. We don't need five percent. We don't need the amount of money that the government is asking for in this Sales Tax Bill because the 19 divisions that voted themselves out will not get any benefits, at least from what I understand and the way I read Bill 89, there's nothing in it for them, and certainly these people should have a right to get the benefits of the taxes that they will be paying.

I have a copy of the British Columbia Government News before me which contains some of the budgetary items in that province, and we find the caption on top: "People's Budget Means Benefits for all Citizens". We're not going to benefit all citizens of Manitoba. We have some second-class people in Manitoba who don't deserve the proper financial support of their schools. We're going to limit the amount that these people will be getting towards their educational program for their particular school. This is not the case in British Columbia. On the other hand, they propose a record annual expenditure of \$739,381,000, which is \$82 million more than the previous year. Then the next item says: "No Increase in Taxes". This is something that I would look forward to in Manitoba if we could have a statement like that being made. However, every year we hear of new taxes being imposed, or other existing taxes being increased.

Then we go to see what kind of a problem they have, where their money is going to be spent. It says here: "Grants to Local School Districts will total \$101,100,000 or \$15,100,000 more than in the previous year as against a total of \$12,225,000 spent in 1951.

MR. SPEAKER: Order please. I wonder if the honourable gentleman intends to relate the facts he's giving to the matter under discussion, and that is Bill 56 and the motion before the House. I wonder how what is going on in B. C. could affect this in any way and the discussion that is before the House. I wonder if he'd assist me in that way.

MR. FROESE: I think I was just referring to the matter that they didn't have any tax increases whereas we're increasing our taxes here in Manitoba in order to get the necessary money, and I was just going to draw some comparisons between the two provinces, where they are spending their money and how we are spending ours. If I am not in order on this matter, I stand to be corrected, but I feel the members of this House should hear some of the information and in which way the money is being spent, in other provinces, that they budget for. We find, for instance, the homeowners' grants raised from \$110.00 in 1966 to \$120.00 in 1967 to a total of \$42 million. This reduces homeowner, school and other local taxes by that amount so that they have a tax reduction actually instead of an increase as compared to here in Manitoba.

(MR. FROESE cont'd).....

Grants to universities and colleges will total \$60,399,000 as against \$2,371,000 in 1951-52. That was the year that Social Credit came into power in British Columbia. Then for secondary schools, provincial funds provided for post-secondary education will total \$86 million as compared to \$2,944,000 in 1951-52. It's a terrific increase, the amount that the Province of British Columbia is making available through their budgets toward the education costs in the Province of British Columbia.

Student aid scholarships doubled from one million to two million and will pay 75 percent of fees of first-class students; 50 percent of fees of top second-class 3,500 students; and 33 1/3 percent of fees of the next 3,500 attaining second-class. This I think is outstanding in the way they are helping the students along that excel and those that will put an effort forward in acquiring education.

There is \$108,362,000 provided for British Columbia hospital insurance as compared to \$70 million in 1951-52. And so all along the line we see large increases being made for projects in British Columbia. We find, for instance, the Highways Department will get an additional \$8,262,000; the Civil Service an increase of \$5,400,000; and a Home Acquisition Grant Fund of \$25 million will be set up this year. The individual grants will be \$500.00 retroactive to April 1, 1966. This will certainly help to get young people established, acquiring their own homes and getting grants from the government for this. In this way they will certainly have future taxpayers in British Columbia, and many of them as you know do come from Manitoba and go there. It's the reverse in Manitoba, where people are leaving and as a result we have fewer taxpayers and therefore the tax load increases year by year.

Then, too, my reason for stating that I feel we do not need a five percent sales tax in Manitoba, Mr. Speaker, is that in the March 25th edition of the Financial Post we find graphs here of the money that will be made available from the Federal Government to the provinces, and here we have a caption: "How Dollars Flow Now" - that is under the current year - and we in Manitoba will be realizing equalization payments including a total amount of \$27.7 million. University grants on a \$5.00 per capita - \$5.1 million; and technical and vocational training and operating capital - \$4.8 million; a total of 37.6 million. The total per capita for the current year would thus be 39.2 dollars in Manitoba.

Now under the proposed changes they also have a graph showing the figures that we will be getting in the year 1967-68 under the proposed arrangements, and here it says in Manitoba the equalization payments will be 29.5 million. The fiscal transfer in respect of post-secondary education - 17.8 million; and extension of capital assistance for technical and vocational training - 5 million; a total of 52.3 million compared to the current year's 37.6 million, and the per capita amount for the ensuing year will be 53.9 dollars. So we are getting increased grants from the Federal Government towards our educational program and toward our budget here in Manitoba, and for that reason and certainly the other reason, if the non-divisions in this province - or the divisions that did not comply in the vote - if they will not be getting any additional revenue, then surely enough we will not require the five percent sales tax, Mr. Speaker.

However, if the government feels they want to persist and go through with this and the backbenchers are going to support them on this even though their electors will not benefit from it, then certainly I feel that I will request not only now but on future occasions that increased grants be made available for these divisions. They will be asked to pay the five percent sales tax. We will not be exempting a certain portion of the province, although the largest proportion of the populated part of Manitoba will be contributing and yet not receiving any benefits. This is very unfair and something that should not happen in a democratic country as ours where we consider ourselves free people.

So I also hope that when the Bill 89, which hasn't received second reading yet but which is to set up this financing committee, again we're referring the matter of grants to the committee under regulations and that we in this House will not have a say as to what the grants are going to be. This will be done by committee.

MR. SPEAKER: Order please. I fully understand the honourable member's feelings insofar as educational matters are concerned, but I trust that he is not using the matter before the House as a vehicle to expound his thoughts in that direction.

MR. FROESE: Well, Mr. Speaker, in order to comply with your wishes I will draw my remarks to a close then, but I feel that the amendment before us is valid and one that we as members of this House should support. I definitely feel that this Bill should go to a

(MR. FROESE cont'd)...committee outside of the House so that we could hear representations and benefit from the people's views in Manitoba.

MR. SPEAKER: Are you ready for the question?

MR. GREEN: Mr. Speaker, I rise to support the new amendment that has been put by the Honourable Member for Gladstone. In speaking in support of the amendment I wish to reiterate the remarks I made when I spoke in support of the previous amendment that was put by the Leader of the Opposition. I support this referral to committee, not because I think that the Bill can be improved but because I think the government should hear from other people their feelings on the Bill so that the Bill can be withdrawn.

I suggest, Mr. Speaker, that the bringing forth of this Bill has greater significance than has thus far been discussed in this House. I think that the present administration led by the First Minister came into power and continued in power in Manitoba almost -- that is that their program for Manitoba was based consistently on the fact that they would not and did not have to implement a sales tax.

MR. ROBLIN: I thought we made that clear in the last two elections.

MR. GREEN: Mr. Speaker, I don't know how clear the Honourable the First Minister made it but I accept his opinion - I accept his opinion that he says that this is not a true assessment of the Progressive Conservative program or his government's program.

MR. ROBLIN: Mr. Speaker, on a point of privilege, I don't ask my honourable friend to accept my opinion. I ask him to accept the fact that in speaking in the last two elections I made it clear there was no pledge about the sales tax.

MR. GREEN: Mr. Speaker, I reserve the right to -- and if my honourable friend can't take that kind of debate, then he should go where he was when the rest of the debate was in progress. I reserve the right to make my assessment of what this government and what this Party told the people of the Province of Manitoba. The Honourable the First Minister says that he didn't say there wouldn't be a sales tax; I ask the people of Manitoba to judge whether he said that or not. My impression was that this government has proceeded on the basis that they can govern without the implementation of a sales tax.

Let's recall what happened last year, approximately April of 1966. The First Minister at that time presented a budget which showed that he could govern without increasing taxes, and how did he do it? By taking \$22 million of the previous year's surplus and adding it to that year's revenue, and he proceeded on the basis that his government could operate without increasing taxes. I am not suggesting that he has made a direct misrepresentation and I don't suggest that; I'm suggesting that this is the basis upon which that government proceeded and that was my impression, and if the people of Manitoba got a different impression from him, Mr. Speaker, then I haven't heard it. He proceeded, and his government has proceeded from the outset, on the basis that they could govern without levying a sales tax, and I say that the bringing in of this Bill, from the Premier's own mouth was a declaration of failure.

Watching the Premier make his delivery to the House the other night, I was, Mr. Speaker, frankly, personally saddened by the fact that the Premier of this province who had all of the grand plans and all of the wonderful ambitions for the Province of Manitoba, came to the House and said we have failed; we can't do anything else but to impose what we always hoped we would not have to impose, and that is a sales tax.

I suggest, Mr. Speaker, that the members of that government sincerely and honestly - and I give them credit for this - feel that they have acted towards improving the condition of progress for the people of this province and for the industry of this province. I suggest that the reason that they haven't been able to accomplish their desires, and the reason that they haven't been able to materially alter the well-being of the people of this province without the imposition of a sales tax, is for the same reason that the members on my right, the Liberal Party, would not be able to do it. So I suggest, Mr. Speaker, that this is an occasion to note the philosophical failure of the position of these two Parties and every other Party that has tried to operate on the basis that the Liberals and Conservatives have operated in Canada.

Mr. Speaker, I accept the fact and my honourable friends have made mention of it, that the Province of Saskatchewan imposed a sales tax. It's not true they imposed a sales tax, they continued a sales tax, which didn't mean --(Interjection)-- they expanded a sales tax. Mr. Speaker, if my honourable friend who probably didn't listen to me - and I don't particularly blame him, he has the right to listen to what he wants to and not hear what he doesn't want to - I said in making my initial remarks that a sales tax did have some features of taxing the people who had the ability-to-pay more than it taxed the others, that it had some

(MR. GREEN cont'd)....of that feature, but the big objection to a sales tax is that the imposition or the creation of a sales tax creates an entire new bureaucracy, an administration which is doing nothing in the province but going about and collecting that tax. Thousands of retailers now become the servants of this government for the purpose of collecting tax, and nobody eats any better on account of it, nobody has a better home on account of it, nobody gets a better education on account of it, and nobody gets better health care on account of it, on account of that work that they are doing.

When the administration is there, the increasing of a sales tax has some - and I submit not universal progressive features - some limited ones, but the people of Saskatchewan did not create that bureaucracy; it was there. They used it without creating a new situation, but furthermore, the people of Saskatchewan did what the people in this province have never been prepared to do. They went without federal assistance and created a national health scheme first in the Province of Saskatchewan; without federal assistance they created a Medicare program for all of the people in that province; and I suggest that when they did these things, they added something to the sales tax. What new program has Manitoba created with the imposition of a 5% sales tax? They haven't created the national hospital program; they didn't go into it until there were Federal funds. They won't go into the Medicare program until there are Federal funds, and even when they go into the Medicare program they want to finance it all by an across-the-board tax on everybody in the province in the form of a premium.

But in any event, I am not here to suggest that the Province of Saskatchewan did everything right; I think they did many things wrong. I don't know the reason for it, but I think the most important thing that they did wrong was that they didn't develop the Potash industry collectively; that they didn't develop that as a Crown Corporation so that all of the material profits from the development of that resource were taken by the people of the Province of Saskatchewan; and I suggest that it's for the same reason that this government is going to be able to increase the gross national product for any year that it stays in office without materially affecting the distribution of wealth in this province. And don't we have a perfect example of that? We are probably going to increase the gross national product if this government succeeds in passing a sales tax, it will increase the gross national product merely by the amount of money that is spent in sales tax, and yet nobody will be any the better for it.

In this regard, Mr. Speaker, I suggest that this government, by introducing a sales tax, has admitted its failure, has really come to the end of its rope. And that's what we heard - I don't see why they should deny it - that's what we heard from the First Minister and that's what we heard from the Provincial Treasurer; we are at the end of our string. And that's where they are, they are at the end of their string. They admit failure and they bring in a sales tax, and I suggest, Mr. Speaker, that a government whose policies have failed should not be at liberty to impose this kind of a tax measure.

Mr. Speaker, I think that members probably feel that they have - especially over there - feel that they have heard enough from me. I wish to put something far more valuable than I said on the record. I have here a copy of Henry George's "Progress and Poverty", and I am going to read something that Henry George said about what I think is the situation in the Province of Manitoba. "In every direction, the direct tendency of advancing civilization is to increase the power of human labour to satisfy human desires, to extirpate poverty and to banish wants and the fear of wants. All the things of which progress consists, all the conditions which progressive communities are striving for, have for their direct and natural result the improvement of the material and consequently the intellectual and moral condition of all within their influence. The growth of population, the increase and extension of exchanges, the discoveries of science, the march of invention, the spread of education, the improvement of government, and the amelioration of manner, considered as material forces, have all a direct tendency to increase the productive power of labour. Not of some labour but of all labour, not in some departments of industry but in all departments of industry, for the law of production of wealth in society is the law of each for all and all for each, but labour cannot reap the benefits which advancing civilization thus brings because they are intercepted." And I suggest that that is what has happened in Manitoba, the benefits are intercepted and they are intercepted because we operate on a philosophically wrong basis.

Mr. Speaker, I am not going to go into a long address on the difference between the type of collective action that we in this Party feel should be taken and that that the government feels should be taken. But I do know this, Mr. Speaker, that Manitoba has a resource which I understand amounts to roughly half the nickel resources in the world. That resource has

(MR. GREEN cont'd)....been developed in the Province of Manitoba; it has increased our gross national product; it has increased all the statistics with regard to people working and what have you; but it hasn't increased materially or substantially or in any way the well-being of the average citizen in the Province of Manitoba, and yet that is the way this government persists in operating.

I was amazed to hear the Premier, just after the provincial election, announce the new developments that were going to be made by the International Nickel Company. He said they were going to take millions of dollars of nickel out of the ground, and he appeared very joyful because it was going to create jobs. Just imagine the Premier saying the same thing about his house. Let's say that he found somebody who was willing to remove everything out of his cellar and all the furniture, and it was going to create jobs for people moving to his house and people leaving his house, and after they were finished his house will be empty and yet he found this something to cheer about. We don't find it is something to cheer about, Mr. Speaker. We say that these resources are not being developed collectively for the good of the people of the Province of Manitoba and we say that the 5% sales tax and the other steps which this government has had to take have been taken because they operate on a philosophically wrong base.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I wonder if the Honourable Member for Inkster would permit a question at this time. I just wonder - he mentioned the Potash Industry in the Province of Saskatchewan, I have just been wondering if he can tell us what happened to the shoe factory that they took over in Prince Albert and didn't materialize?

MR. GREEN: My honourable friends persist in talking about a shoe factory that didn't go apparently, and they demonstrate this as a failure of a program such as we in this Party advance. Well, Mr. Speaker, in 1929 we had a crash, not of a shoe factory but of a nation, which led to the worst depression that civilization has ever known which led to a war in which 13 million people were killed, and they talk about a shoe factory as demonstrating the failure of Socialism. I suggest that there are much greater failures which can be attributed to the kind of system that he supports when he says, what happened to the shoe factory? What happened to Atlantic Finance?

MR. SPEAKER: I questioned in my own mind as to whether or not the question was suitable, but I believe the honourable gentleman has made his point and I wonder if we may proceed.

MR. MOLGAT: Mr. Speaker, I have a question on the answer that was given. Did I understand my honourable friend to suggest that the wars that he spoke about had been caused by Capitalism and that this was the reason for the war?

MR. GREEN: Mr. Speaker, we could have another discussion on this. I say that the war of 1939 was a direct result of the economic situation which the world found itself in as a result of the depression which occurred after 1929. That depression occurred as a result of the Capitalistic system.

MR. SPEAKER: I don't think we'll develop that situation any further. Are you ready for the question?

MR. EVANS: Mr. Speaker, I think I would like to say a few words on this occasion. I have been endeavouring to conduct a tax measure through the Legislature in fulfilment of the program that I announced to the Legislature in the Budget Address. It is my responsibility to do that and I have been trying to confine my efforts to doing that. I regard the Budget Debate as having been completed and I shall not enter into some of the discussion that has strayed into these debates as to whether the tax is justified, how much will be raised by it, and so on. I regard that debate as having been concluded and I'll not enter upon it. I think it is quite clear that the education debate belongs not only to another debate but to another department and I shall not discuss that phase of it, and I shall not enter upon a discussion of other social or political philosophy of my honourable friend from Inkster.

I do think, however, that in addition to trying to determine the rules of Parliament which should govern the conduct of business here, I find we should give some attention to what the responsibilities of government and what are the responsibilities of a Legislature. I would think that the very people in this room should be the experts on that matter, but I find that there is a basic and woeful ignorance of these matters on the part of a good many of the honourable members that have taken part in this debate. So I'm going to go back to fundamentals when I say there are at least two and perhaps three branches of the government: one is the Legislature and it passes the laws, but the other is the executive, and the executive is the Cabinet or the Government of the Day and they have their responsibility for carrying out and administering

(MR. EVANS cont'd)...the laws that are passed within the powers granted by the Legislature, and that's the system upon which I propose to conduct this discussion. It's the basis of parliamentary administration certainly in Great Britain and in British countries; it is carried to an even further degree in the United States where the executive is indeed separated from the legislative functions. In my view, this 600-year-old system that we are operating on is about the only human institution that has lasted anything like that length of time and it is still running effectively even in a modern world such as this, with minor adaptations, and we shouldn't fool with it. So I say that we should get back to the rules of the game and endeavour to stay within them and to carry on.

I say that as a preliminary because in my opinion the Opposition has now carried its obstruction of the executive branch of the government to the point of full-scale filibuster. There are slightly different reasons for doing it. The Liberals I regard as doing it for the purpose of hampering and harassing and obstructing the government in its responsibility to carry on the executive branch of this government and to administer the affairs of the province.

Now the Member for Inkster let the NDP cat out of the bag in his previous debate when he said in a little different words than he used today that he didn't regard it as a matter of taking this Bill to an outside committee to improve it. No sir! He said in a very loud and clear voice and he shouted, "is to kill it." Well my honourable friend is bringing in a new system of government in Manitoba under which pressures of public pressure groups would be brought to obstruct the policy of a government, to hamper and harass the administration of the public affairs of a province which is a difficult enough job in any case, and I would think that responsible opposition parties should consider their conscience when they adopt these tactics for whatever purpose. I'm not permitted to attribute motives but I say that this is what is happening.

To the extent that it succeeds, it will impose on Manitoba a dead weight debt of three to four million dollars a month. The expenditures will go on; the cost of schools and of hospitals and of social service, and the interest on the debt and all the other expenditures of government will go on, and if the revenue is not forthcoming the Opposition will have forced upon the people of Manitoba a debt at the rate of three to four million dollars a month and they cannot escape that responsibility. This --(Interjection)--well, the figures are merely mathematical. If my honourable friend isn't acquainted with mathematics, perhaps he should be. But this will be dead weight debt of the kind that my honourable friend from Lakeside pays such particular attention to. He has taken up his share of responsibility by voting for these various measures to delay and postpone this debate in an outrageous way. The matter was stood a couple of times - and I don't regret this - for the Honourable Member from Rhineland. He has a very great deal of work to do and on one occasion the weather was bad and he wasn't able to get here. I don't draw attention to that because I think my honourable friend, being alone in his Party, has a great deal of work to do, and if I do refer to the fact that it was stood on those occasions I'm not pointing a finger at him. But on each such occasion the opportunity was offered to other honourable members to speak and they didn't.

Well, I speak for the government on this Bill. With respect to this Bill, I speak for the government. It is my responsibility to get this Bill through the House; it's my responsibility to administer it when it's through the House and to be answerable to the public for it, and I accept that responsibility because I know it's mine, and what's more, I'll do these things if you stop obstructing the executive branch of the government and let me get on with my job.

But on each occasion on which this matter was stood for the Honourable Member from Rhineland, there was opportunity for any other member to speak. Then I requested my honourable friend from St. George to continue with his address one day and he said, "No". He insisted upon taking the adjournment. I didn't oppose it at that time. Then I waited for his address and he began with some remark to the effect that well almost everything has been said. Well it had. His contribution when he did make any remarks on the subject were negligible. There was no excuse in what he said for postponing the affairs of this administration to hear what he had to say.

Another somewhat similar occasion occurred from the NDP ranks when it was insisted that the adjournment be taken. The contribution on the next day was not lengthy and in my opinion could have been given on the first occasion when it was --(Interjection)-- Yes, and each one is entitled to his opinion; I'm giving mine. --(Interjection)--Well, the people's opinion I think will be known. They are a very sensible crowd, the people of Manitoba, and I think they recognize shenanigans in the Legislature about as quickly as they do a sham in any other port.

(MR. EVANS cont'd)...

Well then, to the extent that this succeeds, and I think my honourable friends should know it, the Opposition is forcing debt upon the Province of Manitoba at the rate of three or four million dollars per month. They should know it and the public will know it as they follow these proceedings. I assume this will continue. The opportunity is open to my honourable friends over there - limitless - one amendment after another. The technique doesn't need to be described to them. I was over there too; I know the techniques that are open. I think there are some restraints, however, that honourable members and Parties should put upon themselves and I think it was right for me to draw this matter to the attention of the House and of the public on the amendment that has been proposed.

So I think it may be quite clear that I am not going to vote for this measure to refer Bill 56 to a committee outside the House for the reasons that I have given, particularly referring to the new change in parliamentary procedure that my honourable friend from Fisher - not from Fisher but from Inkster - wishes to introduce into the British parliamentary system in his first term in a Legislature.

MR. DOERN: May I ask a question of the Minister?

MR. SPEAKER: Is the Minister prepared to accept a question? --The Honourable Leader of the New Democratic Party.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): Mr. Speaker, one of the privileges, the ancient privileges of a democracy, is the right of people and the people's representatives to be heard in Legislative Assemblies. I think this is basic; I think it is one of the privileges that has been fought for over the generations of free men, the right of freedom of expression, the right to state one's views and the right of others to condemn the freedom of choice and the freedom of expression.

What we have heard here this afternoon from the Honourable the Provincial Treasurer is the absolute reverse of the traditions that his Party in the past have so fondly suggested should be upheld, for my honourable friend the Provincial Treasurer today, in effect, said we on this side of the House should curtail our rights of expression and opinion because he is the Treasurer of the Province of Manitoba, and he also even went a little further than that to suggest that for the time being at least he was the government of Manitoba. Well we've had individuals who have been the government of nations and countries before and we've had to cast them out because of their adherence to that principle. It's rather strange, and I think it is really out of context this afternoon, Mr. Speaker, for my honourable friend to take this line of reasoning. If he really - really wants to impose upon those of us who happen to be on this side of the House such circumstances and conditions that would deprive us of the right of free expression in this House, in the rule book that we have there is provision for him and his government to do so, and mere prating about our lack of responsibility when at the same time my honourable friend has not got the gumption to invoke into this debate what he can do, and be responsible, is not just good enough as far as I am concerned.

Now I really hope and pray for democracy here in Manitoba that the Honourable the Provincial Treasurer did not really mean what he said. I don't think really and basically that my honourable friend would set himself up as a dictator or really would attempt to deprive those of us that happen to be on this side of the House the right of free expression. But he did say this in effect this afternoon, Mr. Speaker, and I think that it would only be right for me on his behalf to apologize to the House for even the suggestion, because my honourable friend, quite frankly and quite honestly at least in one portion of his discourse, did say around in effect: well boys and girls, when I was on that side of the House in opposition I did the same as you fellows are doing only I don't like what you're doing now even though I did it when I was on that side of the House. So in that, Mr. Speaker, he was reasonably frank, and my honourable friend the First Minister is smiling now because he can recall incidents, as I can, of similar circumstances in the past. So I do forgive my friend for his statement this afternoon and I'm sure other members of the House will be just as generous to my honourable friend as I am being at the present time.

My honourable friend went on to talk about the roles of government and the responsibility of legislators and I'm prepared to accept this. Then my honourable friend went on to comment on pressure groups. Well this is quite interesting to hear my honourable friend talk about pressure groups to harass government. Isn't it a fact, Mr. Speaker, that in this great Dominion of ours, after a hundred years of existence, we've come to know the effectiveness of pressure groups on government? Was not my honourable friend and his Party back in 1956, I believe it

(MR. PAULLEY cont'd)....was, joined by other agencies and organizations and individuals combined into a massive pressure group which caused the downfall of the Liberal administration at that time in respect of the pipeline? I admit, Mr. Speaker, I admit that it may not have taken place precisely outside the House in a committee attached to the House, but it was the result of a pressure group aided and abetted by the Conservative Party that brought about the downfall of a government.

I suggest, Mr. Speaker, that one of the roles in government in opposition is to so control or attempt to control the government of the day by pressure, be it pressure within the House or without the House, to see that the government does not enact legislation which is oppressive and which is not in the best interests, in our opinion, of the people of the province of which we have the honour to be representatives of. This is our function, I suggest, Mr. Speaker, and with all due respect to my honourable friend, I cannot accept the statements that he made here this afternoon. Pressure groups? Mr. Speaker, we have before us numerous pieces of legislation at the present time, legislation dealing with the question of coloured gasoline; legislation dealing with other matters as well. We had a pressure group dealing with the question of removing the five percent tax on heating facilities in the Province of Manitoba, and as a result of that pressure this government capitulated and we've enacted legislation to change it.

Now of course my honourable friend, the sole spokesman of government in Manitoba by his own words this afternoon, may properly turn around to me and say, well it wasn't really pressure that did all of this, it is simply because I changed my mind. And that is in effect what he has said today, because I have decided that Bill 56 is good, because I have decided that's the only way in which we can raise the necessary revenues to produce the facilities for the Province of Manitoba, then you boys on the other side of the House, for goodness' sake accept it.

My honourable friend mentioned in his discourse the question of conscience. I say to my honourable friend, Mr. Speaker, I too have a conscience and that conscience directs me to oppose the proposition of the government. When he referred to my honourable member for Inkster as introducing into this House a new concept of the parliamentary system of the British Empire and its components in the commonwealth, I suggest to him he better take another look at history, because this has been the role of parties in opposition, alternative measures to government, and without it, I respectfully suggest, Mr. Speaker, that democracy would perish from this earth, and certainly if this province was to adopt the principles enunciated by the Honourable Provincial Treasurer this afternoon, surely democracy would perish from the Province of Manitoba. I have a conscience; I have a purpose as a legislator of this Assembly to see that it does not perish; and I suggest to my honourable friend that as troubled and disturbed and aggravated as he may be that we have not progressed as quickly in this debate as he would have liked us to have done, he must accept it. The government, I suggest - and I'm not asking them to do it and I'll protest and vote against it as vigorously as I can - but the government has methods they can use in order to bring about what the Honourable Provincial Treasurer is desirous of bringing about, but let him not try to do it by condemning our right of freedom of speech in this Assembly and the freedoms of acting in what we think is a responsible way.

And what is the amendment that we have before us? To take the matter outside of the House so that we may have the benefit of the observation of pressure groups? Of course it is - of course it is - but this is part of the democratic process, I respectfully suggest. And I want to say too, Mr. Speaker, one other thing in conclusion, because it's not my objective to continue long debate now, but I want to say to my honourable friends when they talk about their responsibility, when the Provincial Treasurer talks about he being the government of Manitoba in this respect, I want to remind my honourable friend that they who are about to impose through their majority in this House a five percent sales tax in Manitoba, only represent 38 percent or less of the taxpayers, the voters of the Province of Manitoba. So let's not kill democracy; let's support it.

MR. ROBLIN: Mr. Speaker, I do not rise to take part in the debate, but as it would now be convenient to ask His Honour the Lieutenant-Governor to give consent to the two money bills we've passed, perhaps you would like to just have an interval while I take the opportunity of escorting His Honour into the House.

MR. MOLGAT: Probably the First Minister would consider adjournment of debate in that case, Mr. Speaker; if it would facilitate the work.

MR. ROBLIN: My honourable friend is full of suggestions but none of them are very practical or useful.

MR. MOLGAT: My honourable friend's temper is not improving, Mr. Speaker.

DEPUTY SERGEANT-AT-ARMS: His Honour the Lieutenant-Governor.

MR. SPEAKER: May it please Your Honour, we, Her Majesty's most dutiful and faithful subjects, the Legislative Assembly of Manitoba in session assembled, approach Your Honour with sentiments of unfeigned devotion and loyalty to Her Majesty's person and Government and beg for Your Honour the acceptance of these Bills:

Bill No. 91, An Act for granting to Her Majesty certain sums of money for the public service of the Province for the fiscal year ending the 31st day of March, 1968.

Bill No. 92, An Act for granting to Her Majesty certain sums of money for the public service of the Province for the fiscal year ending the 31st day of March, 1967.

MR. CLERK: His Honour the Lieutenant-Governor doth thank Her Majesty's dutiful and loyal subjects, accepts their benevolence and assents to these Bills in Her Majesty's name.

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MR. SPEAKER: Are you ready for the question?

MR. MOLGAT: Mr. Speaker, before you put the question, I really feel that I should say a few words. The speech of the Provincial Treasurer has spurred me on.

You know, it would be an understatement, Mr. Speaker, to say that the front bench across there have the gall of Jesse James. They've got the gall of twelve Jesse James. To have made a speech of the type that the Provincial Treasurer made to this House this afternoon, following on similar speeches by my honourable friends opposite, because we've had them before during the course of this Session, shows clearly the philosophy of this government that the Opposition is here to rubber stamp what my honourable friends opposite on the front bench want; that automatically whatever they want to put in we on this side should say "aye, aye", in the way they apparently have been able to get from their backbenchers.

My honourable friends talk about obstructionism. Mr. Speaker, if there was any desire to obstruct on this side of the House, look at what, for example, we just finished accomplishing a few minutes ago - those money bills. The government asked us the other day for leave; they got unanimous leave from this side of the House, and we passed their money bills with no difficulties whatever. Let my friends reflect on what goes on in the House in Ottawa where their party is in Opposition and where every month they go through an unending debate on the matter of interim supply. If there was any desire to obstruct on picayune matters, Mr. Speaker, the opportunity is there for the Opposition to do so, but there's been no attempt to do so. But when we come along to a fundamental like this one, let me tell my friends across there that they're not going to get "aye, aye" submission from this side, and I would hope that their backbenchers will give some thought to this too because, Mr. Speaker, look at what has been the course of this debate on this bill. The Bill was deposited on my desk at 9:00 o'clock Monday the 20th of February, 1967. Since that time a month and 10 days have elapsed. When did the government come out with any further information about the bill, Mr. Speaker? On Tuesday night of this week. Tuesday night of this week was the first statement we got out of the government as to any details of this Bill. We asked them for the regulations - a reasonable request when you're dealing with a bill of this type; and, Mr. Speaker, they have those regulations because the Provincial Treasurer read from them on Tuesday night. That's what he was reading from in this House. He quoted item by item, in great glee, for example, the one on children's clothing. He thought it was a great joke. He's got those regulations, Mr. Speaker. He can read from those sections that he wants but he doesn't give the House the balance of the information. The rest of it remains secret. I don't even know if the backbenchers across there know it. Presumably the front bench does. And they have the gall, Mr. Speaker, to speak and say in this House that we should pass this Bill and that any speeches on this side are obstructionism.

Mr. Speaker, I think it's high time that some gentlemen across there revised their own techniques, because for the past month and ten days, Mr. Speaker, there has been constant and consistent lobbying by certain groups on the Cabinet Ministers across. There have been shifts in government policy. There have been meetings of all types with the Premier and with certain select members of the front bench. I don't know who is aware of all these matters but we certainly aren't on this side of the House. There have been shifts in government policy of which this House is not advised. We will end up, Mr. Speaker, with a bill that may be a totally unsatisfactory bill because it's been done in secret by my friends opposite.

What is it that we've asked for on this side of the House? Mr. Speaker, the first amendment that was proposed was a very simple amendment, and had the government got up then and accepted it we would have been in Committee of Law Amendments for many days already; possibly would have completed the work; but my honourable friends were not prepared to accept two very reasonable requests: 1. to give us the regulations at once, because on a bill of this type the regulations are more important than the Bill itself insofar as the impact on people. And the other one was to send it to Law Amendments Committee. And the government refused to do both those things. It was only then, Mr. Speaker, that a second amendment came forward to kill the Bill. Surely that first request was a reasonable one and one, I'm sure, that many of the backbenchers across would have been prepared to support.

I might say, Mr. Speaker, in all this I should express my sympathy to the Provincial Treasurer. It's not really his fault. He's been badly stuck - there's no question about that; because the man who stuck him is the Premier who had been the Provincial Treasurer until this unpleasant year and has given this nasty job to someone he, I presume, wants to shunt aside.

Mr. Speaker, what is it that we're asking for now? I ask the backbenchers across there

(MR. MOLGAT cont'd.) to look carefully at what the amendment proposed this afternoon asks for. First of all it declares that much useful information could be obtained from citizens and organized bodies to improve Bill 56. Now is there anyone, Mr. Speaker, who can deny that? It's been going on, as I pointed out, but going on in secret. Some submissions are accepted and some submissions are refused, but the House doesn't know what those submissions are and the people of Manitoba don't know what those submissions are. But they're going on. If these were made in public, Mr. Speaker, there could be many substantial improvements made, I'm convinced, in the Bill, that would make it a more workable Bill once it gets into operation. The government cannot claim, Mr. Speaker, that they have all the answers. Certainly they have the experience of Saskatchewan and Ontario to go to but we've seen Bills before, Mr. Speaker, come forward from my honourable friends opposite and get amended, frequently by themselves, frequently as a result of pressure groups from outside, and frequently as a result of amendments from this side. The last time we had a major revenue bill before us, in 1964 the government was proposing, for example, a land transfer tax. Mr. Speaker, it never saw the light of day. It was pulled out by my honourable friends themselves as a result of some pressure upon them. Is it not conceivable that this Bill as now envisaged does not have in it many items that should not be there or changed? Is it not reasonable, Mr. Speaker, to expect that the people who will be dealing with this Bill, the people who will be collecting the money, whether they're shoemakers or dry cleaners or retailers or they're in the garage business, there are so many intricate matters in the Bill, Mr. Speaker, that only they who know their business are in a position to give us the details that could make this into a workable bill?

The next item that we say, Mr. Speaker, is that much useful information could be given to the people of Manitoba regarding the sales tax by having the Bill referred outside. Mr. Speaker, is this not a reasonable suggestion? We spoke a couple of days ago about the advertising campaign of my honourable friends opposite. I don't know if they're shifting the advertising campaign or not, Mr. Speaker, but I know this: that a number of people were approached in this province to appear on programs as a result of the advertising agency hired by my honourable friends to sell the sales tax. Not just information on the sales tax, as my honourable friend claims, but in fact to make the sales tax look good. We could, Mr. Speaker, in a Committee of that sort inform the public. The news media would have, as normal, full access to the Committee and would be doing a public service in giving the information.

So what is the conclusion that we draw, Mr. Speaker? We cannot refer it to Law Amendments. That was decided by the House. We are suggesting, therefore, another committee to be named by the House itself - my honourable friends will have a majority on that committee - and to sit outside of this House. Now the government apparently is afraid that if it goes outside the House, Mr. Speaker, it will go on ad infinitum, that there would be representations in Committee on and on and on and on. Well, in order to allay those fears, Mr. Speaker, we're suggesting that there be a limitation on the period of time outside the House. We feel that in a period of ten days, by advising people in advance, scheduling their appearances, we should be able to accommodate those who want to appear. There will be no undue delay, Mr. Speaker. There will be no possibility of the Bill remaining in Committee for months. There's a limitation. But there's an acknowledgement, Mr. Speaker, of our responsibility to the people of Manitoba because we have accepted in this House the rule that our bills go out of the House to a Committee. The government says, "Not money bills." Mr. Speaker, we have shown that on many occasions in the past money bills have gone out - or tax bills have. So if there is such a rule it is only one in the minds of my honourable friends on the front bench opposite; it is no rule of this House. But I think it is an infinitely good rule that we say to the people of the province: Every one of you is free to appear before our Committee. You are free to participate in the degree that you wish in the formulation of our laws and in getting information to us.

Mr. Speaker, we had one of the honourable members opposite the other day, the Honourable the Member for St. Matthews constituency, specify that he was going to support second reading of the Bill to change the liquor laws so that it could go to Committee, so that he could get the benefit of the views of the public. Mr. Speaker, isn't there here exactly the same situation? I would like the backbenchers on the far side, Mr. Speaker, to consider the amendment we're proposing here. This is not an amendment that will defeat the Bill. I recognize that in their Party responsibilities they have to support the Bill. I presume that's the pledge they made to the First Minister. But, Mr. Speaker, what we're asking them to do now is not a defeat of the Bill. What we're asking them to do is to give the people of Manitoba an opportunity

(MR. MOLGAT cont'd.) that the people of Manitoba want to have, and let them question their own constituents if they will. Let them question themselves right now, Mr. Speaker, if they will, whether they are not in agreement that this would be a wise course to follow. Mr. Speaker, if this government persists in the manner in which it is doing now on this Bill, the feeling that is now widespread in Manitoba that we have an arrogant government who will cram anything down the throats of the people will become totally entrenched. And I warn my honourable friends, the backbenchers across the way, you will have to explain that in your constituencies.

This amendment is not a defeat of the Bill. I am prepared to say, Mr. Speaker, that if my honourable friends opposite accept it we will not consider this a want of confidence in the government. We are prepared to say that it is a motion of the House in the general public interest. I'm not particularly interested that it be attached to my party or to any other group, but it is of concern to the people of Manitoba, Mr. Speaker. So I appeal to my friends across the way on the back benches. This is not a want of confidence motion but it's a motion in the public interest and it should receive their support.

MR. SPEAKER: Are you ready for the question?

MR. JOHN P. TANCHAK (Emerson): Mr. Speaker . . .

MR. SPEAKER: I wonder if I might take a moment. The last four speakers in my calculation took somewhat of an hour and there were very many important things said and had to be said, and so far as I am concerned no harm has been done but possibly a lot of good. But I do feel that it is reasonable to expect that from this point forward that the remarks of the honourable gentlemen will be directed toward the material before the House. I am not saying for one moment that what the four gentlemen I referred to a moment ago did not refer to the detail before the House, but at the same time they left the area under discussion for a considerable period of time and I'm merely appealing to the House to keep to the motion before the House and its amendment.

The Honourable Member for Emerson.

MR. TANCHAK: Mr. Speaker, I'll try to confine myself and try to adhere to the matter before us. As I got up I was just going to say that I did not intend to speak, and I really mean it. But when I heard the Provincial Treasurer get up - I think it is my privilege to answer him on this - and he starts attacking our conscience, I for one sitting here felt that he was directly attacking me. I have only spoken once on this matter only for about five minutes, and it stems from the idea or from the fact that the government has resorted to closure. Then the government gets up, the Minister gets up - he called himself government so I'll say it's the government - and he tries to appeal to our conscience and "let us get this Bill through," and implies - "if you have a conscience." I would like to believe that I have a conscience and I would like to believe that I always had a conscience and I know that my colleagues also have a conscience. And my conscience and our conscience on this side tells me that it is our duty to protect the people of the Province of Manitoba, and that's what we are trying to do. And have we accomplished anything so far by all our speeches? I would dare say we have accomplished something. Not too much, but we have accomplished and I think it's justified, and I feel that I have worked or have guided myself according to my conscience.

What have we accomplished? We've got the increase of non-taxable items, purchases, from 21 cents to 26 cents; originally it was much lower. And I think that we can take full credit for that because we could have accepted this Bill in one day. It would have gone through in its original form and would have been law by now if we wouldn't have spoken on that. We have also accomplished something else: free purchases of \$100.00 from other provinces. So we have accomplished something and I think that my conscience is clear and I think it's important enough to debate this. It's important enough to have this go to another Committee and have it studied.

Now, talk about the conscience. I would like to ask the government and ask him: Has this government, has the Minister, has he had a conscience? I would say that this government never did have a conscience, hasn't got a conscience, and is not going to have a conscience - nothing but arrogance. And now, talking about conscience, I'll go back to June 23rd. How dare the Minister get up and talk about conscience. Where was the conscience of the government on June 23rd when the government went to the people and asked the people to cast ballots in their favour.

MR. SPEAKER: Order please. I spoke of keeping within the terms of the motion before the House, not the election that took place on the 23rd of June. Would you be good enough to

(MR. SPEAKER cont'd.) co-operate with the Chair in order to get on with the business of the House?

MR. TANCHAK: Thank you, Mr. Chairman. I agree with you that I was a little off the subject, but so was the Minister when he attacked us at that time on the conscience, and I said it is my privilege to defend myself and that is all I was trying to do.

MR. SPEAKER: I am not denying the honourable gentleman his privilege. He knows that very very well. I am just asking for his co-operation.

MR. TANCHAK: Thank you, I will try to co-operate, Mr. Speaker. I think that this amendment is a very good one because there will be many many questions brought up before the Committee, certain questions that have not been touched upon yet, and I know that these questions when answered will be of great benefit to the legislators here and also benefit the people of Manitoba. Everybody knows, and the people who would come to this Committee know and they realize, because they all have a conscience, they realize that the Province of Manitoba needs the money and when they make their presentations they'll have that back in their minds, and they all know that the only way that the Province of Manitoba could obtain any cash would be through taxation of its people.

Now, how to raise the money by this sales tax, and we heard the cry before from the Premier who said the Opposition has no alternative. A desperate cry. I do not think that it is our prerogative to give an alternative at the present time unless the government wants to vacate its seat and give us the reins of the government. We have a policy and that policy will be disclosed at the next election. -- (Interjection) -- The Opposition hasn't got the same responsibility of directing the finances of this province - that is, right now. It is the government who has that responsibility.

Now all this boils down to the fact -- and I am sure that the people of the Province of Manitoba do understand it, and I am sure that it would be brought up at this Committee. They would appeal to the conscience of the government, if the government had any; the people at this Committee would certainly appeal to that. The main problem is, and the people know it, that in order to achieve power in the past, and even in the future, this government in a way misled the people by promising that there will be no extra tax and better services; and, Mr. Speaker, I'm not going to take up more time - I didn't intend to speak more; but would you please tell the government, remind them, that the chickens are now coming home to roost.

MR. SAUL CHERNIACK, Q. C. (St. John's): Mr. Speaker, would the honourable member permit a question?

MR. SPEAKER: Would the Honourable Member from Emerson permit a question?

MR. CHERNIACK: Will you permit a question?

MR. TANCHAK: You may ask it.

MR. CHERNIACK: Well I am wondering if, as a responsible member of the Legislature, he is prepared to tell us now rather than make us wait for several years, just what the Liberal program would be as an alternative form of raising revenue for the purposes of government?

MR. SPEAKER: Order please, order please. I believe that question is out of order.

MR. TANCHAK: I am willing to answer but if it is out of order . . .

MR. SPEAKER: Yes, well you can get together outside.

MR. SPEAKER put the question and after a voice vote declared the motion lost.

MR. MOLGAT: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

A standing vote was taken, the result being as follows:

YEAS: Messrs. Barkman, Campbell, Cheriack, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Harris, Hillhouse, Miller, Molgat, Patrick, Pauley, Petursson, Shoemaker, Tanchak, Uskiw and Vielfaure.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Roblin, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney and Mesdames Forbes and Morrison.

MR. CLERK: YEAS, 23; NAYS, 30.

MR. SPEAKER: I declare the amendment lost. Are you ready for the question?

MR. EVANS: Mr. Speaker, before the main motion is closed I might try to comment . . .

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Speaker, if my honourable friend is closing the debate I would have a few words to say.

Mr. Speaker, the reason that I wanted to take a small part in this debate having spoken

(MR. CAMPBELL cont'd.) only once on one of the amendments, was because of some remarks that my honourable friend the First Minister made a day or two ago when he criticized in rather intemperate terms what the Leader of this group had said, and he used the expression that "that's the kind of thing that you say when you are out on the stump and there's nobody around to contradict you." Now I certainly do not agree with him so far as the remarks on that occasion were concerned, but he went on to develop this theme a considerable distance, and it occurred to me that this was an opportunity where for the third or fourth time I might have the chance to ask my honourable friend once more about something that he said when he was out on the stump and there was nobody around to contradict him. I've asked him at least twice, maybe three times, in the Chamber to comment on this statement, and I maintain that I am in order in speaking on it, Mr. Speaker, for the simple reason that we are discussing taxation policy, we are discussing financial policy, and I want to give an example, an actual and emphatic example of the kind of thing that some people say when they are out on the stump and there is nobody around to contradict them.

It isn't the first time I have raised it here, Mr. Speaker. You may recall that on more than one occasion I have referred to the speech that my honourable friend the First Minister made in Portage la Prairie on May 11, 1959. My honourable friend was flushed with the fact that he had achieved a minority government position and had carried on the government of the province for a few months, then he had manufactured an excuse to hold an election on the hope that he could get a majority. He was out on the campaign stump and he chose my own home town, Mr. Speaker, to make a speech that I think is a crowning example of what he mentioned in the House the other day, of the kind of thing that some people will say when they are out on the stump and there is no one around to contradict them. Well, I've been around a few times since to ask my honourable friend about it. He has never yet replied and I gather that he can take the opportunity to reply now if he wishes to. My honourable friend was very proud of this speech. He was rather proud of the fact that he delivered it in Portage la Prairie, I think. He went to Portage la Prairie to tell them something about the financial administration of the predecessor government and the policies of his government, and he was so proud of it that quite a few copies were distributed. I managed to obtain one of the copies and I am quoting from that copy when I want to give an example once again of the kind of thing that people will say when they are out on the stump and there is no one around to contradict them.

I am quoting from Page 9 of that particular speech. My honourable friend was talking to a combined meeting of Portage la Prairie city people and Lakeside people, and here I want to quote him verbatim, Mr. Speaker. He said: "Well, they say, 'If that isn't the case we know what you are doing. You are plunging this province into debt. Oh yes, you are piling up a record of debt and a debt burden which we won't get out from under for 50 years.' Words to that effect are being used by Opposition leaders in this province. Why I believe it was reported in the newspapers that Mr. Charles Greenlay, speaking in this very City of Portage la Prairie, said that we were adding \$5 million to the interest charges of Manitoba, and while I can hardly credit this, it is at the same time reported by a reputable newspaper that Mr. Campbell, speaking in Roblin, raised the ante to \$20 million interest that we were piling on the backs of the taxpayers of Manitoba.

"Well, my friends, the facts are here; they're in the estimates. If any of you would like to get out your pencils, I can give you a very interesting little exercise in arithmetic in dealing with the interest burden here in the Province of Manitoba. We pay interest on the public debt, and here it is: The amount of interest that we are being asked to pay on the public debt of Manitoba - and the year that we are being asked is the year to come - comes to the grand total of \$9,684,000-odd and that's a lot of money. That's the money that we pay out to the bondholders of the Province of Manitoba who hold our debt; it's a charge that is registered here in these estimates.

"But, fortunately for the people of Manitoba, it isn't all paying out; some of it is paying in, because the purposes for which this money has been borrowed and other resources that are open to us, pay the Government of Manitoba interest. In other words, we have interest expense - and I've given you the total - and we have interest income. We collect interest from the Manitoba Telephone System, from the Manitoba Power Commission, from the Manitoba Hydro-Electric Board and from other loans and investments, just like the bonds of the City of Portage la Prairie, which we have bought to give you the money to support, for example, the water disposal, the water system here in connection with the Campbell Soup Plant, with the Winter Works Program and other matters of that sort.

(MR. CAMPBELL cont'd.)

"And what do you suppose is the total income from these interest sources to the Treasury of Manitoba? Well, if you still have your pencils out, write down this figure. Our interest income is \$9,676,000—odd and if you subtract what we get from what we have to pay out the difference is \$7,827.00. That, my friends, is the interest burden on you as a taxpayer. Mr. Greenlay is adding it up to \$5 million; Mr. Campbell says it's going to be 20 million; but the actual burden that the Provincial Treasurer has to draw upon from the Provincial Treasury that you build with your taxes, is \$7,826.00 for the coming year. I think that represents an interest and a bond and a borrowing situation that we can be satisfied with. And when they didn't tell you about that, they didn't tell you something else, and that is, during the last fiscal year we retired about \$20 million of Mr. Campbell's debt. We paid off, the government of this province, in the past year almost \$20 million of Mr. Campbell's debt, so when they talk to you about these matters, I say to you, let us not be deceived."

That's the end of the quotation, Mr. Speaker, and my honourable friend had the effrontery to make a statement of that kind and end it up, that part of it, with "Let us not be deceived." And the thing that he was doing above everything else was deceiving the people who were at that meeting. Does anybody with an ounce of understanding of the finances of this province, suggest that they had paid off that \$20 million? Yet that's what he was trying to let the people in my home district believe; trying to convince them that that had been done. That money had been paid off with the funds accumulated during our time and previous administrations.

Now that's the kind of thing that some people will say when they're on the stump and nobody's around to contradict them. And yet, Mr. Speaker, I did say in Roblin, I did say that with the government acting the way it was doing, with the programs that they were putting into effect, with what they were advocating, with the kind of business management that I realized they would be giving, I did say that in 10 years we would have a \$20 million interest debt to pay. That's what I said, and, Mr. Speaker, I was wrong, because they reached it in less than eight years - \$20 million. Gross figure, just the same as the gross figure that my honourable friend was talking about. That's what I did say, and I gave them 10 years to arrive there but they made it in eight or less; and my honourable friend, though I have given him two opportunities before this in this House to quote this to him, has never yet tried to tell us what he was trying to convey to the people of Portage la Prairie and district at that time. I couldn't help trying once again on this matter, Mr. Speaker, when my honourable friend, in a fit of passion a day or two ago, referred to something that my Honourable Leader had said as the kind of thing that somebody will say when they're out on the stump and there's nobody around to contradict them. I've contradicted my friend twice on this and he hasn't yet told us exactly what he meant by that statement.

Mr. Speaker, I wanted to place a few figures that bear more on the current situation, and again I suggest to you that this is in order, Mr. Speaker, because we are discussing now whether we should impose a five percent sales tax on the people of the Province of Manitoba. That's a big question and an important one. It's worthy, I think, of serious and mature and considered discussion in this House. Any suggestion that time is being wasted -- if my honourable friend the Provincial Treasurer were in his seat I would take the opportunity to comment on the statement that he made but seeing that he isn't I'll skip it. But surely no one in their senses would criticize the Opposition for wanting to canvass every method before we agree to the imposition of a five percent sales tax upon the people of the Province of Manitoba.

I do not intend to enter into a discussion with my friends, whom I greatly appreciate and respect, in the New Democratic Party because I have always given them the credit that I think is deserved, that they believe in what they're saying. I think this is true. There are some people in the Chamber that I can't be quite so charitable toward but with my honourable friends, I do not agree with their position but I certainly do recognize that they believe in the policies that they advocate and they really believe, I think, sincerely, that increased expenditures are not in themselves a major burden upon the taxpayer; they think that the taxpayer wants services, they should have the services and that the taxes must be raised to meet them. The place where they and I differ greatly is in what services the public really wants. Do they really want all of these services that my honourable friends, and most politicians - and I agree, most politicians - these times are insisting on thrusting upon them. I think a lot of it is that the politicians sell to the public the feeling that they want these services, and they conveniently forget to tell them at that time what they're going to cost, and this is one of the major faults of the present administration, Mr. Speaker.

(MR. CAMPBELL cont'd.)

It is true that my honourable friend the First Minister and his colleagues, they did try to convince the people of Manitoba that they were not going to have to raise taxes. They were so sure; they were so sure. And in the early days I think that they too were sincere in this view. I believe that they honestly thought that they were going to be able to spur the economy in such a way that the more rapid rate of economic progress in this province would itself take up the added expenditures and that raising taxes would not be necessary. I think they were sincere in that. And then they found that the economy didn't respond in the way that they had thought that it should respond, and they started on this procession of raising taxes; and it has never stopped, Mr. Speaker. And as someone has said earlier in the debate this afternoon - I think it was my honourable friend from Inkster - we're right at the end of the road now. We've got the very last source of tax practically that you can get, and it's being instituted at a very heavy rate.

But to come back to this question of whether taxes matter or not. Mr. Speaker, this is the place where my honourable friends in the NDP and myself are far from being in agreement because I belong with the group of people who believe that in this country of Canada and in this Province of Manitoba, that we being an exporting nation and an exporting province, that we have to keep our costs competitive and you simply cannot continue to supply all the services that the politicians decide to thrust upon the taxpayer and to have continual rising and rising and rising costs of production without finding that you're going to have difficulty selling the very goods that you want to sell.

My honourable friend the Minister of Agriculture, unlike his First Minister and unlike his predecessor, recognizes the fact that the things that mean most of all to agriculture belong in the federal and even in the international sphere rather than in the provincial, so far as services are concerned. And this is a fact. This is correct that even with our wheat crop, which we depend so greatly upon not only in the Province of Manitoba but in Saskatchewan and Alberta as well, if you're going to continue to have this cost-price squeeze that we hear about - and goodness knows it's serious enough - you're going to get the squeeze on the price end of it to where even our wheat, in spite of its splendid quality and high standard and high reputation in the markets of the world, is still going to not be competitive. And with other goods; this is so self-evident, Mr. Speaker, that nobody should need to take time to argue it. So that costs do matter and taxes are a major part of costs, particularly in these times.

My honourable friend the First Minister says: what would we do about it? Now let me once again be quite specific in that I'm speaking for myself; I'm not speaking for the Party in this; but one thing that you can do about it, both provincially and federally, Mr. Speaker - and I put the Federal Government right in the same category as the Provincial Government in this regard - one thing you can do about it is for somebody to start thinking about expenditures. Somebody should start thinking about keeping expenditures down, and it's time that Canada as well as the Province of Manitoba did that. But to say that -- and I certainly don't exempt the Federal Government from criticism in that regard - but to return to the Province of Manitoba.

My honourable friends who came in here with the first flush of forming a government decided that they were going to not only arrest the slow pace of progress of the previous years, as they deemed it to be, but that they were going to usher in a new era of great expansion, and where were they going to start? Exactly on the same things that my honourable friends the New Democratic Party would have started on. They adopted a straight New Democratic Party policy and they were going to concentrate on education and on health and on welfare, the so-called social services - the more or less bread and butter services, Mr. Speaker. They were sort of "a let's tag along." But the great revival in the Province of Manitoba was going to be based upon the social services, and my honourable friend the Minister of Education now, has simply duplicated in education what he previously did in health and welfare, of selling to his government a bill of goods. With his remarkable salesmanship and his undoubted dedication he simply succeeded in selling to them in both departments a bill of goods that they did not realize the cost of. They didn't realize it at the start; I'm not sure that they realize it now; but they're going to realize it before they get this present educational mess unscrambled, Mr. Speaker. And they didn't realize it in the field of health. Why, with hospital services now more than double -- (Interjection) -- that's right, and we brought it in for exactly the same reason that I mentioned time and time again, because of the politicians in Ottawa and another province, and it was the Liberal Government in Ottawa and because one of the politicians there and one of the premiers of one of the provinces were engaged in a game of jockeying one another to see who

(MR. CAMPBELL cont'd.) could get the most credit out of a hospital program, that they finally jockeyed one another into the position of bringing in something that the country wasn't ready for at that time. And the Federal Government later on has brought in another program and engaged in an advertising campaign, I freely admit, that the country isn't ready for either. And these things are costing the people of Canada and the Province of Manitoba so much money that somebody has got to start talking about arresting this trend toward big government.

Now there's no chance of our honourable friends in the front row doing it, and by that I mean the front row. I think some of the Cabinet Ministers in the second row are starting to show a little bit of appreciation of the situation, but the old-timers are too far gone on their way. There's no hope of redemption with them. None whatever. And I want to place on the record, Mr. Speaker, a few figures that to me seem to bear out this thesis at least to some extent. And in talking about this, please understand me, Mr. Speaker. I know that the people over there - that is, in the front row; that is, the incorrigibles of the front row - they will never accept what I'm saying at face value. They will say, "Campbell is wanting to go back." (They always use the term "back".) "Campbell is wanting to go back to the days that preceded that famous year of 1958." Mr. Speaker, I do not want to go back. I believe in going ahead. I know that we're going to continue to progress. I know that still greater things are to come. But the potential can be reached to its fullest extent, Mr. Speaker, only if we stay solvent, and it can be reached only if we leave to the taxpayers themselves the decision of the major portion of their money, to make their own decisions on how that's going to be spent. Let's not get into the position here in Manitoba and in Canada of where, instead of the private individual, Mr. Speaker, having to work four months of the year now to pay taxes, that he will soon be having to work six and then eight. How far do the people who advocate this kind of a program intend to go? If they intend to go all the way, Mr. Speaker, then for goodness' sake, let's move over and let my honourable friends of the NDP come in. Let's not bring them in through the back door of ourselves doing the thing that they advocate and bringing in that kind of a policy. If we believe in free enterprise, if we really do believe in free enterprise - and I'm one that still believes in it in spite of what the governments are doing to it, and I make that plural advisedly; I still believe in it - and if we believe in it, then for goodness' sake let's give it a chance to operate, Mr. Speaker; and if we're going to do that, some place, some time, somebody's got to try and arrest this march toward bigger and bigger government.

On that note I want to place these figures on the record, Mr. Speaker. I admit that they are not wholly conclusive but I think they do indicate a trend. And I am quoting first the amount of money that our government took from the taxpayers of Manitoba, plus the contributions that come from Ottawa of course, in the last year, the last full year that we were in office, the year ending March 31, 1958. And in the other column here I have listed the money that the present administration is asking this House for according to its estimates; what the present government is asking this House for in this coming fiscal year, the one ending in 1968, a ten-year period, and these are round figures only, Mr. Speaker, and they're my own calculations but they're taken from the public accounts in the first case, and they're taken from the estimates that are before us in the second case.

This lists the ten major sources of taxes that we had when we were in office. In the first one of all, the biggest one, the Canada-Manitoba tax agreement, we took \$32,700,000. This administration in this coming year is asking for \$121 million-odd. In the gasoline and motive fuel tax we took \$13,300,000. This administration is asking for \$39,500,000. Under the Liquor Control we took \$10,500,000. This administration is asking for \$23,200,000. I've always been inclined to forgive the public on that one because I think they often feel that they need to drown their sorrows, especially as they contemplate a sales tax coming along. On motor vehicle and driver's licences we took \$6,600,000. This administration is asking for \$13,800,000. Under the Canada-Manitoba Unemployment Assistance Agreement we took \$2,200,000. They're asking for \$16,607,000. Under Land Titles fees we took \$500,000. They're asking for \$1,200,000. Under mining royalty tax we took \$303,000. This administration is asking for \$4,797,000. Under normal and general school fees - they're not greatly up from ours - \$330,000 to \$376,000. Under Department of Labour fees, licences, permits, etc., we took \$95,000; they're asking for \$220,000. Under County Court fees, the poor man's Court, Mr. Speaker, we took \$73,000. This government finds it necessary to get \$230,000. And those totals, those that were our ten major sources of revenue, so major that they accounted for 83-1/2 percent of all our taxes, they totalled in our time almost \$67 million. The same ten, Mr. Speaker, now

(MR. CAMPBELL cont'd.) total \$223 million, and they now are still pretty major because they're 63 percent of the total.

But since we went out, here are some of the taxes that my honourable friends are asking for. Charges at provincial parks, more than a half a million dollars. Tobacco tax, more than \$8 million. Hydro and Telephone tax, \$4,750,000. And now the sales tax on a full year basis, \$30 million or more. Well, Mr. Speaker, I'm not saying that the revenues of ten years ago would be sufficient for today. I'm not. But I certainly do seriously ask the question: are we getting value for the extra money that we're spending? I ask it most definitely in connection with education and I think there is where we face one of our major problems today. I ask it most definitely with regard to welfare. There is another place that we simply have to take a look at the programs of the present time, not only from the point of view of the money that's spent, but of the results achieved, because there's a real problem has built up there and I'm sure that it's one of the major concerns of any thinking person that's connected with that administration.

Now, Mr. Speaker, I wanted to put these figures on the record. I wanted to give this little review of my continuing philosophy in these matters. I am not saying go back to those bad old days that my honourable friend thinks constituted the very darkest of the dark ages. I do not say that, but on the other hand I certainly do say: Let's keep our eyes open as we're moving ahead and let us recognize that this tax tree is not going to be plucked endlessly without some very serious results. I think that we have already passed the point of difficulty, and here of course I'm in complete disagreement with my honourable friends of the New Democratic Party because they honestly believe that the social services and other services are so necessary, so essential, that almost any expenditure is justified in connection with them. I believe that any necessary expenditure is justified too, but I think that we have a moral obligation, Mr. Speaker, to see to it that we're getting value for our money and I most definitely hold the opinion that in two at least out of the three - and I'm inclined to think in three - of the social services whose costs my honourable friends never even understood when they entered into these programs, are not returning to us full value for the money.

Now that my honourable friend the Provincial Treasurer has returned to his seat, Mr. Speaker, I'll close my few remarks by joining with some others who have spoken in saying how astonished I was to see my honourable friend this afternoon forsake his usual urbane attitude and deliver a lecture to we fellows on this side of the House for what he esteemed to be filibustering and obstruction. Mr. Speaker, this, not to filibuster and not to obstruct, but to try and canvass very carefully the whole situation, all the avenues of approach on a major matter such as this, is definitely the duty of the Opposition, and in the little review that my honourable friend gave of the functions of government, he either forgot or purposely slipped over one vital link there, because when he was telling about it being the duty of the executive to carry on the government, this is true if the executive carries on the government at all times and particularly when the Legislative Assembly is not in session, but it has another mighty important function, Mr. Speaker - it must get its program approved in the Legislative Assembly. And if it can't get its program approved there, then it ceases to be the executive; and my honourable friend, when he was trying to tell us that we should simply recognize the position of the executive as having the responsibility to govern and to tell us what the policies were going to be and those were going to be the policies, he just forgot for the moment that there is an equal responsibility upon the Legislative Assembly to examine those policies and to see if it approves of them, and, Mr. Speaker, that's exactly what we have been trying to do.

I completely refute my honourable friend's statement that we are adding to the debt of the Province of Manitoba, and in this connection he was kind enough to single me out because he knows that I hold some rather firm views on the subject of debt and I suppose that he thought that that argument would find particular favour with me, but I cannot agree with him, Mr. Speaker. I maintain that not only are we not costing the taxpayers of the Province of Manitoba any money while we delay the sales tax, we are saving the taxpayers of the Province of Manitoba that money; we are also saving them some extra money to the amounts that he quotes because the bureaucracy to which my honourable friend for Inkster quite properly referred will not be in operation for that extra length of time.

There is no argument, Mr. Speaker, surely there is no argument that anyone can make that this is costing the taxpayers of Manitoba some money. It is embarrassing of course to the Treasury benches because when they introduce a program, particularly a tax program, they

(MR. CAMPBELL cont'd.) are anxious to see it go through and go through with the least amount of trouble. I can understand that. I can certainly understand that the less attention that is paid to the sales tax the better it would be for my honourable friend, because of course it's an unpopular tax. Almost any tax is, and I join with the others who have spoken in saying that I think that this is, of all the taxes, the worst one.

What would I do? My honourable friends like to ask that. Well, I'm not announcing the policy of the Liberal Party, but I would stem the tide that has become of regular hurricane proportion - if those are compatible similes - I would stem that tide toward big government, both federally and provincially. The governments both federally and provincially, for political reasons, are moving into too many spheres. Free enterprise still means in my opinion that the people can do those things that they can do for themselves better than the government can do for them, and they can certainly do it cheaper. By definition - this is so obvious because no man, no government, no matter how efficient it is and how honest it is, no government can give back to the people all the taxes that it takes from them, the wheels of administration simply grind out a portion of those taxes - so by definition, whatever they can do for themselves they can do more cheaply, I suggest they can also do it more efficiently. So I say, arrest this trend toward big government, and if we really believe in free enterprise then give it a chance to work.

MR. SPEAKER: I am leaving the Chair to return again at 8:00 o'clock.