

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Monday, September 29, 1969

MR. SPEAKER: I believe the Honourable Member for La Verendrye was in the process of presenting his sub-amendment.

MR. BARKMAN: Thank you, Mr. Speaker. While I had intended speaking for a little longer earlier in the afternoon, I believe I'd like to acknowledge the privilege and generosity, or courtesy shown to me from the House Leader and, of course, you, Mr. Speaker.

I believe the other day my colleague from Ste. Rose has very ably presented my views or our views from over here, that is on the budget matter, and I think I should bow to the wishes of other speakers that I'm sure would like to get in a lick or two before 9:30. However, Mr. Speaker, before I sit down I feel I must once more try to get into the records the sub-amendment proposed by our Party.

Prior to our adjournment this afternoon I was attempting to move a sub-amendment to the non-confidence amendment placed before the House by the Leader of the Opposition. You will recall, Mr. Speaker, that our group first moved a sub-amendment to the main amendment last week, when it was ruled out of order because it proposed that the increase in corporations tax be sent to the Standing Committee on Economic Development for study of its potential effect on the development of the province. In an attempt to overcome your objections to this sub-amendment, Sir, we then deleted the portion referring the question to the Standing Committee on Economic Development and resubmitted last Friday the remaining portion which called for an over-all tax review in Manitoba.

After taking the second proposed sub-amendment under advisement, Mr. Speaker, you earlier ruled this afternoon that it was out of order because it deviated from the non-confidence amendment by the Leader of the Opposition again. What I was trying to do when the House adjourned at 5:30 was to correct the wording so it would be acceptable to the Chair. Unfortunately, all I gave you was the new phrase which would have made the sub-amendment acceptable. What I should have done, I realize now, and what I will do now, is submit the sub-amendment again in its entirety in a form that I hope will be acceptable to the Chair.

Mr. Speaker, I move, seconded by the Honourable Member for Assiniboia, that the amendment be further amended by deleting all the words after the words "this House regrets" in the first line of the operative section thereof and substituting therefor the following words: "the possible effects of proposed taxation changes on the future development of Manitoba and in order to ensure that we have a tax system which is fair and equitable for the individual and which fosters the greatest possible development for the province, this House requests the government to immediately undertake an over-all review of taxation in Manitoba."

MR. PAULLEY: Mr. Speaker, if I may before you put the motion or consider the same, may I suggest to Your Honour that in substance, really there's no difference in the wording of the amendment proposed by my honourable friend than there was previously which you, Your Honour, suggested was not in order because it really didn't give us a question of non-confidence; because actually all that has been changed as I understand the motion that has been submitted to Your Honour is change "that's concerned about" to the word "regrets". And may I also point out for Your Honour's consideration, the substance is that "this House requests the government to immediately undertake an over-all review of taxation in Manitoba." This is a subject matter which the government has indicated it will do. The Honourable Minister of Finance who as you know, Mr. Speaker, or at least it has been announced is dealing with this matter, has indicated to the House. As a matter of fact it was indicated in the message from His Honour at the opening of this session that the Government of Manitoba is doing precisely what the resolution of my honourable friend suggests, that is, to conduct an over-all review of taxation in Manitoba.

So whether or not the proposal of my honourable friend has been couched with the terminology of regrets, it also has been indicated priorly that the government has indicated that it is and will continue to investigate and consider the over-all taxation policy of the Province of Manitoba. So I suggest, Your Honour, that in accordance with your ruling this afternoon at the start of our considerations, that this is no different, basically, than the ruling that you did make this afternoon.

MR. G. JOHNSTON: On the same point of order, Mr. Speaker, I'm sorry to rise to disagree with my honourable friend, but the sub-amendment as it is suggested that replaces the amendment and the amendment says, and I quote: "That this House regrets the government

(MR. G. JOHNSTON cont'd.) is drastically changing Manitoba's taxation policy". This is the original amendment. And the sub-amendment moved by my colleague from La Verendrye states that "this House regrets to", and goes on to say the possible effects of proposed taxation changes; and it has a solution, a suggested solution, Mr. Speaker, "that the House request the government to immediately undertake an over-all review of taxation in Manitoba."

Now, Mr. Speaker, the regret motion is there; it is the intention of our party to vote against the government if this is supported and I don't know what else my honourable friend wants by way of a motion worded in such a way to express displeasure with the course of action taken by that government.

MR. WEIR: Mr. Speaker, on that same point of order, if I may say that it is interesting to find that at least there's a difference of opinion between these two groups in the House at least on a point of order. I find it real encouraging to find, Mr. Speaker, that there is at least this difference of opinion. As the independent group in the House, we'll await your decision.

MR. PAULLEY: Mr. Speaker, on the point of order, say to my honourable friend I'm glad they're taking an independent viewpoint on this very important matter. Again I suggest to my honourable friend the House Leader of the Liberal Party, I think that in substance the remarks that I made on the amendment submitted by my honourable friend the Member for La Verendrye that I am correct. However, you, Sir, are charged with the responsibility of assessing this matter. It is, however, may I suggest, a matter that you have to make your decision on immediately and cannot reserve your judgment because this is the final day of debate on the budget speech, or the committee to go into Ways and Means introduced by my colleague the Minister of Finance. -- (Interjection) -- A very good point.

MR. SPEAKER: I wish to think the honourable members for their opinions. If earlier this afternoon I erred in not pointing out to the honourable members the consequences of attributing each of the various meanings to the word "concern" as it would affect the entire sub-amendment in the form as presented by the Honourable House Leader of the Liberal Party, then I apologize. Now I felt that the attitude of the Chair was expressed with sufficient clarity in the closing paragraph in the following words: "If an amendment is a motion of no confidence so must the sub-amendment be." Upon perusing the sub-amendment proposed by the Member for La Verendrye I find that it is an identical form to the one presented earlier by his Leader and which I ruled out of order, except for one variation, the phrase "that's concerned about" was deleted and the word "regrets" was substituted therefor.

Now in determining whether this is a motion of no confidence, I asked myself what would be the effect of this sub-amendment if passed. The first part expresses no confidence in the government; the second part asks the government to pursue a certain course of action. This is an impossible situation. Beauchesne's Parliamentary Rules and Forms, 4th Edition, 1958, Citation 191 subsection (1) defines a motion as follows:

"A motion is a proposal made by one member in accordance with certain well established rules that the House do something or order something to be done. The House cannot in the same breath express no confidence and order the government to undertake a review of taxation." Therefore I must rule the sub-amendment of the Honourable Member for La Verendrye out of order.

The Honourable Minister of Health and Social Services.

MR. GREEN: Mr. Speaker, they're eating into my time. I'd like to indicate, Mr. Speaker, that in making this address I'll be speaking for the Leader of our Party who is absent, as well as the Minister of Finance, both of whom have given me the honour of replying to the submissions that have been made in this budget speech debate.

At the outset I'd like to on behalf of my honourable colleague the Minister of Finance, thank the honourable members for both their contribution to the debate and for the kind words which many of them have expressed in complimenting the Minister of Finance on this his first budget. I must say that I, too found a great deal . . .

MR. G. JOHNSTON: Mr. Speaker, Mr. Speaker, on a point of order. I wonder if my honourable friend has the right to speak at this time. He had adjourned the motion in his own name I believe on Thursday of this week and then he allowed others to speak. Now I do not wish to deny my honourable friend the right to speak, but should not the vote be held before he has the chance to speak at this time?

MR. GREEN: Mr. Speaker, I'd like to point out that the name of myself was withdrawn

(MR. GREEN cont'd.) from the motion with leave of the House on the specific understanding that I would be able to speak; and when it was withdrawn on the request of the Honourable the Minister of Finance that was agreed to by all members of the House. I don't know whether the Honourable the Leader of the Liberal Party was here at the time, but unanimous consent was given at the time that the name be withdrawn and that it be withdrawn on the understanding that I would be permitted to speak.

MR. G. JOHNSTON: Mr. Speaker, I stand to be corrected, but it was my understanding that members who wished to speak could, but I didn't think the Honourable Minister had withdrawn his name from the motion. I thought he still had, in effect, had the motion in his name.

MR. PAULLEY: Mr. Speaker, irrespective of the point raised by my honourable friend, I'm sure that my colleague, the Minister of Health and Social Services, speaking to a motion of non-confidence can take part in the debate and speak as long as required on a motion of non-confidence. There's no violation of the rules of this House and I would suggest, Your Honour, that my colleague be permitted to continue the debate.

MR. SPEAKER: I just wish to check on this point with the Clerk if I may. I don't think it's a question of the length of time allotted the Honourable Minister but the question raised is whether he in fact should be allowed to speak.

MR. GREEN: Mr. Speaker, maybe we could save the trouble of looking that up if the members will give me leave at this time. I'm sure that that was the understanding.

MR. WEIR: Mr. Speaker, on behalf of our group we'd be happy to give leave. We can hardly wait to hear the honourable gentleman.

MR. GREEN: I knew that.

MR. PAULLEY: Without restriction.

MR. G. JOHNSTON: Mr. Speaker, in order to clear up the misunderstanding. We certainly want to hear my honourable friends contribution, but I only point out to you, Sir, the fact that he had adjourned the motion and allowed it to stand in his name while other speakers spoke. . . .

MR. GREEN: Well, Mr. Speaker, I thank my honourable friends for their indulgence, and I'll point out in Hansard to the Honourable the Leader of the Liberal Party just what I'm referring to when we have a little bit more time.

MR. PAULLEY: Carry on.

MR. GREEN: Mr. Speaker, I'm sure that some honourable members will feel that perhaps this interlude has taken me out of context; and if they do, they're right, it has. I'll just try to get back on the track. Mr. Speaker, I believe I was saying that I did myself find favour with the budget. I think that from the context of the debate that has continued for the last eight days that I feel confident that really despite what honourable members have said in their speeches, that they can't find too much wrong with the budget, and indeed the Honourable the Leader of the Opposition's first comment is probably their feeling about the budget, that is, "not bad," which he so well acted out in talking about it.

Essentially, Mr. Speaker, there were two criticisms of the budget. The first was, that it would drive industry from the province and also drive well qualified people in the upper income groups from the province. And that, Mr. Speaker, is a criticism which I would have hoped were better documented, but certainly it's a criticism that deserves a reply.

The second criticism, Mr. Speaker, came in much of the debate that took place this afternoon. And I might say that in listening to the honourable members this afternoon I came away with the distinct impression and realization that the Member for Crescentwood was the least doctrinaire person in the House who spoke this afternoon. The Member for Crescentwood indicated a certain way of thinking, a certain philosophy which guides his particular decisions on particular subjects. He indicated, Mr. Speaker, and I really don't think that there can be much wrong with his thinking, that in certain instances he would be prepared to consider the financial position of the province and the position of Crown corporations being able to overcome it.

From the members of the other side we had one statement Mr. Speaker, a statement which always comes to their mouths when they have no answer to what is being presented: The continuous cry, "socialism". What does this budget say, Mr. Speaker? Essentially it says that the province's revenues will equal its expenditures, that because of a surplus or because of the fact that the revenues were underestimated, that it will not be necessary to increase taxes for collection of Medicare costs until some time in the future. And then it

(MR. GREEN cont'd.) says that starting on January 1, 1970, in order to pay for the cost of Medicare, in a system other than through the premium tax, the province is going to impose an income tax, it's going to reduce the premiums by 88 percent and it's going to impose an income tax which will raise the points collected on personal and corporate incomes in the Province of Manitoba. Mr. Speaker, there's nothing socialistic about that particular position. I would ask the honourable members to note that the conservative province of Nova Scotia finances its Medicare without a premium altogether. It finances its premium through a sales tax -- which is a form, it's not the best form, but it's a form of an ability-to-pay tax.

I would ask the honourable members to note that the Social Credit province of British Columbia has a graduated premium which is financed to some extent on the principle which seems to be so repugnant to honourable members on the other side, to some extent on the basis of ability to pay - a graduated premium. And I'm sure that none of the honourable members would accuse either the Premier of British Columbia or the Premier of Nova Scotia with being Socialists. But I'm afraid that the doctrinairism which is so apparent from members on the other side, prevents them from looking at what this government has done from a practical point of view. And I ask honourable members to start doing that, because I have indicated in the three years that I've been in the House, and as my colleagues indicate, that we are not engaged in an ideological discussion when we are dealing with the practical programs of the Province of Manitoba. We would ask you to look at these programs, and I ask you to judge, and I will judge your criticism on the basis of whether what we say is more fair, more efficient and more economical than what is being suggested by the other side. I suggest to you that it no longer makes sense, it is sheer doctrinairism to talk about free enterprise as if it were some sort of sacred cow which must not be departed from.

Mr. Speaker, I'm reading from the Manitoba Business Journal, this is a magazine which I don't think is devoted to the propogation of socialism, and in it I think there is some very good advice for honourable members opposite, because the editor says "the private sector must have both a social conscience and adequate programs to overcome such current problems as inflation. Free enterprise is not an end in itself; if it is to flourish it must prove itself as the most appropriate vehicle for creating a better society." And I say to you, Mr. Speaker, that the same holds true for the other side; that those who believe that socialism is an end in itself do themselves an injustice. That any arguments that come from this side of the House must be based on the fact that they will produce a better way of doing things. I suggest to you, Mr. Speaker, that the people of Manitoba in any event have stopped listening to people who answer "socialism" when they have nothing else to say.

And I would also ask members of the other side to take a lesson from what has happened to the House. There were others who were here last year who reacted in that way. I can remember when the Minister of Transportation, the then Honourable Stewart McLean, when he was presented with the prospect that collecting taxes on a premium base would result in the person earning \$6,000 a year paying \$120.00, whereas collecting it by means of income tax would result in him paying \$28.00; and that if you financed the entire budget by means of a premium system it would cost \$1,200 in taxes to the Manitoba taxpayer rather than \$300.00. And when he had nothing to say, when he couldn't answer, when he couldn't show that the system of taxation that presented itself to him was wrong, what did he say? -- Socialism. But, Mr. Speaker, he's not here anymore.

Mr. Speaker, when the Minister of Labour - the then Minister of Labour - was faced with the resolution, and I suggest to you a good Conservative resolution, that nobody should be forced to work under pain of going to jail, something which I know honourable members on the other side believe in, when he was faced with it, and when he had no answer, what did he say, Mr. Speaker? -- Socialism. But, Mr. Speaker, he's not here anymore. And a lot of people who knew they weren't socialists but knew on the other hand that they didn't believe people should be forced to go to work, they became socialists because Mr. Baizley said socialism. And when he was presented with the resolution that said that people, provided they were conveying true information should be permitted to walk down a public street peacefully - a good Conservative resolution, one that I know the Member for Morris would support - when he was presented with that resolution, and when he had nothing left to say about it, when he couldn't answer it, what did he say, Mr. Speaker? - Socialism. And the fact is a lot of people who knew they weren't socialists, but who believed that people have the right to walk down the street peacefully carrying signs, became socialists.

Mr. Speaker, when the Minister of Education was faced with the suggestion that post-secondary education could be financed on a budgetary scale, on the basis of ability to absorb an education rather than on a premium or tuition scale, and when there was no answer to the argument, when he couldn't say as was his common vent to do, where will you get the money from, when it was showed that it wouldn't cost more money, and when he was left without an answer, what did he say, Mr. Speaker? - Socialism. And, Mr. Speaker, his answer to that, his answer to that, Mr. Speaker, is that the Member for Lakeside - the former Premier of this province, D.L. Campbell - the last person that one would say was a socialist - got up and said "if that's socialism I'm a Socialist."

Mr. Speaker, I suggest to honourable members that when they treat this particular form of taxation as a system of socialism that they are creating more socialists in the Province of Manitoba than I could hope to do in the next 50 years in politics. It's they who are making socialists. Nobody would ever listen to me, but it's they, Mr. Speaker, by the attitudes and postures that they are taking that has created socialism in the Province of Manitoba. Mr. Speaker, I suggest to you that the public is no longer interested in listening to this type of debate. The public wants practical solutions to practical problems that they can understand, and if those solutions are presented by people who are known as socilaists but make sense, Mr. Speaker, then those people who answer those solutions by the shout of socialism will be the people who will succeed in converting more socialists to the New Democratic cause as they obviously did in the last election.

So, Mr. Speaker, I urge honourable members in their own interests, in their own interests, if they want to put a stop to the growing wave of socialism as they call it in the Province of Manitoba, they better start coming up with practical answers to the positions that have been put, and in particular to the budget that has been put by my friend, the Minister of Finance.

Mr. Speaker, they are the first ones who should know that free enterprise is not a God, it's not an altar where one worships. Mr. Speaker, if they thought that -- if they thought that competition, if they thought that -- (Interjection) -- I agree with you -- if competition was the answer to all our questions and had to be preserved at all cost, then why is it that the former Minister of Mines and Natural Resources and that government introduced the fish marketing legislation? Isn't it a fact that you knew, that you came to the conclusion, the sober, sound conclusion after a lot of soul searching, that competition in this industry just did not work and something had to be done to make the industry viable, and in doing so they presented, Mr. Speaker, a socialist bill, the fish marketing legislation. And we would have supported that measure and we've brought it in now as members of the government. But it certainly, Mr. Speaker, can't be rejected on the basis that it's socialist. Mr. Speaker, I saw that one of the proudest moments on the part of all members of the House during the three years that I sat in the Legislature, was the moment when a member of the Liberal Party, I don't remember who it was, got up and praised the former Premier of this province, Douglas Campbell, for creating the Manitoba Hydro, the biggest piece of public ownership that the Province of Manitoba has ever created. Everybody was proud of it and nobody worried about it because it was socialism, because they knew, as the Premier of the Province of British Columbia knows, that that system, call it what you like, was the best system of providing for the power needs of the Province of Manitoba. Mr. Speaker, the strongest advocates of free enterprise are the ones who say that we should have a public power system so that it would provide an infrastructure for our business industries, so that you can't dismiss it any longer on the basis that it's socialism.

So I ask honourable members to look at this budget from the point of view of whether or not it is a fair, more economical and more efficient method of paying for the medical care program in our province. I suggest, Mr. Speaker, that not one member on the opposite side has indicated that it is not more fair. And for good reason, Mr. Speaker. Because that matter was tested at the polls on June 25th. If, as the Leader of the Opposition says, the Party has changed direction, then certainly it hasn't been without notice. When the Member for Fort Garry says that the public did not know what we were voting for, surely he knows that during the entire last Session of the Legislature and during the entire campaign if there was one thing that was said by all of our candidates, and said quite clearly, is that we were going to remove the premium tax but we weren't going to do just that, we were going to raise the cost of providing the service by a more equitable tax. And, Mr. Speaker, the tax that has

(MR. GREEN cont'd.) been introduced by the Minister of Finance is a tax which increases income taxes, the provincial share of income taxes, by roughly 20 percent and corporate taxes by roughly the same amount.

Mr. Speaker, if people say this is a big amount I would ask them to remember what I said that it would cost last year. I said that it would cost roughly 33 percent, that it would mean a one-third increase in everybody's income tax which would mean that a person who pays an income tax, a provincial income tax of \$100.00 would have to pay a provincial income tax of \$133.00 - an increase of \$33.00. The budget that the Minister of Finance has brought in makes that increase only \$20.00. But, Mr. Speaker, what is the alternative that the Leader of the Opposition is suggesting we should have done? He's suggesting that we have increased taxes by 20 percent and this is frightful for the people of Manitoba. And he never would have done it. He would have saved the people of Manitoba from this tax by imposing a premium which costs \$117.00. Mr. Speaker, as I've had the occasion to say before, the Leader of the Opposition would save them from the pussycats to feed them to the lions. That's the type of taxation that was imposed and which the people of Manitoba soundly rejected; not because it was free enterprise or socialist or any other name that you want to give it, but it was an unfair tax and that's what the people of Manitoba voted for, not for any particular type of ideology. I suggest that in considering all these programs that that is what has to be considered, the effectiveness of, not the ideology which some people would say that it represents or does not represent. I would ask honourable members for their own good to start debating on the basis of what is practical, what is effective, what is better, what is right, because that's what I choose to do and I know that members on our side of the House choose to do that.

Mr. Speaker, the Leader of the Opposition in speaking to the budget debate used a type of language which I know would have caused the Honourable the former Minister of Industry and Commerce to shudder if it was said by our side of the House when we were in opposition. I assure you we are not shuddering. Never did I hear either the Liberals or members of our group say that the policies of the government as it then was were leading the Province of Manitoba to a disaster, that there is a disaster growing in the Province of Manitoba. And, Mr. Speaker, if we so much as mentioned the name of a company in the House there were cries that we were shaking Manitoba to its very foundation. I would have expected that when this budget was brought before the House that the Minister of Industry and Commerce, the former Minister, the Member for River Heights, would have got up and said "cheers" because he was trying to improve the climate for people in the Province of Manitoba. But that's not what we got. We got, this is a disaster for the Province of Manitoba.

Well, Mr. Speaker, we're not shuddering, because as I said to the then Minister of Industry and Commerce, if a government is strong enough it can withstand opposition, even an irresponsible opposition which they didn't then have; and our government is strong enough and we have sufficient confidence in our policies that even the cries of disaster on the part of the Leader of the Opposition will not dampen the climate for all sectors of the Manitoba economy including the business community. He can go ahead and say it as much as he wants. He won't get any cries or pleas from this side of the House that he is ruining our program. We expect that kind of criticism, Mr. Speaker, and if we can't stand it then it's a weakness on our part, not an irresponsibility on the part of the opposition.

The Leader of the Opposition said that the budget shows a change of direction. Mr. Speaker, we are the first to plead guilty to that charge. Yes. We believe that the people of Manitoba voted for a change of direction on June 25th, 1969, and we have no intention, Mr. Speaker, of not fulfilling our mandate to change that direction. What does that change mean? It means, Mr. Speaker, that this is not going to be a government which sits here and says that it must react in a certain way to certain external forces, that it has no volition of its own, that it cannot direct policy, that its policy must be directed by what somebody on the outside says that it will do. Mr. Speaker, we have confidence that the elected representatives of the people of the Province of Manitoba can form an active government that will initiate and cause other governments to react rather than a government that reacts to what other people are saying. This is what was meant by the Premier of this province when he says that there is essentially really one difference between us. There are those people who believe in a passive attitude towards what the elective representatives of the people can do - and I believe that that properly fits the members on the other side; and there are those who are activists. And yes, Mr. Speaker, we hope that this budget does indicate a change of direction, a change in the direction of activist administration rather than pacifist.

(MR. GREEN cont'd.)

Mr. Speaker, the Leader of the Opposition went on to demonstrate through some sort of statistics -- it's interesting that he used only statistics, and I admit, Mr. Speaker, that we all do it -- he found great fault with the Minister of Finance who said that 43 percent of the people who paid income tax, or who filed income tax returns, showed incomes less than \$3,000. I don't think that there was anything more to that remark but that statement, that that is true. The Leader of the Opposition said that this was misleading and was intended to show that Manitoba falls into a much poorer position than other provinces. Well, Mr. Speaker, I don't think that's what it's saying, that's what the Minister was saying. He was merely saying that there is a great number of improverished people in the Province of Manitoba and he used one statistic to prove that. But the Leader of the Opposition came back with a whole series of statistics, and Mr. Speaker, we all do it, I don't claim any immunity, but I think that sometimes statistics can be used in many many ways by many different people to say many different things - the same statistics. I often tell a story about lawyers that I'll use in a different way today. They say that there are all kinds of peculiar statistics. Some say that if you take every person in China and file them single file the line will go twice around the world, or if you took every railroad tie and put them end on end the pile would reach from here to the moon. Well, Mr. Speaker, if you took all the statisticians and laid them end to end, it would probably be a good idea.

And I want to deal with some of the statistics. First of all, the Leader of the Opposition dealt a great deal with the effect of income tax on the corporations and persons, individuals in the Province of Manitoba. Well, let's look at those figures. Mr. Speaker, if a corporation earned a profit of \$100,000 - a profit of \$100,000 - under the old tax its tax would be \$41,000; under the new tax that has been introduced by the Minister of Finance the tax would be \$43,000. Its earnings would be 96.7 percent of what its earnings were the year before. And, Mr. Speaker, if we look at its percentage income ratio we get an absolutely different picture than what the honourable member described. If you assumed that that corporation had a capitalization of \$500,000 - which by the way I think would be low, I think that would be a very good earning corporation to earn 100 gross on a capitalization of 500,000 - its return would be reduced from 11.8 percent to 11.4 percent, four-tenths of one percent on 11 percent of earnings.

Mr. Speaker, I've spoken to quite a few business people and I've had consultations involving a quite a few businesses, and I ask the Minister of Industry and Commerce, the former Minister, would any corporation not go to Manitoba for a difference in earnings - not a gross margin, not even a sales margin - but a difference in earnings of four-tenths of one percent if it was earning 11 percent of its earnings. Mr. Speaker, I suggest to you that that proposition is just ridiculous.

Mr. Speaker, assume that that corporation was capitalized at a million dollars, which makes a bit more sense because \$100,000 on a million would mean ten percent of gross. Its earnings would drop from 5.9 percent on profit -- its profit would drop from 5.9 percent to 5.7 percent, a difference of one-fifth of one percent. Mr. Speaker, do members really believe that industries in the Province of Manitoba would change location on the basis of two-tenths of one percent on earnings - not on gross margin, not on net margin, but on earnings? Mr. Speaker, I suggest to you that that figure wouldn't mean anything as to the location, as to the position of a firm's business location, and yet those are the figures. One-fifth of one percent would be the drop in profit which results from the tax that is being proposed by the Minister of Finance.

Mr. Speaker, let's take a smaller company, let's take a company with earnings of \$20,000. Under the old tax its profit would be \$4,400. Under the new tax - excuse me, under the old tax its taxes would be \$4,400; under the new tax its taxes would be \$4,800. Its earnings would drop from 15.6 to 15.2; 97.5 of its earnings would remain unchanged.

Mr. Speaker, the article that I referred to said that the private sector must have a social conscience. I have sufficient confidence in the private sector of our economy to know that for that type of drop in earnings it would neither leave the Province of Manitoba nor would it be dissuaded from coming to the Province of Manitoba. And, Mr. Speaker, the same drop in profit that is four-tenths of one percent or two-tenths of one percent would affect the smaller corporations, based on capitalizations approximating the same numerals that I took before.

Now, Mr. Speaker, there are many reasons why a business would or would not come to the Province of Manitoba. One of them I suggest to you would be a business would look to see how easy it would be to have a labour market in the Province of Manitoba, and I suggest that

(MR. GREEN cont'd.) when a business looks and sees that a Manitoba citizen with a family has his Medicare paid for for the sum of \$13.00 as against the Province of Ontario where the premium will be \$177.00, that that has some effect on business. Mr. Speaker, there are the ordinary environmental features - the lakes, the produce that is available in Manitoba, the number of people who are living here, the condition of those people, the ability of those people to purchase all of those things are factors in inducing or securing people to the Province of Manitoba.

Mr. Speaker, I used these figures as if business had no recourse, as if it had to pay this increased tax. Well, Mr. Speaker, I wish it did have to, but as I indicated when I was on that side of the House - and, Mr. Speaker, I haven't changed what I've been saying, I don't know why members say that we've said one thing on one side and another thing on the other side - I said when I was over there that if you increased the income tax for business that the likelihood would be that that tax would be passed on to the consumers, that it would end up in a real sales tax, which is still better than the tax that was imposed by my honourable friend. But, Mr. Speaker, the facts of life are that the corporations with the economic power to do so won't even pay that tax. They'll pass it on to the consumers and I regret that, but the Leader of the Opposition is right, some of them will do that. There are many things that they can do, Mr. Speaker. I was speaking to one businessman today -- yes, we'd like to find a way out of that situation, Mr. Speaker, and I'd ask the honourable members to give us time, we'll look for a way.

MR. JACOB M. FROESE (Rhineland): I'll have something to offer.

MR. GREEN: Thank you very much, Mr. Froese, the Member for Rhineland. We'll just suggest some of the things that have come to my mind in the meantime. So one of the things that they can do is pass it on, and nobody's going to leave Manitoba or fail to come to Manitoba for that reason. Another thing that they can do, and I spoke to a businessman in this category today who told me that he'd give - and I'm not suggesting this, Mr. Speaker, but I just want to show you the leeway that's there - he says that he gives \$25,000 a year to charity. Now, Mr. Speaker, I'm not suggesting that he cut his charitable donation, but the fact is that the health of all the citizens of the Province of Manitoba is a worthwhile cause and I'm sure that he with a social conscience and who I have great faith in, more faith than apparently the honourable members on the other side, will see the validity of perhaps channelling his monies in one direction or another.

Mr. Speaker, I venture to say that the average businessman in Manitoba could save the entire amount of that tax merely by withholding his political donation. And, Mr. Speaker, he won't need to make them any more. The fact is that the amount of that tax is so small that I suggest to you that the entire amount could be saved in that way alone. And I ask the businessmen of the Province of Manitoba to look into that possibility. You can see that I'm not unfriendly to business, big business or small business. I indicated to members on the other side when I sat on that side of the House that I have nothing against big business. I would think, Mr. Speaker, that big business gets that way because it's efficient. Unfortunately, it sometimes becomes so efficient and so big as to be a power unto itself - and this has occurred and honourable members know it - and at that time there's a serious question as to whether the business controls the public or the public should control the business. That's something that all governments have wrestled with, not merely the government that is in office now, and we will now be given the opportunity of wrestling with it.

Mr. Speaker, the Honourable Leader of the Opposition indicated that firms are just going to be running out of Manitoba on the basis of the fact that the corporation tax was higher than in other provinces. May I advise the honourable the Leader of the Opposition, by the way -- and this was said all in the form of opinions. I can remember when we were on that side of the House we used to struggle to find our facts and yet they expected all that they had to do was say it and it's so. No real examples were given; no practical demonstration was made. The fact is, Mr. Speaker, that the lowest income tax in Canada is in the Maritimes - 33 percent; the highest would be I believe in the Province of New Brunswick, but the second highest before the Manitoba change was the Province of Ontario - 39 percent. Mr. Speaker, does anybody suggest that firms are running out of Ontario to get into the tax haven of the Maritimes? I mean it's just ludicrous. That is not the reason for business location. The tax has very very very little to do with it. Mr. Speaker, I suggest to you that business will be more interested in the fact that this government has released to the people who are most likely to consume it, far more likely than under the old system, 28 millions of dollars to be

(MR. GREEN cont'd.) spent at business enterprises, Mr. Speaker, in the Province of Manitoba. That's far more important than the increase in taxes which are apparently feared by the Leader of the Opposition.

The Leader of the Opposition went on with some statistics of his own. He says that the corporation tax in Manitoba will be 12 percent higher than it is in Ontario. Well, Mr. Speaker, the actual figures are - and I'm not quarreling with his statistics, I think that the percentage used is incorrect but I won't dwell on that - the corporation tax in Ontario is 39, 700 and the corporation tax in Manitoba will be 43, 000 on the example that I used before. The corporation tax in the Maritimes was 33, 000 during the same period, and I suggest that my honourable friend, if he is going to back up his position, should be coming to this House showing that over the past years when there was that spread that corporations were flooding out of Ontario into the Maritimes to take advantage of the tax haven.

Now, Mr. Speaker, I want to warn the honourable members that they should not fall into the trap of suggesting that this constitutes some sort of ideological budget, because Mr. Speaker, we have a very good example - and we can back up our position - that what is being suggested by the Honourable Leader of the Opposition just won't wash, because Mr. Speaker, there was a very good example of this happening. There was another - and I suppose I'll have to give it the term "socialist government" because anybody who uses income tax instead of a premium is a socialist - well, there was a government in Manitoba in 1962 called a Progressive Conservative government. In 1961 the Manitoba Government announced that it would levy, in addition to the 16.9 points of federal abatement, additional surcharges of 6.1, six points on income tax. It's a familiar figure -- (Interjection) -- it was a higher percentage at that time. It was a higher percentage at that time than it is today because the six percent was only added to 16 and now six percent is being added to 33, and you can figure it out if you like, making its income tax rate - and here's something that's very familiar - making its income tax rates for the 1962 taxation year 22 percentage points of personal income tax and 10 points of corporate tax. For that year, 1962, for that year 1962, the Manitoba personal income tax rate was six points higher than in any other province except Saskatchewan. And I'd like to indicate, Mr. Speaker, that the reverse of what my honourable friend said would happen happened. In Saskatchewan they were the first to impose an income tax and there was - as the members will know the government at that time, they were socialists and were going to chase everybody away - but that's not what happened, not everybody ran away from Saskatchewan. As a matter of fact, what did happen is that everybody followed Saskatchewan and imposed an income tax. That's what happened.

Mr. Speaker, I would suggest to you that the figures for migration and emigration from the Province of Manitoba and the Province of Saskatchewan are very very similar, and Mr. Speaker, I would like to have Mr. Douglas take credit for the fact that in Saskatchewan they get \$30 million a year or somewhere of that amount for their oil royalties and that they discovered potash in the Province of Saskatchewan and that the potash industry came in during that reign. But, Mr. Speaker, I'll be the first to admit it's not that they loved Douglas more, it was that they loved potash more and they loved oil more; that's why they came to the Province of Saskatchewan.

But nevertheless, let me carry on. In that year they were six points higher, the Manitoba corporation income tax was higher than in six provinces, equal to Saskatchewan's, a point lower than Ontario's and two points lower than Quebec's. In short, between '61 and '62 Manitoba raised its income tax rate in a manner quite similar, not identical, to the increases which have just recently been proposed. What happened, Mr. Speaker? Mass migration, industries pouring their possessions into wagons and leaving on the streets a big line of emigrants leaving the Province of Manitoba?

What effect did these increased and relatively high rate levels have on the province? It is most interesting to consider some of the economic indicators for 1962, the first year in which the new taxes were applied. Did great numbers of our citizens leave Manitoba? Apparently not. Our population increased by about one and a half percent over the 1961 level, only slightly lower than the increase experienced during the previous year. The population of Canada as a whole increased at a lower rate than in the year before as well. So Manitoba's population increased about the same. Was the economy affected to the extent that incomes suffered? Did income suffer? Obviously not. In 1962 personal incomes of Manitoba's citizens increased by over 13 percent from the previous year, while the incomes of all Canadians increased only by about 8 1/2 percent during the same period. Five percent higher

(MR. GREEN cont'd.) in the Province of Manitoba. -- (Interjection) -- Well, you people call us socialists; you people call it socialism. -- (Interjection) -- How did the tax increase affect -- your income tax was the highest in Canada except for Saskatchewan personally and higher than six other provinces corporately.

MR. ENNS: But we weren't the highest.

MR. GREEN: How does the tax increase affect investment? It certainly did not seem to have affected capital and repair expenditures in 1962. I know that you don't want to listen to any more of this but I'm going to continue just as if you were. Total investment in Manitoba in that year exceeded investment in the previous year by about two percent. In the following year, that is after this tax had a chance to take effect - you'll notice that the increase was only two percent in '62 and I suppose that's because the tax hadn't really got to these people, they hadn't time to move - but in the following year investment grew over 13 percent to 1962 total and plans for 1963 were probably finalized during 1962, the first year of the new tax rates. It is interesting that while the 1962 over 1961 increase for Manitoba is somewhat lower than the figure for the nation as a whole, the 1963 over '62 percentage for Manitoba is almost double the Canadian increase in the same period. In the same year, Mr. Speaker, the utility investment in Manitoba was up over 1961 by a significant 12.6 percent, while during the same period in Canada a negative percentage applied. Obviously, Manitoba's utilities were able to sell their bonds. Investors did not show a lack of confidence in the government. And, Mr. Speaker, the same holds true today.

MR. SPIVAK: I wonder if he's in a position to tell the House how many people left Manitoba in 1964 and 1965?

MR. GREEN: No. Mr. Speaker, we come now to the figures that the Honourable the Leader of the Opposition quoted with regard to personal income tax and just how high Manitoba was in this respect. He used figures which sound frightening and I expect the Leader of the Opposition to use figures that sound frightening. I confess to a propensity to use figures to my best advantage if I can do so so I don't blame him for it. But he said that Manitoba's personal tax was 18 percent higher than Saskatchewan, 30 percent higher than the Maritimes and 40 percent higher than Ontario. What are the actual figures, Mr. Speaker, because this is what we really have to look to. And I'll use the same example. I could use better examples from my point of view but I'm trying to be fair to honourable members on the other side. Let's take the total income tax because that's really what counts, that's the tax that the person knows he's paying. With the new and improved tax, Mr. Speaker, Manitobans in that income category will pay \$693.75. In Saskatchewan they'll pay \$666.10, an actual difference of about \$30.00. In the Maritimes they'll pay between \$643.05 and \$689.14. And, Mr. Speaker, I would ask you to note that the Maritime provinces finance themselves by a sales tax. They have respectively a 7 percent and an 8 percent sales tax, we have to add that to these figures which makes them just about the same. In Ontario, they have a big savings in Ontario. They pay \$643.05 in income tax as against \$693.75. That gives them a savings of \$50.00, but they pay \$177.00 in medical care premiums as against the \$13.00 for the Province of Manitoba.

Now, Mr. Speaker, can anybody take it as a credible statement that the personal incomes of the people in the Province of Manitoba have been drastically affected by the imposition of the new tax? Mr. Speaker, I suggest that it just won't wash, and to this point of the argument we do have to give an answer. We do. I accept the responsibility that the Leader of the Opposition cast on us until this afternoon when they started talking about irrelevancies like socialism. But we have to be prepared to suggest that what is being threatened just won't happen, and, Mr. Speaker, I think that the figures that I have quoted just won't happen. So one of the answers that I make to honourable members opposite is that they just have not proved their case and that all the facts - and their speeches were significantly void of facts - that all of the facts point to the contrary.

Now, Mr. Speaker, the Honourable the Leader of the Opposition and the Leader of the Liberal Party brought up another feature. They brought up the feature of the estate tax and they would have us believe, Mr. Speaker, that the Province of Manitoba is in a desperate situation, that if it does not remove itself from the disparity as between the treatment that is given to estates in the Province of Alberta and in the Province of Saskatchewan that there will be dire consequences in the Province of Manitoba. Mr. Speaker, it's significant that they don't answer the dilemma which they themselves have posed and which this government is going to have to wrestle with, Mr. Speaker.

(MR. GREEN cont'd.)

First of all, the estate tax is a source of revenue. It realized to the people of the Province of Manitoba in the last estimates of revenue the sum of \$4 million. Now somebody will say, well that's not a very big amount in relation to a budget of \$380 million. But the amount will grow, Mr. Speaker, as I'm quite confident that estates will grow in the Province of Manitoba. But even if we took the figure of \$4 million, once relief is given in that direction - and, Mr. Speaker, it's significant that when the members opposite look for places to give relief, to give an exemption, they ignore the people in the lower income groups, they ignore exemptions such as things on soap or other things that the members of the Liberal Party introduced last year and which we supported, which we're now thinking about, they can't find any exemption for those people. But they found a place that somebody needs a break. Who needs a break? The adult child whose father and mother have both passed away and who has inherited \$200,000.00? He needs a break in the worst way.

Now, Mr. Speaker, that person -- the tax is significant, the Manitoba share I think is roughly - I've lost my figures but I think it's roughly between \$20,000 and \$30,000, but, Mr. Speaker, when we give that person who has inherited \$200,000 and is not satisfied with \$170,000 clear, he would like to have the whole 200,000 clear, says by the way - and I have yet to find the person, if they need help I'll be happy to help them or the Minister of Agriculture would be happy to help them - says that they can't get financing on clear title of \$200,000 to pay \$30,000 in estate taxes or that a business with an equity of \$200,000 can't get financing of \$30,000, I just don't believe it. It's not so. It hasn't been my business experience. It's been my business experience that people with equities of \$200,000 get \$200,000 financing and more, and we've seen it in the Province of Manitoba. And I can name cases.

A MEMBER: Friendly Family Farms?

MR. GREEN: No, not Friendly Family Farms. It's a good story and I listened with a great deal of entertainment value to my honourable friend's story as I always listen to him. But the fact is, Mr. Speaker, I don't think that there's a problem with regard to financing the continuation of the business. If my honourable friend really was trying to do something to a moderate estate, if he was really trying to help a moderate estate everybody would sympathize. It's hard for people in the city to think in terms of \$200,000 as a moderate estate, but I recognize that to many country people it is a moderate estate, but if you really wanted to help him you could raise the exemption for those people and Manitoba could do that independently.

But, Mr. Speaker, that's not what is suggested. What is suggested is to give every cent back, every cent that the Province of Manitoba gets back whether the estate is \$100,000 or \$10 million. And to do that, Mr. Speaker, would mean that it would be necessary for the Province to raise \$4 million in taxation on the basis of last year's figures. Now how much does it cost to raise \$4 million, Mr. Speaker? If we financed it in the way in which my honourable friend the Leader of the Opposition likes to finance things it would mean \$17.00 a year to every family in the Province of Manitoba on the basis of a premium tax. Are you prepared to give that kind of relief at that expense to the citizens of this province? And after you've done it, Mr. Speaker, the futility of it is that you haven't solved the problem. The member agrees, as did the member of the Liberal Party, that after we're all the same, if Alberta and Saskatchewan and Manitoba were all the same, then presumably people who think the same way as Mr. Manning thought when he did it and the same way that Mr. Thatcher thought when he did it, would say, Well we have to attract industry to the Province of Manitoba. We can't give them back their estate tax any more so let's give them \$10,000 in cash. And if \$10,000 doesn't work, let's give them \$20,000 and when they do it, what will the Leader of the Opposition say? That Manitoba's got to come up with \$10,000 or 20 or 30 or whatever the bid is. So, Mr. Speaker, the second part of his proposal is wrong because it just won't work. It just doesn't answer the problem.

The Member for Ste. Rose he partly suggested an answer. He said that the province will have to find other ways of making sure that industry is attracted to the Province of Manitoba to compensate for the fact that these provinces are rebating their estate taxes. And, Mr. Speaker, we face that challenge and we accept that challenge, and I say confidently, Mr. Speaker, that we will find other ways of making sure that the Province of Manitoba grows in its economy and in all its other aspects and it won't be necessary to sell out our people on a system which all of us knows is predestined to failure because there is no answer to the

(MR. GREEN cont'd.) proposition which I am suggesting, that each province will then be right back to where they started and will have to start competing all over again. And if we follow the same style of competition it means buying millionaires and, Mr. Speaker, I'm not about to be buying millionaires.

I say, Mr. Speaker, that the wealth of this province will be created by stimulating and providing initiative to the people in this province, not by saying that we have to attract somebody who is going to do this for us. I agree with everything that the Member for Fort Garry said. I believe that this Party as well as his Party is most determined to provide for individual initiative. We believe in it; I've believed in it all my life. I don't think that I joined this Party because I didn't believe in initiative; I joined this Party because when I walked into society I saw that all of the decisions, the important ones, were governed by other people and the only way that I could best influence my individual initiative was by asking the people of Manitoba to work together through their government to develop their province, and that's what we're doing here in this Chamber today.

..... Continued on next page.

(MR. GREEN cont'd.)

Mr. Speaker, the Member for River Heights with his fixation in favour of businessmen says, Well what about the TED Report? Are you ignoring what 400 people, 400 fine creditable citizens of the Province of Manitoba advised us to do? Well, Mr. Speaker, those 400 citizens - and I respect all of them - one thing that we can say for them, although they were slightly representative, they were most representative of the business community. And, Mr. Speaker, I have no quarrel with business. When I'm listening to lawyers I expect them to be advancing the interests of lawyers; when I'm listening to labour people, Mr. Speaker, I expect them to be pursuing the interests of labour people; when I'm listening to fishermen I expect them to be pursuing the interests of fishing; when I'm listening to doctors I expect them to be pursuing the interests of doctors; and when I'm listening to businessmen I expect them to be pursuing the interests of businessmen. My honourable friend will say: Well those interests are the same as the interests of the people of the Province of Manitoba.

Well, Mr. Speaker, I'd like my honourable friend to listen to something, he may find this very interesting. I'm reading from a book which indicates just what businessmen will do and what attitudes that government should take with regards to the positions that they put. And the author says: "The interest of the dealers" - and I ask my honourable friends to accept the fact that when he uses the term "dealers" he's referring to the merchants and the other businessmen - "The interests of the dealers however in any particular branch of trade or manufacturers is always in some respects different from and even opposite to that of the public. To widen the market and to narrow the competition is always the interests of the dealers. To widen the market may frequently be agreeable enough to the interests of the public, but to narrow the competition must always be against it and can serve only to enable the dealers, by raising their profits above what they naturally would be, to levy for their own benefit an absurd tax upon the rest of their fellow citizens. The proposal of any new law or regulation of commerce which comes from this order ought always to be listened to with great precaution and ought never to be adopted till after having been long and carefully examined, not only with the most scrupulous but with the most suspicious attention. It comes from an order of men whose interest is never exactly the same with that of the public, who have generally an interest to deceive and even to oppress the public and who accordingly have upon many occasions both deceived and oppressed." Who is this written by? The honourable members must be thinking that's surely Karl Marx. Mr. Speaker, this is Adam Smith, the apologist for all of the free enterprise ideology and he says that the position of the businessmen is almost always adverse to the public generally, should be listened to suspiciously, should never be adopted unless it's given scrupulous attention, and that they have often deceived and oppressed the public.

Well, Mr. Speaker, I'm not going to say that about our businessmen, but, Mr. Speaker, I am going to say that because these people wrote in the TED Report that we have to rebate estate taxes and that we have to keep the corporate tax level low, doesn't mean that they weren't talking as businessmen and they were not talking for the public of the Province of Manitoba. Would the Honourable the former Minister of Industry and Commerce really suggest that we adopt everything that is in the TED Commission Report? Because, Mr. Speaker, there's a sleeper in it. There's a suggestion that the taxes be taken off improvements and put on to land, the entire tax load, that it should be shifted from improvements to land. Mr. Speaker, while I myself am very friendly to this type of suggestion, I assure you that the person who put it in was pulling the wool over the eyes of the businessmen because it would be no help to them. And, Mr. Speaker, I'm sure that the Honourable the Minister of Industry and Commerce if he realized - the former Minister - if he followed the implication of this policy would say: Well heavens no, don't adopt the TED Report, at least that part of it. Mr. Speaker, we're going to look judiciously at the TED Report. May I even be so bold as to say that we are going to look scrupulously at it and make sure that what is recommended in the TED Report is in the interests of the people of the Province of Manitoba and not just one sector of that population.

Mr. Speaker, the present Leader of the Opposition said that we need a policy which will put cash into the pockets of the people, particularly into the pockets of the farmer. And I would say, Mr. Speaker, that with the income crisis that is being faced by the agricultural population that the proposal that has been put forward by this government which will put \$100.00 per year, in cash, into the pockets of the agricultural community that needs it, is surely a proposal which meets with the criteria that is proposed by the Leader of the

(MR. GREEN cont'd.) Opposition. So when the Leader of the Opposition says what are you going to do, gamble. Well we know, Mr. Speaker, and the Leader of the Opposition knows because he has told us so on many occasions, that the location of business profits is a kind of an uncertain thing, that it may flow to Maritimes because they have a 33 percent tax base or it may go to Ontario where it's 39 instead of 43, and profits earned by industry for that reason can't be with certainty suggested that there will be cash in the pockets of the people of Manitoba. But, Mr. Speaker, the policy that we follow will result in cash going into those pockets and those are the pockets from which monies will almost certainly be spent in the Province of Manitoba to oil the machinery of the economy of this province. So it's his position that's the gambling position. There's no gamble involved in the budget that was introduced by the Minister of Finance.

But, Mr. Speaker, having said everything that I've said and having, at least from the point of view of myself and my colleague, in my opinion, answered the criticism that has been levied against this budget, I still, Mr. Speaker, haven't dealt with the main item. Mr. Speaker I'd like to indicate that the Leader of the Opposition claimed something which I never claimed in criticism of his government. I always used to say that they had no alternative, they operated badly and they wound up having to impose a tax that they didn't like, that they stumbled into it, that they were short of cash and they had to raise the money. But the member goes much further. He said that these policies were deliberately planned, well thought out. Well let's look at them, Mr. Speaker. They started with the Land Titles tax and the courts taxes and they went and deliberately planned, you know, the utilities' taxes and then they sat in a room and they worked very hard and very deliberately and concisely came up with a heat tax. It didn't happen by accident, Mr. Speaker, it was a heat tax. And after they had gone through this master plan of taxes they came to the real plan of all plans, deliberately, the five percent sales tax. Not a mistake, not because they needed money, but this was determined planning. Mr. Speaker, after that, if one could imagine a more objectionable tax at that particular time, they found one, and they deliberately planned it, didn't happen by accident, it wasn't an oversight -- the premium tax -- which taxed every family in Manitoba except those who could meet a welfare needs' test; the same amount for the price of Medicare, \$117.00 a year, Mr. Speaker, whether your name was James Richardson or whether you lived at South Indian Lake. That was the last master plan of taxation.

Mr. Speaker, I suggest to you that I never made that kind of a criticism, and I never made that kind of a criticism because I really believed that the former government moved from pillar to post, that it was forced into these measures because it had no choice. I'm surprised to hear that they constituted malice aforethought, that this particular program was perpetrated with malice aforethought on the people of the Province of Manitoba. And I want to indicate to the member that he said -- and this I think is the crux of the matter -- he said that Manitoba's not that bad, we have 43 percent of the population, people who filed income tax who didn't earn over \$3,000. He said there are 34 percent in Ontario; and the truth of his statement indicates the futility of his position by following the very types of policy that he is now proposing for the government of Manitoba which the people of Manitoba has rejected. There hasn't been a province in Canada all of whom follow that type of psychology; there hasn't been a province in Canada that has been able to say that one-third of the people have not been able to file tax returns which show them earning over \$3,000 a year in income. Mr. Speaker, and the same will be true if we followed these policies for another hundred years; and what the member for Crescentwood said is perfectly correct. Mr. Speaker, it has been proven in every province in Canada and it's been proven in the strongest and most affluent nation in the world. Do not the words of John F. Kennedy ring in the ears of every member of this House? When he accepted nomination for President did he not say that in that nation which is built, and following the type of programs that the honourable member suggests, in that nation 30 million people were going home ill fed, ill housed and ill clothed. The same problem. Mr. Speaker, if we are ever to break out of these chains which the honourable member wants us to persist in, we have to look for other ways, we have to be a government that will initiate and not regress, because the thing that I object to most about the honourable member's proposition is that it doesn't give us here a role in government. We all come here with the greatest ideals of doing something for the people and when we get here we are told well you really can't do that because you're really controlled by some other forces over which you have no control, and the only thing that you can do is to sit here and let those forces push you around.

(MR. GREEN cont'd.)

Well, Mr. Speaker, I'm suggesting that what we have done will not deter people from the Province of Manitoba, but I'm suggesting furthermore that this government seeks to release itself from the economic straitjacket which seems to persist in every other province in this country. We seek to put our people of Manitoba in a position where they can come into this Legislature, where they can say how much everybody in accordance with his ability to pay will contribute to the management of this country; where we will be the masters of our own destiny; and the only way of doing that is to say that we are prepared to strike out on a course which doesn't bind us to a position of saying that everything we do will be controlled by outside factors. Now, Mr. Speaker, that's what democracy is all about. Democracy demands that the elected representatives of the people be in a position of doing something for these people. Democracies demand that the elected representatives of the people when they gather in Assembly shall have a say over the destiny of the Province of Manitoba. Democracy may be a very difficult thing to achieve. I suggest that for many many years people have given their lives and have made great deals of sacrifice to achieve that end. We in this Party, Mr. Speaker, believe that the prize is worth fighting for. We believe that the people of the Province of Manitoba wish to join us in this fight for democracy and we don't intend, we don't intend to abdicate our responsibility, to abdicate our programs, to abdicate our birthright, to abdicate our future because the former Minister of Industry and Commerce says that business is going to leave if you do it.

We will, Mr. Speaker, first of all operate to produce that climate which we think will attract business with social conscience, and I happen to believe that there are businesses who will have the type of conscience that will say that it's worth paying this amount of increased taxes in order to see to it that every Manitoban is entitled to the kind of health care that he deserves. And we will, Mr. Speaker, if necessary, use any system, we will not be doctrinally hide-bound to the proposition that the people of the Province of Manitoba aren't smart enough to do anything for themselves. We think, Mr. Speaker, that the people of the Province of Manitoba are capable, they're capable of both producing a climate which will attract capital from outside sources and they're also able to create the initiative to produce wealth for themselves in this province with its great and vast natural resources. Thank you, Mr. Speaker.

MR. SPEAKER: Are you ready for the question?

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MR. FROESE: Mr. Speaker, there's very little time left. I don't know whether I should commence speaking at all or whether I should probably speak on the matter when the bill comes up and participate in this particular budget debate at that time, because I noted the Finance Minister took advantage of introducing the monetary bill and replying to some of the critics that spoke on the budget earlier, and therefore I think I will have to do the same.

I was rather unfortunate that some of my notes got lost last Friday at noon when the cleaning lady apparently cleaned up here in the Assembly Chamber, so that some of my notes got lost that way and I had to redo my speech all over. This is why I wasn't prepared at this time, and I didn't expect the Minister of Health and Youth to speak this long either.

Mr. Speaker, I would just like to say that I cannot agree with everything the Minister has said because I feel that our economy certainly will not go the way under their government as he feels it will. I think we have a very good indication already in just the Fish Marketing Bill. I think this bill will nationalize the fish industry in Canada -- (Interjection) -- it sure is, if ever there was socialism being brought in, that is socialism. This is one area that I certainly do not subscribe to because already we have indications from the private industry that is operating in the province at the present time that they're willing and already pulling out. They just want to be declared redundant at the present time and not continue in their business. I think we're losing a very vital industry in Manitoba, that of the fish processing industry which is a secondary industry here in Manitoba. We've heard from these people that are in the industry that they're not getting a supply of fish so that they can remain operating. They have to more or less import their fish from the coastal provinces; they're working on salt water fish for a large part of their operations and here we're exporting the raw fish to United States. This is a policy that should be terminated immediately and changed, because if we allow the raw product to go out unfinished we're losing that industry. Instead of not only retaining it and improving it in Manitoba we are now going to see that the private entrepreneurs in this matter will discontinue operating and we're losing the industry as such. Mr. Speaker, it's 9:30, I cannot . . .

MR. EVANS: . . . a question? Is the honourable member aware the Social Credit government of Alberta has supported the same Freshwater Fish Corporation?

MR. SPEAKER: Order, please. Order. It is now 30 minutes before adjournment time and I must call for the question on the amendment and the main motion.

The proposed motion of the Honourable Leader of the Official Opposition in amendment to the main motion.

MR. SPEAKER presented the amendment and after a voice vote declared the amendment lost.

MR. WEIR: Yeas and nays, Mr. Speaker, please.

MR. SPEAKER: Call in the members. Order, order.

A STANDING VOTE was taken, the results being as follows:

YEAS: Messrs. Barkman, Bilton, Craik, Einarson, Enns, Froese, Girard, Graham, Hardy, Henderson, G. Johnston, F. Johnston, Jorgenson, McGill, McGregor, McKellar, McKenzie, Patrick, Sherman, Spivak, Watt and Mrs. Trueman.

NAYS: Honourable Messrs. Borowski, Burtniak, Evans, Green, Mackling, Miller, Paulley, Pawley, Petursson, Toupin and Uskiw. Messrs. Allard, Barrow, Beard, Boyce, Desjardins, Doern, Fox, Gonick, Gottfried, Jenkins, Johannson, McBryde, Malinowski, Shafransky, Turnbull and Uruski.

MR. CLERK: Yeas, 22; Nays, 27.

MR. SPEAKER: I declare the amendment lost.

MR. WEIR: Mr. Speaker, I think I'd like to state I regret not having been able to support the motion. Had I voted I would have voted in favour of the motion but I'm paired with the Honourable First Minister who is out of the province on government business.

MR. SPEAKER put the question on the main motion and after a voice vote declared the motion carried.

MR. G. JOHNSTON (Portage la Prairie): Mr. Speaker, would you care to call the same division. We are agreeable.

MR. PAULLEY: Mr. Speaker, it would be quite proper to record the same division. Unless you've changed your mind, which I think that you should; but, however, Mr. Speaker, I think it could be recorded on the same division. And the motion of course, Mr. Speaker, is that the Committee go into Ways and Means, in which case you would call on the Honourable

(MR. PAULLEY cont'd.) Member for Elmwood to take the Chair.

MR. SPEAKER: I declare the motion carried.

MR. BILTON: . . . Mr. Speaker, there's only one difficulty. We have an Independent in the House and no one knows how he may vote. -- (Interjection) --

MR. PAULLEY: Mr. Speaker, again in all deference to the former Speaker, the motion is the House resolve itself into a Committee of Ways and Means with the Honourable Member for Elmwood in the Chair.

MR. SPEAKER: I declare the motion carried. The Honourable Member for Elmwood.

COMMITTEE OF WAYS AND MEANS

MR. PAULLEY: Mr. Chairman, I move that the Committee rise.

MR. CHAIRMAN: Call in the Speaker.

IN SESSION

MR. SPEAKER: Order, please.

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I move, seconded by the Honourable Member for Kildonan, that the report of the Committee be received.

MR. SPEAKER presented the motion.

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Leader of the Liberal Party, that debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. PAULLEY: Mr. Speaker, I wonder . . .

MR. SPEAKER: Order, please.

MR. PAULLEY: I wonder at this stage whether there might be an inclination of the House that, by leave, we may proceed with Bill 42 dealing with the City of Winnipeg Charter. I'm sure that honourable members are aware of the fact that Bill 42 was reported from Law Amendments Committee this morning. It deals with a matter of by-elections and pensions for the City of Winnipeg. There was no, as I understand it, disagreement in Law Amendments this morning to the Bill No. 42 and I would like, or ask the House that by leave we may consider the portion of the report of Law Amendments Committee this morning in order that we may process Bill 42 and hopefully, by leave of course, give third reading to the bill in order that His Honour may give the Royal Assent to save the taxpayer of Winnipeg a sum of money in respect to the by-election. So I would respectfully ask, Sir, that leave be granted by the House to process Bill 42 at this time.

MR. G. JOHNSTON (Portage la Prairie): Mr. Speaker, I'm surprised that the Honourable House Leader deviated from the Order Paper in the manner in which he did without any prior consultation.

MR. PAULLEY: May I remind my honourable friend it is government members' day.

MR. G. JOHNSTON: I agree, Mr. Speaker, it's government business day, but just before Notices of Motion was called this morning it was agreed by unanimous consent that the Member for Rhineland would have the chance to speak on the proposed debate of the motion of the Honourable Mr. Mackling, that the fifth report of the Standing Committee on Law Amendments be received. Now I do not wish . . .

MR. PAULLEY: . . . Mr. Speaker, but we require leave in order to deal with Bill 42.

MR. G. JOHNSTON: Well, Mr. Speaker, on this point of order. I am not suggesting that we should hold up any important business that should be brought before the House. But I am suggesting that the House Leader did not follow the agreed procedure at the Orders of the Day, and if he wishes to change this this is fine. This is fine if he wishes to make the change but he should make it with some consultation.

MR. PAULLEY: If my honourable friend will permit this to proceed I'm not unmindful of the undertaking that was given this morning to the Honourable Member for Rhineland insofar as routine proceedings are concerned. -- (Interjection) -- Oh yes I am.

MR. G. JOHNSTON: Well, Mr. Speaker, I would enquire of the House Leader as to why we went into . . .

MR. PAULLEY: Mr. Speaker, may I suggest to my honourable friend . . .

MR. G. JOHNSTON: . . . the Committee to consider Supply.

MR. WEIR: Mr. Speaker, on the point of order. In spite of and not because of the manner in which it was done, I'm prepared to support the third reading of the bill, as well I think as, probably if it can be done, listen to our friend the Member for Rhineland before

(MR. WEIR cont'd.) 10:00 o'clock. I don't think it will take that long. I recognize the urgency that there is involved with the Winnipeg Bill and I think if we should that we should deal with it - I think if we can we should deal with it. But I do think that we should recognize the fact that the House Leader did before the Orders of the Day today really ask leave before he asked for this leave to consider the point that's made by the Leader of the Liberal Party. But if we have the goodwill of the House I think we can maybe accomplish both.

MR. PAULLEY: Mr. Speaker, I thank the co-operation of the Honourable the Leader of the Opposition. I was not unmindful of the original undertaking.

MR. SPEAKER: Does the House Leader have leave of the Liberal caucus? (Agreed.)

MR. BUD BOYCE (Winnipeg Centre): Mr. Speaker, I move, seconded by the Member for Crescentwood, that by leave Mr. Speaker do now leave the Chair and the House resolve itself into a Committee of the Whole to consider the following Bill. No. 42, an Act to amend the Winnipeg Charter 1956 (1).

MR. SPEAKER presented the motion and after a voice vote declared the motion carried, and the House resolved itself into a Committee of the Whole with the Honourable Member for Elmwood in the Chair.

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: Proceed by page? Bill 42 - an Act to amend the Winnipeg Charter 1956. Page 1--passed. The Honourable Member for Rhineland.

MR. FROESE: I'm quite agreeable to pass the first section but the second section - I would like to have a little fuller explanation on the second section before I agree to pass the second section.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: It's one of those things that was -- well I'll start over again. I'm still shook up for that Speaker out of the Chair and back into the Chair. I got thrown off here and haven't recovered yet. To the Member from Rhineland, it seem that political life is rather precarious and this is an attempt by some members of the city council to be included in a contributory way in the pension plans which are available to other civic employees. It's something comparable to the plan which is, I believe, available to members of this body. In fact I was sent an application form to contribute six percent or something myself, so it's something that we have available and it's something that the city wants and they've asked us to pass.

MR. CHAIRMAN: Page 1--passed. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, are the contributions that the councilmen will make, are they the same as that of the civic employees, and the pensions will they be the same? I would like to know a little more about this very matter.

MR. BOYCE: It's permissive legislation. I really find myself at a loss to understand the member's question because he's one that in this House keeps talking about local autonomy. This is some request from a responsible body who wants to have enabling legislation passed. I'm sure they're able to take care of their own affairs and this seems a reasonable request on their part.

MR. FROESE: I certainly don't object to these people having a pension plan, not by any means, but I would like to know how it compares with our pension plan that we as members have in this House. What are their benefits? Are they similar or not? I think we should have some understanding as to just what kind of a pension plan we are talking of in this bill.

MR. PAULLEY: Mr. Chairman, may I suggest to my honourable friend that he read Section 2 which provides an amendment to The City of Winnipeg Charter "that the city may by by-law provide for the granting of a contributory pension to members of council who have served at least eight years including three consecutive two-year terms." Generally speaking, may I suggest to my honourable friend it is based similarly and contributory to what the civil service of the City of Winnipeg are doing at the present time, and the maximum in any case shall not exceed \$1,800 per year.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. WEIR: Mr. Chairman, I just want to say that I'm prepared to support the clause that's in the bill but certainly not for the reasons that are being expressed by the sponsor of the bill. The explanation that he's had - it's a good job there was a written explanation in the bill or we'd never have understood it.

MR. CHAIRMAN: The House Leader of the Liberal Party.

MR. G. JOHNSTON: Mr. Chairman, I think this is a good time for the Minister of Municipal Affairs - is that the terminology now? - to give an expression of government opinion as to whether or not the same right will be granted through a change in The Municipal Act so that other municipalities who do not have the benefit of a charter will be able to take advantage of a similar type of legislation.

MR. CHAIRMAN: I'm not sure the . . . of the member are in order. Is he asking for a statement of policy?

MR. G. JOHNSTON: Mr. Speaker, we're talking about a principle embodied in a piece of legislation which if passed will apply to one city in Manitoba. And while there are two or three other cities who have charters there are some hundreds of municipalities who do not and in order for them to have the same privileges they will have to seek a change in The Municipal Act. I'm asking the government if they agree with this bill in principle are they going to make the necessary changes in The Municipal Act so that other cities, towns, villages and municipalities can have the same consideration?

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Mr. Chairman, it is of course obvious that I would be unable to give a definitive answer tonight to that question. Certainly the proposal has merit and I am certain that in the discussions and debate involving the amendments to The Municipal Act that this suggestion will be given very serious thought by the members of that committee and may very well find its way back here, such a proposal; but I would not be able to state here tonight that this would be government policy.

I think that the proposal submitted to us by the City of Winnipeg does warrant support. The honourable member recognizes many of the people that are presently sitting on the City Council do so as practically full time jobs. I know of several that in fact appear to fulfill their main duties and main functions in employment in serving the people of the City of Winnipeg. Because of the largeness of the responsibility, the size of the city and the other duties relating thereto it is only realistic that such people would expect and would want some type of protection upon retirement similar to members of this very Legislature who also contribute a great deal of their time similarly to the functions of this Legislature. I would therefore propose that we support the resolution of the Honourable Member for Winnipeg Centre and pass this so that we can proceed on with granting to the City of Winnipeg their request.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: I do hope when other people will be at the government's doorstep for similar privileges that they will be heard likewise and acted on as fast as this particular group is.

MR. PAULLEY: Mr. Chairman, may I suggest to my honourable friend that we have established a Committee of Municipal Affairs that will be reviewing the whole aspect of the Municipal Act and the matter can certainly be considered at that time and I would suggest that this bill be passed.

MR. CHAIRMAN: (The remainder of Bill No. 42 was read page by page and passed.)

Committee rise. Call in the Speaker. Mr. Speaker, the Committee of Supply has considered Bill No. 42 and wish to report they have passed same without amendment.

IN SESSION

MR. DOERN: Mr. Speaker, I move, seconded by the Honourable Member for Flin Flon, that the report of the Committee be received.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. BOYCE: Mr. Speaker, first of all I wish to accept the criticism of the Leader of the Opposition and thank him for it. In my attempt to be expeditious perhaps I was impatient, I'm sorry, I apologize to the House.

I would move, seconded by the Member from Flin Flon, that by leave Bill No. 42, an Act to amend the Winnipeg Charter, 1956 (1) be now read a third time and passed.

BILL NO. 42, an Act to amend the Winnipeg Charter, 1956 (1) was read a third time and passed.

MR. PAULLEY: I wonder now, Mr. Speaker, if you would kindly call the adjourned debate on the motion proposed by the Honourable the Attorney-General respecting the Fifth Report of the Standing Committee on Law Amendments.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, the other day when the report of the committee came into

(MR. FROESE cont'd.) the House for concurrence or adoption, there was considerable amount of discussion on the motion and I felt that it was only proper that the House Leader should be in attendance at the time that this discussion should be taking place. And also another matter, that why I took the adjournment was that the Honourable the Attorney-General was closing the debate when he took part in the debate or was going to take part in the debate.

In witnessing the committee's session the other night I too felt that the Chairman was dealing rather arbitrarily, not only on one occasion, I think on more than one occasion, and certainly when the Official Leader of the Opposition spoke that I rather felt that he had reason to be critical and naturally I did want to support him in that case.

Then, too, the question came up as to adjournment time. The House was closed for the purpose of having a meeting of that particular committee that night. The speed-up motion had not been as yet passed, and still hasn't passed, and therefore the 10:00 o'clock adjournment time limit still stands in my opinion, and I think also applies to the committee when such committees are in session, and therefore we had this discussion and the debate that morning. As far as I know, the rules that are laid down for this Assembly apply in committee, and I think the only exception as was pointed out by the Clerk that evening or later on in the evening, was that you do not need a seconder to make a motion in committee — and what was the other point? — and you can speak as often as you want naturally. Other than that the House rules apply. Therefore I take the position, Mr. Speaker, that unless you have complete agreement by all members of the committee concerned, unanimous consent, you cannot exceed the 10:00 o'clock time limit. This is why I felt I should adjourn the debate the other day so that this matter could be discussed more fully and probably at a time when we had time to reason things out and that we would have the House Leader in attendance so that he could participate in the debate and probably come to an amicable agreement.

MR. PAULLEY: If I may, Mr. Speaker, I'm very amicable. To my honourable friend, the reason that I was not here Friday morning when this matter was discussed, because I happen to be under my physician's directions and if as a result of the frailties of being a human I was not in attendance, that's the reason I was not here.

I do not want to argue with my honourable friend insofar as the rules of the House are concerned. If his contention was right, Law Amendments Committee or any other committee could not meet in the mornings because the rules of the House do not provide except for on Friday mornings that the House meet in the morning. So I suggest to my honourable friend that sometimes in his leisure he may consider the rules of the House as applying to committee. I also want to say to my honourable friend that I recall on an occasion or two that I was here until 3:30 in the morning and back again to attend the proceedings of the House at 10:00 o'clock.

I do not wish to debate the matter, Your Honour. I'm just trying to explain to my friend from Rhineland that if the rules of the House were strictly adhered to, the committee on Law Amendments could not meet in the morning. I think possibly we should now receive the report and then we will adjourn the House.

MR. SPEAKER: The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: Mr. Speaker, I beg to move, seconded by the Honourable Member for Assiniboia, debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: It is now 10:00 o'clock. The House is adjourned and will stand adjourned until 2:30 tomorrow afternoon.