

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Thursday, March 28, 1974

BUDGET DEBATE

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I believe at 5:30 adjournment I'd left off at the point where I'd expressed the opinion that the Budget on last Thursday was not the most important document presented on that occasion. And while I hadn't really been disappointed I felt that what the Minister had done was simply offer a little bit of minor first aid for those people in our society who were most deeply wounded by the inflation which he himself is contributing to.

Mr. Speaker, the statement on mineral policy for Manitoba, if it is implemented, will be certainly a document which will have a much greater impact in a permanent way than the Budget presented by the Minister of Finance. In the preamble to that statement it expresses the view that the mineral resources of the province belong to the people of Manitoba, and in this there is of course no question, that is simply set out in the British North America Act and we have no quarrel, we agree completely with that position. However, the document doesn't mention and I think it is pertinent that when the major development occurred in the mining activity in Manitoba there was a notion pretty generally held among free societies that a democratic government had as its main function that of providing by a minimum number of statutes and regulations an orderly environment for the economy and for the wealth of that province to be developed. This was the view taken at that time. But, Mr. Speaker, the NDP government of Manitoba has what it considers to be a better idea. It considers that the function of government should not only be to regulate the economy but also to participate and to compete in the operation of that economy. So that what in effect they are proposing to do is to act not only as the rule maker but as one of the teams engaged in the development.

Mr. Speaker, that provides a rather interesting analogy to the kind of competition that we're more familiar with where the team is on the field and the managers of one team have not only the right to be in the competition but they also have the right of rule-making during the game. So it becomes, Mr. Speaker, a somewhat difficult and unfair competition because every time the opposing team moves out from its goal line the other team can then meet and agree that there should be a 10-yard penalty for excess profits. So the game then becomes a competition to keep the other team at or near its goal line and whenever it moves with the ball to impose another penalty for excess profits to impose another tax.

Mr. Speaker, this document by the very language which it uses, which is not specific, not precise, tends to have an effect, certainly must really scare the hell out of the mining industry who are committed to long-term development positions and who are told by the government that they propose to change the rules of the game as the game goes along, to change the method of taxing and to change the rate of tax. And for people who have to make long-term commitments in mining this must surely be a fact or a statement which would cause them very great concern. Mr. Speaker, I would like to quote one or two of the sentences from this document as it relates to new taxes. In one section on page 5 it says, "the basic levels will be established in such a way as to be fairly certain that a reasonable return on original investment will be protected." To be fairly certain. Well that kind of vague language, Mr. Speaker, is sufficient to send chills into the hearts of people who have spent their life in developing their business and working as hard as they can to make it a profitable enterprise.

Another bit of the language of this document states "it is intended that the tax will be modified in such a way as not to apply." - as not to apply - "for ore grades would not economically justify their exploitation in the absence of such modification."

Mr. Speaker, what mining engineer would concoct a statement like that. Surely the government knows that ore is not ore until it becomes economically extractable and processable at a profit. It is simply rock until it reaches a price and a stage of efficiency, a technological advance makes it possible to do that. So they're saying, in effect, almost as if this material could be turned on and off like a tap and that if its low grade material that they'll simply reduce the tax till it becomes just possible to make that saleable and refinable. But surely the government realizes and understands that it is a long-term process that provides for developments of areas in a mine which are considered to be ore at the prices prevailing and at the costs of production prevailing. I think, Mr. Speaker, this has to be a statement that is almost too vague and too unreal to be acceptable. But the major objection of course, Mr. Speaker, and one that

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(MR. MCGILL cont'd) I have referred to would be the fact that this government proposes to take the taxing process out of the hands of this Legislature and place it in the hands of the Cabinet.

Mr. Speaker, it has always been a basic and fundamental principle of democratic government, as I understood it, that the government of the day is always responsible to the people elected by the voters of Manitoba, as represented by those people who sit in this Legislature. That is their only control, their only say in the way in which they will be taxed. Now if the government opposite undertakes to pass this and to permit government and taxation by Cabinet I would say that the members who vote for it are in a sense voting for their own destruction.

I see people over there who I consider to be reasonable men, who understand their function in this House as representing the people they have in their constituency who voted for them, who put them here for the purpose of debating, of presenting their positions in respect to the taxes imposed by this province. Now if you reasonable men over there vote for this authority to this government you are voting for the destruction of the very function that you were elected to perform. And I hope that you will not all blindly support the government position in respect to this power which the Cabinet intends to take away from the Legislative Assembly. --(Interjection)--

Mr. Speaker, I do not wish to be interrupted by the Minister of Mines. I know that he will have objections to what I'm saying and I'm quite prepared to hear them at the conclusion of my remarks.

Mr. Speaker, that is the great danger of this mineral policy that is now presented to us for our information and which will no doubt be brought before us in the form of a new statute in due course.

I think it's interesting and not surprising to read the comments made by the First Minister when he spoke prior to the election to the northern communities. You know, Mr. Speaker, I say it's not surprising because he knew that there was an election in the offing, the people there didn't know that it was as close as it was. He was there some time in April, in Thompson, and some time in May in Lynn Lake, and the headline in the Free Press of April 21st says "The Kierans Report Attacked." And it says that Premier Ed Schreyer called the recommendation of the Kierans Report on the Manitoba mining industry too drastic in retrospect, in an interview held here Friday. Mr. Schreyer emphasized that there will be no prohibiting or discouragement of mining companies operating in Manitoba.

And in another report from Lynn Lake on May 22nd, this wasn't too long before the end of the last Legislature, he said that among other things, at a meeting in Lynn Lake, that Sherritt Gordon Mines was one of the best mining corporations and he said, an earlier reference to the Kierans Report in the Manitoba Mining Industry Mr. Schreyer said the former Liberal Cabinet Minister Eric Kierans was a competent economist, had produced a document which was "about as drastic as any social economist would have gone". Now I don't think the Minister said that because it doesn't make very good sense but he says, it came as a surprise to both me and my colleagues. And even if the more drastic proposal such as having the leases of mining property revert back to the Crown over a ten year period it would not be implemented.

Now, Mr. Speaker, I say these comments are not surprising to me because I have recalled in the past with some objection from the First Minister, that in 1969 he said the name of the game was to win elections. And if these reports had been written - I'm paraphrasing the Minister - he said that was the first priority and he said that that was what he set his mind to as a primary objective. --(Interjection)--The name of the game was winning elections. Now if these people had known an election was close they could have read after each of your statements, Sir, the name of the game is winning elections and they would have rationalized this kind of downgrading of the Kierans Report. Because, Mr. Speaker, in my view, all of the recommendations, or nearly all of the recommendations of the Kierans Report are imbedded in this statement, and while Mr. Kierans is much more forthright in his statements of how long it will take to take over the mining industry in Manitoba, he said 10 years, this doesn't say they'll do it in ten years but I suggest that that is not an unreal prediction of how long it will take under this government. And this, Mr. Kierans says, "a fundamental aim of such policy shall be the repatriation of the Crown of all existing resources, at least to the private sector, and that a period not exceeding 10 years be granted as sufficient to accomplish the transfer in an orderly fashion". --(Interjection)--I'm quoting from Mr. Kierans report.

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(MR. McGILL cont'd)

I think, Mr. Speaker, that this timetable can be reached with this document without any trouble providing this is implemented. "The tax on reserves," says Mr. Kierans, "should be imposed at a rate that will force the repatriation and the return of excess reserves to the Crown by the end of the tenth year." Mr. Speaker, let me just again say that the most frightening part of this whole proposal is that the taxing authority be taken away from this Assembly and into the hands of the Cabinet. You know, it's a pattern that has been established over the past few years, at least it has appeared to be a pattern to me, that when this government is criticized for its policies and for its directions it has two standard answers. First, it's not true, it didn't happen, you know we're misquoted, that's number one, that's the first one. Now if that fails, the next one is, ah, yes, but they did it in another jurisdiction, and so sometimes Saskatchewan, sometimes Africa, you know or Asia and sometimes in Alberta, but the point about it is, Mr. Speaker, that they don't argue the rightness or wrongness, they simply say, follow the leader, boys; they did it in Afghanistan or whatever and it must be all right, Now this kind of argument I suggest is pretty stereotyped, Mr. Speaker, and is being used very commonly by the government on the other side.

What we're really talking about here, Mr. Speaker, is the question of the whole accountability of the government to this Assembly. This is really the centre point of my argument tonight and this is the area of my greatest concern. You know the other day, and I think the First Minister was not in his seat, but when serious charges were brought against this government by the Leader of the Opposition, substantiated by affidavits, claiming that there had been a construction company in Wabowden used as a vehicle for political patronage prior to the last election, and that government funds had been used, there was a great opportunity for the First Minister on his return to his seat to have risen and stated to this Assembly that not only would he agree to a judicial inquiry, he would demand a judicial inquiry. Because there has been a reflection on the Ministers of his government and in order to put that vile rumour to rest at once, he would demand, the First Minister would demand it. That's what I would consider to be an accountable government. That's what I would consider to be . . .

MR. SPEAKER: Order please.

MR. McGILL: But that didn't happen. Mr. Speaker, that did not happen on that occasion, so these charges remain, and the First Minister could have cleaned it up pretty fast.

The proceedings in the Standing Committee of Economic Development in respect to the report of the Communities Economic Development Fund have led me to believe that we will not get an opportunity to hear in direct testimony those people who have given affidavits, who have made statements without being sworn, that they will not be called before that committee. Well this, Mr. Speaker - if the First Minister or the Minister of Mines would jump to his feet and contradict me and say this committee will call people, I would be somewhat impressed with their desire to be accountable to this Legislature. But, Mr. Speaker, it's quite obvious that they are not going to permit those people to be called, they are not going to let the committee have a chance to cross-examine the people involved, and what inference am I to draw from that.

Mr. Speaker, if this government is going to use the second argument that I suggested was standard when they were accused of things that we feel are wrong, they could use it right here, couldn't they. They could say, well you know, what about Watergate, what about the Watergate affair. They didn't bring people immediately, they didn't have a full disclosure, they held it back so it went on and on and on, and now we are beginning to get the people to the witness stand that should have been there in the first instance. Now because they made it difficult to have evidence brought before the committee we have a Watergate in the United States. Now, the Minister of Mines evidently feels a little hurt by my comments. We're having a Wabowden Affair now, Mr. Speaker, in Manitoba and this is the time when we should have full accountability, when this government should demand that any suggestion that they have had anything to do with using this firm as a vehicle for political patronage, if they have anything to do with it, it should be dealt with in an impartial way and not with an in-House investigation. Not with an investigation conducted partly by people who are affected by these charges.

Mr. Speaker, this then is my major concern tonight, this is the area in which we expected firmness and leadership and accountability from the Government of the Province of Manitoba. Mr. Speaker, we're not getting it, the proceedings of the committee are being carried out in such a manner that there is a minimum opportunity for the members of the committee to really

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(MR. MCGILL cont'd) get at the basis of the charge and to determine who is telling the truth in this matter.

Mr. Speaker, I said that the centre point of my remarks here tonight were based upon the subject of my concern for the lack of accountability of the government and for the indications, in many areas, that government is not really anxious to provide that information. We have had the same difficulties in committees, in Public Accounts, when we attempted to ask the Provincial Auditor to conduct special audits and special reports to the members of the committee so that they could be informed on the problems of the Co-operatives in Northern Manitoba. This was denied to the committee; the Minister of Finance simply said that the committee didn't have the authority to direct the Provincial Auditor.

Well, Mr. Speaker, the Minister said that if a man on the street met the Provincial Auditor that he could ask him for his direction and for his information and to investigate and he would do it--(Interjection)--well, it's a play on words, Mr. Speaker, he could ask him for it. I suggested to the Minister in Committee that I would then "request" the Provincial Auditor and the Minister then said, well you know, he thought he'd made his position clear. Is the Minister now telling me, Mr. Speaker, as a member of the Committee that I can request the auditor to investigate the Co-operatives and to report back to the Committee--(Interjection)--to request a report.

Now, Mr. Speaker, I'm doing the wrong thing, and I should have thought you might have corrected me earlier than this. I'm talking to the Minister of Finance and getting some pretty weird answers and I think I shall turn my attention again to you, Sir, because you are nodding in assent and I think that that is more helpful.

Mr. Speaker, let me simply conclude that there is still time for this government to demonstrate a degree of responsibility and a real desire to help the members of this Assembly to know the facts in these matters that I have brought to their attention.

I would like the First Minister to accept that challenge, to insist that he have a judicial inquiry, and to make sure that the proper facts come out and I'd be very pleased if he can clear them away to our satisfaction.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I have listened over the last few days to many tirades from the Opposition, both Conservative the Official Opposition, and the Liberals, the third party. I recognize that neither of the leaders of those parties are present here tonight. I don't know whether or not they are consulting with their respective research personnel, which are being provided for at provincial expense, to see whether or not certain questions will be proposed for our session tomorrow. But, Mr. Speaker, I want to say - and maybe I should be faulted, that I've been around here too long--(Interjection)--That's right. My friends agree with me that I have been around here too long, that I happened to be elected in 1953 and my friend from Souris-Lansdowne indicates this. But I want to say to you, Mr. Speaker, and to the people of Manitoba, never in all of my history as a participant in the democratic process have I listened to so much muckraking by Opposition. I had the opportunity, Mr. Speaker, from the day that I was elected into this Legislature as a Member for Kildonan-Transcona, seated where the Honourable Member for La Verendrye is, I was insulated--no, the Honourable Member for Minnedosa. I was insulated on the right by a Conservative and on the left by a Communist, Bill Kardash, who incidentally, Mr. Speaker, contributed far more capably than any member of the Opposition does today. But notwithstanding that, Mr. Speaker, he was intelligent, he was intelligent and I recognized the fact that he was. As a matter of fact, Mr. Speaker, I got hell one day because I suggested, I suggested that this man had some intellect and was making a contribution to the people and the voters of the Province of Manitoba. You know, Mr. Speaker, what the situation is today? Here we have a representative of the Conservative Party, who represents the aristocracy, may I suggest, from River Heights, who is so concerned with the problems of Manitoba that he's not present tonight. Here we have the Leader of the Liberal Party, the representative . . .

A MEMBER: Where were you all day?

MR. PAULLEY: Where was I all day today? I'll answer you in a moment.

A MEMBER: Where were you all afternoon?

MR. SPEAKER: Order please.

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MR. PAULLEY: I was trying to do my bit as a member of this Assembly and one who is interested in the forward thrust of Manitoba, with Flyer Industries. Where was the Opposition? They were invited. They don't give a continental as to the forward thrust in Manitoba. They were very, very recognized in their absence, Mr. Speaker. Where is the Leader of the Liberal Party? This character, who tonight, or today, or in this Budget Speech, criticized the Government of Manitoba because of their ineffectiveness in producing plans for the forward thrust of Manitoba. Mr. Speaker, where is the Honourable Member for Wolseley? Where is the Honourable Member for River Heights? It's noticeable that they're not here, that they don't apparently give a continental as to what we are doing in this Legislative Assembly tonight. And here we are, here we are with the group, the Conservative Party, one representative apparently, one representative of the Liberal Party of Manitoba, who had the audacity to propose a sub-amendment to the Budget introduced by this government, only one representative. And I would suggest, Mr. Speaker, if the Honourable Member for Assiniboia had his opportunity, if he really allowed his intellectual directions, he would stand up today and say that at long last we have a government in Manitoba that are concerned with Manitobans. I wouldn't say this insofar as his leader is concerned. I wouldn't say this as far as some of his colleagues are concerned, Mr. Speaker, but when we started the debate tonight, no Liberals, no Leader of the Conservative Party in Manitoba had the gumption to be in this House for which they are receiving a considerable amount of money at the expense of the taxpayer to consider the Budget of the Province of Manitoba introduced by my colleague, the Minister of Finance.

Mr. Speaker, I say to you, I say to the people of Manitoba, never in 21 years of participation in democracy, to call it that, have I ever seen such a lowbrow approach to the destiny of Manitoba as being exhibited in this particular session. Muckraking, innuendo, slander, is rampant here in this Assembly this year. And Mr. Speaker, may I say to you, that now and then we have our galleries filled with youngsters from our schools, from all over Manitoba--what, Mr. Speaker, what Mr. Speaker, can they think of the democratic process when they see the Leader of the Conservative Party by innuendo, slander, aided and abetted by each and every member of the Conservative Party, indicating that we have reached the lowest ebb in the political process here in the Province of Manitoba. My honourable friends opposite, Mr. Speaker, are wont to make reference to Watergate in the United States of America. By slander, without any support, the Leader of the Conservative Party in the Province of Manitoba has stooped to the lowest level that I have ever seen any politician in Manitoba, and I suggest, I suggest to the Conservative Party that they may, that they may in the absence of the Leader of the Conservative Party tonight, give him a message that we are not content, we are not content with he, standing up in this House condemning and criticizing the parliamentary process in Manitoba as he has done, and then he is not present when we are considering the Budget introduced by this government. Mr. Speaker, I say it is a shaft in democracy that neither the Leader of the Conservative Party or the Leader of the Liberal Party absent themselves from this democratic process, as we call it, tonight.

I would suggest to you, Mr. Speaker, that neither the Member for River Heights, nor the Member for Wolseley have the intestinal fortitude to sit up or stand up here in this Assembly and answer for their misdemeanors. This is the process of democracy.

A MEMBER: Hogwash.

MR. PAULLEY: My friend - hogwash? You know, Mr. Speaker, I'm a reasonable individual. I'm a reasonable individual. And when I hear from some character, unnamed, from the other side of the House that this is hogwash, I suggest to you, Mr. Speaker, and to the Opposition, be it Liberal or be it Conservative, that it is not hogwash, that the citizens and the voters of Manitoba don't consider it hogwash.

A MEMBER: You didn't get all those that time, we got some too . . .

MR. PAULLEY: Yes, you got some too, but you got a heck of a lot less than we got. And I suggest, Mr. Speaker, to my honourable friend from Swan River the reason we got more than he got and the rabble that he represents is because of the fact that we presented to the people of Manitoba firm policies for the advancement of this province. But, Mr. Speaker, isn't it so easy, isn't it so easy for the Leader of the Conservative Party, which is now the Official Opposition, to stand up in this House and ask for judicial inquiries into the fish marketing process, into this, into that, and never at any time has that--I almost said character, Mr. Speaker, I don't know whether that would be parliamentary or not.--(Interjection)--

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(MR. PAULLEY cont'd) But--CFI--don't you talk to me about CFI because that'll come in a minute.

MR. SPEAKER: Order, please.

MR. PAULLEY: But never in the history of 21 years in this Legislature have I seen such an inept Leader of the Opposition that we have at the present time by the Honourable Member for River Heights. I well recall, I well recall, Mr. Speaker, that that particular individual who is absent tonight, because he won't face the opposition, by me or by any of us, I can well imagine, Mr. Speaker, why he is absent. I recall the history, quite vividly, of representation in the constituency of River Heights, I well recall the skullduggery that went on within the Conservative Party to supplant the previous member who represented River Heights, by the present Leader of the Conservative Party.

Mr. Speaker, somebody over there says to me, "Why don't you stick to the Budget?" I want to tell them that the freest debate that can take place in this Assembly is on the Budget Debate, and if my honourable friend is not knowledgeable of this, then I say he has wasted his time, the people that he represents time, by being here and I suggest that they have been short-changed by the representation by the Honourable Member for Souris-Lansdowne.

Mr. Speaker, I have been around here long enough. --(Interjection)--Yes, I can say that, Mr. Speaker, and I acknowledge, I acknowledge, Mr. Speaker, that I may have been around here long enough, but damn it all, I'm not going to stand while I am here for the muckrakers that's going on by the Conservative and the Liberal parties here in the Province of Manitoba, and I would suggest, Mr. Speaker, I suggest to the honourable members opposite, that they at least should take note of what's happening. We claim, we claim, Mr. Speaker, that we are participants in a democracy . . .

A MEMBER: Mr. Speaker, on a point of privilege.

MR. SPEAKER: The Honourable Member for Roblin state his matter of privilege.

MR. MCKENZIE: Mr. Speaker, I wonder if we could have some soft violins in the background for this great eulogy we're getting tonight.

MR. SPEAKER: Order please.

MR. PAULLEY: You know, Mr. Speaker, I think my honourable friend who has just risen should have soft violins as we place his body in a 4 x 6 installation in a cemetery, because that is the type of contribution that he has made ever since the people of his constituency elected him, and I would say . . . --(Interjection)--

MR. SPEAKER: Order please.

MR. PAULLEY: Yes, do I remember, do I remember - I certainly do, Mr. Speaker, I remember things of yesterday. I remember the Honourable Leader of the Conservative Party when he was the Minister of Industry and Commerce, made proposals for an influx of immigrants from outside of Manitoba and Canada into the garment industry. We have a documentation of what the absent minister, the absent Leader of the Opposition, who hasn't got enough guts, in my opinion Mr. Speaker, to stay here, but he is so wont to condemn me as Minister of Labour, because I do not suggest that we should have importation of immigrants into the garment industry.

What did the Honourable Leader of the Opposition, when he was the Minister of Industry and Commerce suggest, back in 1967? He suggested, Mr. Speaker, that we should have an influx of immigrants in order that we may have participants in the low wage industry in the Province of Manitoba. It's documented, it is here Mr. Speaker. And what is he saying today? Because of the lack of our input for training programs today we are not able to give to the garment industry personnel who are trained. 1967, in case my honourable friends opposite are not aware, was 7 years ago. That character who is now the Leader of the Conservative Party in Manitoba, when he was the Minister of Industry and Commerce, went on a junket. He went on a junket, Mr. Speaker, to England, to Italy and other places to induce people from those areas to come into Manitoba to pick up the slack in the garment industry. At that particular time, as the Minister of Industry and Commerce, he said that we have to undertake a training program for garment industry workers in Manitoba in order that we may be able to provide competent trainees and personnel in the garment industry in the Province of Manitoba. Mr. Speaker, maybe it's unfortunate for the Conservative Party in Manitoba that during the years that I was over at that side of the House, that I took upon myself a responsibility to consider the attitudes of government of that day, and Mr. Speaker, maybe, it's unfortunate for the

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(MR. PAULLEY cont'd) Conservative Party of Manitoba today that in my files and documentations of that day, I have the evidence--(Interjection)--My honourable friend, Mr. Speaker, from Swan River, says to me, 'what did we care?' He is so right, they didn't give a damn or a continental then and all they are trying to do today is to use the evidence that they didn't give a damn at that time to criticize this government because we haven't been able to resolve the situation.

You know, Mr. Speaker, it's so typical, it's so right, of the Member for Swan River, they didn't give a damn then, they don't give a damn today. That is the attitude of the Opposition today. And I suggest, I suggest, Mr. Speaker, to the Honourable Member for Swan River, that he may suggest to his absent leader tonight, that we are not unmindful, that we are not unmindful of the deficiencies of the previous administration. You know, Mr. Speaker, I just sit across the corridor from the Leader of the Opposition, and you know, Mr. Speaker, I love to see my honourable friend the Member for River Heights stand out with tears ebbing from his eyes and say, say to me, and say to my colleagues here, don't fault me for the deficiencies of the Conservative Party when we were in power. How nice it is for that honourable gentleman, the Member for Swan River, the Member for Roblin, and the likes of him, and Souris-Killarney as well, Mr. Speaker, to say don't fault us for our deficiencies, we're a new group.

A MEMBER: Who said it?

MR. PAULLEY: You said it. And you know, Mr. Speaker, in the political process in democracy, it is historic that political parties do have a basic philosophy, that this is a continuing philosophy over the years. We in the New Democratic Party have had that continuing philosophy over the years. We do not, Mr. Speaker, make any reservations as to our objectives when we formed the CCF Party back in 1933, and the New Democratic Party subsequently, we make no apologies for our forward thrust and our ideologies and philosophical approach, but those characters, on the other side, particularly with their leader say, don't fault me as a leader.

You know, Mr. Speaker, dictatorships have been created on this basic philosophy. I don't know whether or not the Honourable Member for River Heights is really suggesting that the Conservative Party have no platform, that because he happened to be elected or selected as the Leader of the Conservative Party, that there by the grace of God go I - philosophy out the window.

Mr. Speaker, I've had the opportunity and I appreciate the input of the people of Manitoba, and particularly my electors in Transcona that I've had the opportunity over 21 years of having the opportunity of being their representative here in this Assembly. Contrast that, Mr. Speaker, when I first became a member of this Assembly in 1953 I had basic principles that I fought for. I have continued to fight for those. As a result, Mr. Speaker, of the fight of those principles we are the Government of the Province of Manitoba, we are instituting those matters that we fight for, and have fought for over the years. (Applause). Compare that, Mr. Speaker, compare that with the approach of the Leader of the Conservative Party who is now the Official Opposition, and who is absent tonight, who says, "Don't fault me because of the principles and the policies of Walter Weir or Duff Roblin, they don't represent, and didn't ever represent the true philosophy of the Conservative Party of Manitoba." How hollow, Mr. Speaker.

And as far as the Leader of the Liberal Party in Manitoba, Mr. Speaker, I well recall in 1969 I prophesized the demise of the Liberal Party in Manitoba. How correct I was. (Hear, hear.) As a matter of fact, had it not been for one or two judicial decisions they wouldn't even be recognized as an official recognized party in the province of Manitoba today. This is the hippy, Mr. Speaker, of politics here in the province of Manitoba. My honourable friend, the Member for Lakeside shakes his head, and I can hear it from here. But Mr. Speaker, it is a fact that after these years I have never in all of the years of my participation seen such low politics as produced here by the both parties. What have we got? What have we got before us now? What is the proposition, Mr. Speaker, that we have here for the consideration on this resolution? "The House regrets the government intends to continue its program, its thrust to discriminate or ignore those Manitobans who fall into the middle income category." What are we attempting to do with the forward thrust of our policies which were enunciated, Mr. Speaker, not when we became government, but before we became government in 1933 and prior to that? We said at that particular time, Mr. Speaker, that we are concerned with the people of the province of Manitoba. Not the middle income group, but with the forward thrust of the right of

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(MR. PAULLEY cont'd) free participation, and the right . . .

MR. SPEAKER: Order, please.

MR. PAULLEY: . . . and the right of the average "Joe" to be able to participate in the wealth that is created within the province of Manitoba. And what do these donkeys want? They want concern for the middle income group. This government, Mr. Speaker, went to the people of the province of Manitoba with a concern for the average "Joe", whether they were in the middle income group, the lower income group. The people of Manitoba said to Schreyer, as they did to Paulley a few years ago, "We are concerned". But what about those opposite? When I listen to the speeches from members opposite, they don't give a continental about the citizens of the province of Manitoba. What does the Leader of the Liberal Party say? "This government proposes no plan to curtail the waste, extravagant, financial mismanagement, fiscal bungling of its ministers as proven by the disclosures of the past two months." All the Leader of the Liberal Party has attempted to do, Mr. Speaker, I suggest to you in this Assembly, is to continue muckraking and leaving in the minds of the people of Manitoba that we have been ineffective. I say to you, Sir, that if the members of the Liberal Party . . .

MR. SPEAKER: Order, please.

MR. PAULLEY: . . . the members of the Conservative Party . . .

MR. SPEAKER: Order, please. I wonder if I could have the co-operation of all the members and have the war that's going on between the undertones and overtones cease. It's just impossible to hear. The Honourable Minister of Labour.

MR. PAULLEY: Further, Mr. Speaker, and I appreciate your interjection, that the Liberal Leader has suggested that after five years in office this government has failed to offer any rational economic growth plan which takes into account the incentives and encouragement needed by the small business operators who are the backbone of the Manitoba economy. Mr. Speaker, I had the opportunity today--somebody criticized from the other side my absence in the House today--but I did have the opportunity, Sir, of going out into my constituency of Transcona and taking part in the opening of the Flyer Industry in Transcona. And Mr. Speaker, there was not one representative of the Opposition that was there that I am knowledgeable of.

A MEMBER: That's a lie.

MR. ENNS: Mr. Speaker, on a Point of Order.

MR. PAULLEY: It's not a lie and I don't lie.

MR. ENNS: Yes, he lies.

MR. PAULLEY: Mr. Speaker, my honourable friend from Lakeside says I'm lying.

MR. SPEAKER: Order, please. Order, please. The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): On a point of personal privilege, Mr. Speaker, I would like to inform the Minister of Labour that I was there. I was there at 4 o'clock and I attended the meeting.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, if the Honourable Member for Lakeside had of listened to what I said, and of course, this is typical of the Honourable Member for Lakeside that he didn't listen to what I said, I said that there wasn't a representative in opposition that I was aware of. I accept, I accept the statement of the honourable member who just spoke that he was there. But, Mr. Speaker, was the Leader of the Opposition there? Was the Leader of the Liberal Party there? And Mr. Speaker, do they give a damn about the forward thrust of industry in Manitoba? I suggest by their absence . . .

A MEMBER: Was your leader there?

MR. PAULLEY: I was the leader there. I was the leader there. (Applause). And, Mr. Speaker, to my honourable friend asking whether our leader was there? I was representing him. Where was the Leader of the Liberal Party?--(Interjection)--

MR. SPEAKER: Order, please. Order, please.

MR. PAULLEY: . . . you were eh? Back in the . . .

A MEMBER: The same way you were.

MR. PAULLEY: No, no, I was on the platform. And you didn't even, and you didn't even come up to me and say that you were the representative of the Conservative Party. And as far as I am concerned, the Conservative Party doesn't give a damn about the forward thrust industrially in the Province of Manitoba. Mr. Speaker, you know we have had, since we

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(MR. PAULLEY cont'd) started here in session, on the 29th I believe it was of January, much debate. As of this day, as of this particular day, the Government of the Province of Manitoba, due to the skullduggery of the Conservatives particularly, sided and abetted by the Liberal members in opposition we haven't as yet received the authorization for our interim budget in order to pay the civil servants of Manitoba the wages that they are due to them. Mr. Speaker, this inept, arrogant opposition is thwarting the endeavours of this government to even pay our civil servants their wages.

This, Mr. Speaker, is a type of thrust, this is the thrust of the Conservative Party in Manitoba who claim, who claim that they are so appreciative, cognizant of the problems in Manitoba. Mr. Speaker, I can say to you, and I say to the Conservative Party, and to the Liberal Party as well, in my opinion they don't give a damn about Manitoba. They don't give a damn about the civil servants in Manitoba and they are doing everything that they possibly can for political reasons to thwart the forward thrust of this government. I don't mind, Mr. Speaker, I've been through a dozen elections in the province of Manitoba. We went through one just a few months ago, in July or June of 19--a year ago--and what they are attempting to do, Mr. Speaker, what they are attempting to do is to fight that last election, knowing damn well that we won't be confronted with an election for three years. But really, Mr. Speaker, their thrust is that in the process they are trying to put every road block that they can in the forward thrust of the destiny of this great province that I respect. That, Mr. Speaker, is what they are attempting to do.

The Honourable Member for Roblin interjects, I can't hear him. Mr. Speaker, I say to the opposition, you are irresponsible, that you have absolutely no consideration for the people of Manitoba. You are failing completely the people of Manitoba. Damn it all, I'm prepared to fight an election tomorrow. I'm prepared, and I would suggest, I would suggest, Mr. Speaker, that if we had an election tomorrow based on the proposals of the Opposition in these motions of non-confidence, not only would the Liberal Party be obliterated, so would the Conservative Party as well. In all my years of participation in the political affairs of Manitoba, Mr. Speaker, I have never ever seen such ineptness, I have never seen such muckraking that is going on by that character, the Leader of the Opposition who comes from River Heights. Who, in my opinion through a process of skullduggery became the candidate in River Heights and replaced an honourable member of this House. And here we have another character, Mr. Speaker, the Leader of the Liberal Party who hasn't any more gumption, any more stability than the Member for River Heights.

I say to you, Mr. Speaker, a pox on both of them, and I say that the programs that we are introducing in the Budget presented by my colleague, the Minister of Finance, in the proposals of my Leader, the Premier of Manitoba, that people of Manitoba are satisfied; and, Mr. Speaker, may I suggest to my honourable friends that tonight they go home to their respective hotel rooms or to their bedrooms and get down on their knees and thank the Lord that here in Manitoba we have a government that is concerned with the destiny of our province and the well-being of all of our citizens. (Applause).

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKellar (Souris-Killarney): Mr. Speaker, I've just listened to a tirade from the Minister of Labour trying to influence the people of Manitoba through attack on our leader and the Leader of the Liberal Party, and I would think that after 21 years in the Legislature that he would think that this must be the last resort. He must be getting near the end of his political career when he gets down that far. I've seen the Minister of Labour, I've seen the Minister of Labour on many occasions when he was in good form.

MR. SPEAKER: Order.

MR. McKELLAR: I've seen him when he was in good form, but tonight he was in terrible form. He didn't have an argument at all to tell why his government was good. He told us every reason why his government was poor and he lectured us on why our leader shouldn't be the leader of our party. Mr. Speaker, I think I'm going to have trouble again with my voice. I picked up a virus about two weeks ago down in London, Ontario, and I haven't been able to shake the thing off yet. I guess I'll have to go back to London, Ontario, to try to get rid of it. --(Interjection)--Yes. Well, I'll tell you, it's just like this. It's just something like - when you go away from home you never tell all of what you did, and I just happened to run into something that I shouldn't have run into down there. It happened to be a virus in this case.

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(MR. McKELLAR cont'd)

Mr. Speaker, I'm not going to take 40 minutes to tell why this . . . group over there shouldn't be the government. I'm not going to do that. I'll only take about ten. Because the people of Manitoba know, the people of Manitoba know, the people of Manitoba, they know for a very good reason. Any time that a government taxes people like this government taxes - and I must say in 1958 when I was first elected the Budget was \$80 million--\$80 million to run the province of Manitoba. When we left in 1969 the Budget was \$329 million. And what is it today? - \$834 million.

MR. SPEAKER: Order, please.

MR. McKELLAR: Mr. Speaker, that's not bad enough. We've got \$699 million of capital expenditures that we have to vote on, that we have to vote on. Mr. Speaker, that's too high a price government for the people of Manitoba. We're not getting that kind of money for the taxes we're paying and I say it's high time, high time that this government is kicked out. They say they were elected, they represent, it is true, they got 31 seats, strictly a numbers game. But that's not good enough, that's not good enough for the people of Manitoba. They want something better than what they're getting from the government of the day, and the only way they're going to get any better is if we keep pressing and bringing out the facts as we see them. The Minister of Labour mightn't like it, the Minister of Finance mightn't like it, the way we're telling it this session, but it's about high time that we got a little rough on you fellows and told it the way it should be told.

Do you think the people are happy out in my area because they did away with the Home Economists? I'll tell you they're not very happy. Do you think they are very happy in Wawanesa when they see a report like that, do you think they are very happy - they went around telling how much cheaper they're going to sell insurance in Wawanesa Mutual. I tell you what the people of Wawanesa think of that right now, I'll tell you. They're saying the First Minister of the Province of Manitoba lied to the people of Manitoba, lied to them, lied to them in every shape and form when he went up and down saying he was going to save the people 15 percent. He told the people he was going to save 15 percent and the First Minister lied to the people of Manitoba. He wasn't fair and the public know it now. And why do they know it? Because they underrated all their rates 25 percent last year, 25 percent; \$10 million deficit on \$40 million of premiums, that's 25 percent, the premium should have been higher, even to come up . . . And the Minister will say, we didn't know it, we didn't know it. We told them they didn't know it, we told them during all that debate they didn't know how to run an insurance company, and I tell you it's proven today, it's proven today, it's proven today, and it will be proven next year too, be proven next year. It will be proven next year. I tell you. It's as simple as that. It wasn't all hail storm, it wasn't all hail storm. Anybody that underestimates their premium income by 25 percent, underestimates by 25 percent, I tell you, I tell you they don't deserve to be in the government of the day, don't deserve it. And we're going to debate this whole report yet, we're going to debate it, and I tell you there's a lot of facts came out of that report that are hidden, that are hidden - are not even brought out by the Provincial Auditor, not brought out, because they're hidden, they're hidden. He can't tell them, he's got to audit this book as he sees it, as it's told to him by the government of the day. If it was audited under the Insurance Act of Canada, I'm telling you, Mr. Speaker, it would be a different audit than what we get in this book right here today - a different audit.

And what's the experience this year, Mr. Speaker? 22 percent more accidents in the first four months from the 1st of November till the end of February, 22 percent more accidents than the year previous. So what's that mean? Your own underwriting is so far behind - and don't tell the people of Manitoba that you get your insurance 15 percent cheaper. It's a lie, it's a lie. And the First Minister went around the province telling the people last year - I tell you the people of Wawanesa don't believe it, they never believed it, and they never will believe it because they know something about insurance. They know something about it. And I tell you it's about high time the people of Manitoba . . . and they're finding out, they're finding out today the facts of life on insurance.

Mr. Speaker, I want to dwell on a few other things too, a few other things that's bothering the people of Manitoba, it's bothering them in many ways. One of the things is Hydro power, that bothers them. Sure, the Premier said we could have raised the rates in Hydro, 1970. We're told the Public Utilities Board agreed to raise the rates. They agreed to raise the rates.

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(MR. McKELLAR cont'd) But the Premier didn't go around telling the people at election time they were going to get a 20 percent increase. Didn't go around telling them they were going to lose their discount on their farm load. He didn't tell them then. No, Mr. Speaker, no, no, hit them right after the year after election, hit them the first six months. Tax them hard, that's the way to tax them. But they don't call that a tax on Hydro bills. But as one member mentioned here this afternoon, the Member for Assiniboia, look at all the changes, look at all the changes, the increases that are involved and goodness knows when we have to pay our farm fuel bills this year, farm fuel bills this summer, we'll know some of the facts of life, a few of the other bills that are involved.

Mr. Speaker, the other night here we witnessed one of the finest debates in this Chamber, and I've sat through a lot of them and the Minister of Labour has heard a lot of them too, I must admit he's been here five years longer than I have. And we heard a debate on philosophy, and my seatmate here, the Member for Lakeside and the Minister of Mines and Natural Resources, I think, put on one of the finest debates that's been here - with the exception of one other debate that I heard in this Chamber and the Minister of Labour was here. He's the only other one that was here.

In 1959 one of the finest debates that ever went on was during the final day of the minority government and we witnessed that time I think a debate on philosophy. We had the premier at that time Mr. Roblin, we had the Leader of the Liberal Party, Mr. Campbell, we had Mr. Stinson sitting right here, the Leader of the New Democratic Party at that time, and those three men went at it that afternoon, minority government was at stake and the same as it was at Ottawa that time, one party always baled our government out, and we did witness the debate on philosophy - it really came out that day - stood out. One of the debates I said, without a paper in their hand, the three leaders, without a paper in their hand, the three leaders went at it all afternoon, and the Minister of Labour will remember that. And the other evening we witnessed the debate . . .

MR. PAULLEY: That's when I was offered a Cabinet portfolio for delivering a schoolboy message.

MR. McKELLAR: I don't think the Minister of Labour was ever offered anything. I don't think he was ever offered anything.

MR. PAULLEY: Oh yes he was.

MR. McKELLAR: Oh he wasn't, I know that. I know him well enough, I know my Leader well enough that - I don't think anybody would want him. I don't think anybody would want him, especially after an exhibition like he put on tonight. I don't think his own leader - in fact, you know, he was lamenting a fact my Leader wasn't in his seat. Do you know what happened, after he got up to speak, do you know who left, do you know who left? I'll tell you who left. His own Leader. And why did he leave? Why did he leave? I tell you why he left, I tell you why he left Mr. Speaker, I would have left too if I was his Leader. I would have left. I tell you, as simple as that, as simple as that. You get tired of that nonsense after so long you get tired of it, you're bound to get tired, especially when you have to put up with your own caucus - it must be terrible. I wouldn't put up with you five minutes. I wouldn't, I wouldn't. As simple as that, simple as that.

I tell you you've got to be proud in this world you know, you have to have some pride, and I tell you when a man says we don't give a continental - and I'm speaking about our Minister of Labour. He says we don't give a damn about the people of Manitoba. I tell you that hurts, that hurts, because I tell you, it isn't that way at all. Everybody in this Chamber cares about people or they wouldn't be here, they wouldn't be here. But I don't have to have the Minister of Labour give me a lecture in this House. I don't have to have him give me a lecture. I've been around long enough to know that it isn't going to - it's going to roll right off me. My shoulders are broad, I come from the farm, I'm willing to take it. I've had the rough, the tough. But the Minister of Labour who becomes a Labour expert when he wants to, when he wants to, never said one thing for the labouring people of my constituency tonight, never said one thing, he didn't tell them he was going to do anything for the labouring people in my . . . I got lots of good labour people that want to know where the Minister of Labour stands.

He never told the people of Souris-Killarney what he was going to do for the labouring people out there. They want to know whether he's going to raise the minimum wage, they want to know where he stands on holidays and all this other . . . they don't even know. The civil

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(MR. McKELLAR cont'd) servants in my constituency want to know where they stand with him. They want to know where they stand with him, civil servants in my constituency would surely like to know where they stand with him. They want to know whether they've got to collect money for him next election, they want to know, that's what they want to know. They want to know a lot of other things. How much they got to get involved in political campaigns. They want to know a lot of other things about the Minister of Labour. Where he stands on Bill 7, when is he going to make of the amendments; where he makes any amendments. I tell you they are concerned with the Minister of Labour, and I think it's about time that the First Minister changed him, give him another portfolio where he'd fit into the government better. I think he's been there too long in that position. It's about time he was changed.

Mr. Speaker, when the First Minister walks out on his own Minister of Labour, won't even listen to him make a 40-minute speech, it's either about time that he quit or got moved or went to the back row, went back to the back row. There's always a place in the pasture field, there's always a place in the pasture field, and I tell you I go one step further. I would put him right back in that box right over there, right over in that far box over there. There is always a place in the pasture field.

A MEMBER: On the farm we say "that great pasture in the sky."

MR. McKELLAR: My honourable seatmate there, he's got a place for animals that misbehave, that's where the Honourable Minister of Labour should be.

Mr. Speaker, I want to dwell a little on this \$834 million budget that we have to vote on Monday night. And the thing that bothers me about \$834 million is that it's getting up to the point where I even as a farmer, I can't interpret it. I can't interpret it. We have 960,000 people I guess, I think somewhere in that neighbourhood, and we've got \$834 million budget, practically a thousand dollars for every man, woman and child, and as I mentioned in 1958 we had \$80 million budget under the Liberal government at that time - the Liberal government, we had \$85 million in our first budget, less than \$100 per person to run the government of the day at that time - less than \$100. I'm telling you there were more roads built in 1958 than there is today and more miles of road. There was more hydro lines put in in those days, there was more of everything put in in those days - for \$80 million. I'm telling the facts of life as I see it, and I tell you there was just as much progress anywhere in the City of Winnipeg in 1958 as there is today. And I mean it, I mean it. And we're not getting the kind of money out of this thousand dollars per man, woman and child that we should. And why aren't we getting it? Because we haven't got the administration, we haven't got the administration, and this is where our lack of confidence in the government today. You've got to do more for the people than you are doing. You can't just barnstorm and yell and scream and cry and shout and go on continuously. You've got to do something concrete for the people of Manitoba. And they're looking for more. They're looking for more from the Minister of Agriculture than what they're getting. All he's doing is hanging Lang, he's going after my friend's man out there, who's on the Hog Board. When you haven't got a story to tell what do you do? What do you do? You tie into the other fellow like you did tonight, and that's all the Minister of Agriculture is doing is crying on Lang, he's crying at somebody else in the Hog Board, he's crying at somebody else, I tell you that's not good, that's not good enough, the people of Manitoba are expecting more from the Minister of Agriculture than that. They thought the first year he was the Minister that he was going to give leadership, they thought he was going to give it, and he was, but he learned something the first year, somebody must have got him and he got - thought he was going to Ottawa I guess and he thought he was going ahead and take a crack at some of the Liberals in Ottawa, so he's trying to play the federal game, he doesn't know which end. And I tell you when he's all messed up with the Women's Institute now, I tell you, if you want, I tell you they'll take him on, they'll take him on, I tell you they'll take him on. If you want to get in trouble just let the women get after you. And I tell you they'll take him on. They'll finish him off. I tell you, they'll finish him off. You mark my word. They'll finish him off. Because I tell you they are a powerful organization, they are powerful and don't underestimate them, the power of a woman, the power of a woman, I tell you. And I want to go on to a few other ministers there, I think that they need a little lesson too. I want to tell the Minister of Health, I want to tell the Minister of Health a few . . .

MR. SPEAKER: Order please.

MR. McKELLAR: The Minister of Health is going around the province telling all the

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(MR. McKELLAR cont'd) hospitals that they've got to stay within an eight percent budget. But what does the Minister of Labour do? He automatically raises the wage rates across the province, to meet the inflation, to meet the inflation. And I tell you the hospitals are having one hell of a time trying to make ends meet, they are having an awful time trying to make ends meet. I think the Minister should give some guidance here, should give some direction. You got \$834 million in the budget, \$834 million; he had an \$8 million surplus last year in Health Service Commission, \$8 million, and yet he goes telling the Hospital Boards keep your costs down, keep your . . . I'm not against keeping the cost down but I think you've got to be realistic in this day and age. I know some of the hospitals in my area are going to have a hell of a time trying to keep going, to even maintain a staff because of this, and I think that the Minister should give some direction. What the Minister does, he just shouts from his seat all the time as he is right now and he blames somebody else. He said, well the Health Service Commission they're responsible; somebody else is responsible for hospital beds, somebody else is responsible for something else and I tell you that's not good enough. We need some leadership in that department, leadership. And I tell you we don't want to get it from Dr. Tulchinsky because that's where the trouble is; Dr. Tulchinsky's been running this party and I tell you it's got to stop, it's got to stop.

Mr. Speaker, I'm going to quit right now because I know there are two other speakers. I'm going to say to the government of the day, it's about time that you gave some government over there, gave some government. I tell you, I know what it is to be on the government side. I spent 11 years over there; I'll spend some more time over there too. Mr. Speaker, I'll spend some more time over there. Government's are never defeated by the opposition, government's defeat themselves. I tell you you're digging your grave, you're digging your grave and you're digging it a lot faster than you think, a lot faster than you think. You're irritating people, you're aggravating, you're just causing the grave to be dug a little faster, a little faster, every day you're going down a little lower, and I tell you, it will be a happy day when I see that grave six feet deep and the Minister of Labour right in there, right in there, and I tell you, I tell you it will be a happy day because I tell you . . . Then we'll have progress, then we'll have progress, like you never saw. We won't have people coming in this Chamber belittling the Leader of the Opposition, and the Leader of the Liberal Party, we'll tell the people the way it is - positive way, positive way. I tell you, Mr. Speaker, you never heard that kind of harangue very often. The only time you ever really get one of those harangues and tirades is from the Minister of Labour, the Minister of Labour. He hasn't got anything to tell himself, as I mentioned before, and I tell you, I want to say to the Minister of Labour, if you don't change your ways, if you don't change your ways that grave is going to get a little deeper, a little deeper, a little deeper, and you'll be in it, you'll be in it. And I tell you, you'll never run in that next election.

Mr. Speaker, we don't have any confidence in this government and we'll show it when we vote. And we're not afraid to stand up and vote. We're not afraid. We're elected to represent people and the man that can't stand up and be counted after he's elected shouldn't be there. But the 21 of us will be there. We'll be there. We'll be there, because we and the people of Manitoba have lost confidence, and I tell you, our 21 are pretty important people, because we represent all the rural area of Manitoba, and I'm talking about the agriculture. Agriculture. That's one reason why the Minister of Agriculture had better stop and look - stop, look and listen, the Minister. Stop, look and listen. I tell you, I tell you, don't come to Souris-Killarney unless you change your ways, change your ways, change your philosophy, because I tell you, you've lost touch, Mr. Minister of Agriculture with the people. The Minister, he's lost touch. That last vote that he sent out to the farmers, I tell you, that was the kiss of death to the Minister of Agriculture--the kiss of death. I tell you, you don't do those things to the farmers, you don't play games with the farmers.

I just want to sit down and say that there's other members of our caucus that's got something to offer here this evening, and I tell you they're going to tell you loud and clear, loud and clear, Mr. Minister of Labour, what they think of you and the other members of your government. And all I say to you, that next time make a speech when you get up to make a speech. And the next time maybe your own leader will stay and listen to you. And don't say that our Leader is away, and he is away. I tell you, I can give you a lesson on that. Everybody. I tell you, it's just a lesson. If you want to play that kind of a game, Mr. Minister of

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(MR. McKELLAR cont'd) Labour, we can do that any day. What happened this afternoon? There was only about three Cabinet Ministers in here. Do you want us to start naming your Cabinet Ministers every day they're out? I tell you, don't start playing that kind of a game in here. I'll play that every day if you want to start playing that. You mentioned seven times here tonight that my Leader is away. --(Interjection)--Now, I tell you, we'll play that game every day you want, and I tell you we'll play it hard and clear. --(Interjection)--

MR. SPEAKER: Order, please.

MR. McKELLAR: Mr. Speaker, I want to say right now, we have no confidence. We'll show it when the vote comes.

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MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, listening to the comments by the Honourable Member from Souris-Killarney and other of his colleagues across the way, one would think that it was the New Democratic Party Government that had lost contact, had lost understanding with the people of the Province of Manitoba. Mr. Speaker, when we examine the facts and ignore the gross distortion by the members across the way we can easily see that it is they that have lost contact with the public of Manitoba. They lost it in 1969, and they even more lost contact with the people of Manitoba last June of 1973.

SOME MEMBERS: Hear, hear.

MR. PAWLEY: Mr. Speaker, I once heard a story about an old lawyer that was advising a young lawyer how he handled a court case. He pointed out to the young lawyer when the law is on your side you speak law and ignore the evidence. When evidence is on your side you discuss the evidence and ignore the law. But when neither law nor evidence is on your side you bang your fist on the table and raise hell. Well, in view of the obvious tactics and gimmicks and charges that have taken place by the Official Opposition in this House during the past two months, it's obvious that they neither have evidence or fact on their side, and they're only interested in raising hell and smear in this Legislature with little beyond that but pure, empty rhetoric. And I would --(Interjection)-- The honourable member would like for me to discuss some other matters, and I would like very much to take the Honourable Member for Souris-Killarney up on some comments that he made earlier this evening. And by the way, I would like to precede my remarks by commending the Honourable Member for Souris-Killarney on his recent appointment as a director of the board of directors of Portage la Prairie Mutual Insurance Company. (Applause) And if the Honourable Member for Riel was present, I would like to compliment him on his recent appointment to the board of directors of Wawanesa Insurance Company. (Applause)

The only thing that kind of amused me, I thought the Honourable Member for Souris-Killarney was a Wawanesa man and I was rather surprised that he was appointed a member of the board of directors for Portage la Prairie Mutual Insurance Company rather than Wawanesa. All that I would like to say to the two honourable members is this, that when we discuss democracy, free exchange, openness, accountability, I hope that the public of Manitoba receive as much information, as much detail, opportunity to question and receive answers from Portage la Prairie Mutual Insurance Company, Wawanesa Insurance Company, to the same extent that they'll be able to receive answers from the Minister responsible for Autopac in this Legislature, as well as Mr. Dutton, before committee. I would hope that they would, and I think that is the test of democracy and not all this vague nonsense that has been spouted across the way in respect to the so-called pure virtues of private automobile insurance in contrast to public automobile insurance.

I remember the debate back in 1970 and '71, when it was our government that said there was a better way, Mr. Speaker, to settle automobile insurance claims, when we indicated that we were establishing claim centres, and I remember honourable members across the way, quick and eager to criticize this development, the establishment of claim centres, to leave behind the old method of settling claims through adjusters, obtaining estimates through private adjusters. They giggled, they laughed, they thought we were silly, that we didn't know what we were doing. Well -- and somebody says across the way we didn't know. Well, Mr. Speaker, if that is the case, then the Insurance Bureau of Canada no longer knows what they are doing. They no longer know what they are doing, because one month ago they announced that they were establishing claim centres in the City of Toronto following the example of Manitoba, two years after we did it in the Province of Manitoba. (Applause) Do I hear snickers and giggles from the honourable members across the way now? --(Interjection)-- And I would also like to challenge the Honourable Member for Souris-Killarney . . .

MR. SPEAKER: Order, please.

MR. PAWLEY: . . . about rates. Much is said about rates. I would challenge the Honourable Member for Souris-Killarney, who in his own position as a Director of the board of directors of the Portage la Prairie Mutual Insurance Company, or the Honourable Member from Riel as a member of the board of directors of Wawanesa, to show to me, to show to me, to prove to me that rates in Manitoba have been raised faster by greater percentage in the past three years than rates have been raised by private insurance companies in other provinces

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(MR. PAWLEY Cont'd) across Canada. They will not be able to do so, Mr. Speaker, because the facts are obvious. Manitoba, with its increase this year in rates, has shown a way of combatting inflation insofar as automobile insurance rates are concerned in Canada, because our record is clear and good compared with rate increases in Ontario, Quebec, Maritime Provinces, Alberta, wherever you look.

Secondly, I would also like to challenge the honourable members to think and to contemplate for a moment, to think and to contemplate if they wish to talk about fire insurance, if they would like to compare rate increases in fire and general insurance since 1971 up to the present time with automobile insurance rates in the Province of Manitoba, and they would find that public automobile insurance compares very favourably with the private companies operating in the general and fire insurance field - very favourably indeed.

But we never hear a sound from the honourable members across the way about rate increases by private insurance companies and the other provinces. We never hear a compliment about the fact that Autopac has held down rates in this province. We never hear a comment about the fact that fire insurance rates in Manitoba have risen at a much higher proportion than have automobile insurance rates under public auspices in the Province of Manitoba during the last three years. No, we never hear a word from the unbiased, objective members across the way. --(Interjection)-- What about Louisiana? Mr. Speaker, the Superintendent of Insurance for Louisiana would love to have introduced public automobile insurance in the State of Louisiana, but because of the pressure and the lobby and the strength of the Insurance and Trial Lawyers Association of Louisiana he has been unsuccessful in getting a bill through the State of Louisiana. It is unfortunate that in the State of Louisiana there weren't politicians with guts like in the Province of Manitoba to ensure its passage. (Applause)

Mr. Speaker, saying those few words, though, I would like to say that because we cannot expect critical analysis, effective and intelligent opposition across the way, that we should on our part wish to examine the type of coverage that we provide in Manitoba, and I think in the not too distant future in Manitoba we're going to have to proceed to a full no-fault system of insurance in Manitoba, that the tort system of payment of claims in Manitoba is antiquated, inequitable and anti-social. And in saying this, Mr. Speaker, I would like to place in record some words that I think very well describe the present system of payment of claims wherever you have that system based upon straight liability, the tort system, words by Dean William Prosser of the University of California's Hastings College of Law, when he stated: "The process by which the question of legal fault, hence of liability, in automobile accident cases as determined in our courts, is cumbersome, time-consuming, expensive, ridiculously inaccurate. The evidence given in personal injury cases usually consists of highly contradictory statements from two sides, estimating such factors as time, speed, distance, visibility, offered months after the event by witnesses who are never very sure just what had happened when they saw it, and whose faulty memories are undermined by lapse of time, by bias, by conversations with others and by subtle influence of counsel. Upon such evidence a jury of twelve inexperienced citizens, called away from their other business, if they ever had one, are invited to retire and make the best guess they can as to whether the defendant, the plaintiff, or both, were negligent, which is in itself a wobbly and uncertain standard based as upon the supposed mental processes of hypothetical and non-existent reasonable men."

Now, I remember during the automobile insurance debate, there were many words spoken across the way. And I remember during that debate in 1971 commending the Honourable Member for Assiniboia, because there was only one constructive thing offered across the way, and that came from the Honourable Member for Assiniboia, when he said that the problem that we had with our automobile insurance program we were introducing in Manitoba is that we didn't go far enough with the development of a no-fault compensation principle and the elimination of tort. I think the Honourable Member for Assiniboia was in many ways correct, and I would hope that rather than constantly involving ourselves with irrelevancies when we discuss automobile insurance, that we would discuss the things that the man in the street is concerned about, and that is whether or not we should be moving away from the antiquated, inequitable method of paying compensation and automobile insurance claims.

I would also like to just mention something else that troubled me the other day. In Manitoba we've had for two or three years the existence of discount groups who had been involved in discounting -- preparing income tax and discounting the rebates, cash on the spot

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(MR. PAWLEY Cont'd) to those using those services, sometimes 40, 50, 60 percent, sums like that. You know, this has happened all across Canada. From British Columbia to Newfoundland these stores, these offices have been in existence. We have urged the Federal Government to change its legislation so that this organized thievery on the part of those that operate those businesses could be dealt with effectively in a legal manner. The Federal Government has continued, despite the requests from Manitoba and other provinces, to not move in this direction. And as a result, the Manitoba Government recently provided assistance to the Midland Credit Union and to other citizens in the downtown area so that they could provide immediate service to low income people in preparation of their income tax returns, and in return the providing of rebates so that those of low income would not have to wait over a lengthy period of time. The comments all over were very favourable to what the province had done, the establishment of an outlet to compete with this leeching of the incomes and the resources of those on low and fixed incomes. All over favourable comment, except from the Winnipeg Free Press -- except from the Winnipeg Free Press. And the Winnipeg Free Press attacked what this government had done and they had the nerve to suggest that perhaps the province would have been better advised to pressure the Federal Government into speeding up the return of refunds to those who qualified, other than funding those who, for a more modest interest rate, are prepared to do exactly what the government is objecting to in the first place.

When I read this, plus some of the other editorials of the Winnipeg Free Press recently, I can't help but recall the words of a former colleague of ours, the Honourable Joe Borowski, who often used very, very severe language -- but I remember when he referred to the Winnipeg Free Press as "the whore of Carlton Street." But I think it is really unfortunate that when things such as this are done, are commented favourably upon by all groups in the community, that we still have such biased and calculated attempts to discredit even the best moves by this government. And, of course, across the way we never heard any comments about that because it seems that they're not concerned about those on fixed and low incomes, and I would have expected, in fact, they would have been criticizing this government for not attempting to help these people earlier than what we had. But, Mr. Speaker, I never heard a word or a murmur from them on this subject, despite the fact that in Manitoba last year approximately 1,000 people were forced into the position of finding their income tax rebates discounted anywhere from 40 to 60 percent, but not a word from the representatives across the way. Not a word. The other day we . . .

MR. PAULLEY: Just a bunch of muckrakers; that's all you are. Come on, Earl. You know that I'm right.

MR. PAWLEY: I don't want to deal at too much length on the various items because there are quite a number of members who want to engage in the debate before us, but I think that one of the unfortunate things of this session so far is this, that the people of Manitoba expected honest, objective debate in this Legislature. They had anticipated that there would be discussions of program and philosophy. They anticipated that there would be ideas flow from this Chamber because they entrusted the representatives of this Legislature to develop concepts and ideas that would equate with the changes within our society, technically and otherwise, and let me tell you, Mr. Speaker, that I think the people of Manitoba are becoming disillusioned, because each day they read of destructive rather than constructive opposition. They listen to, each day, unfounded accusations and I think that the people of Manitoba are looking forward to just a little better, just a little better from their members, because the people of Manitoba don't expect their members in this Chamber to act in the same way that we see in so many other parts of the world where politics has sunk to a low, an all-time low, where it has become a discredited profession.

The people in this province expect the members that they elected to have ideas, to express those ideas and to fight for those ideas, but that their members ought not to be engaged persistently in attempting to discredit personalities for the sake of simple destructive attacks, and I hope, Mr. Speaker, that some way or other this Chamber senses the concern of the public in Manitoba and demands that we do discuss philosophy and program. I don't know why, for instance, there has been each day this constant, what seems to be a constant effort to -- and for a better word and my honourable colleague the Minister of Labour has referred to it -- to muckrake. I just don't know why that effort is being persisted in in this Legislature. It will fail. If those that use that technique think for a moment that it will

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(MR. PAWLEY Cont'd) succeed, that the people of Manitoba are so gullible as to be taken in by that technique, they're in for a surprise, because if they thought they were beaten in 1973 when they fought the election relatively free of muckraking, they'll be surprised how badly they're beaten three years from now if they persist in these tactics. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for LaVerendrye.

MR. BANMAN: Thank you, Mr. Speaker. I would just like to make one comment that sort of aroused my curiosity when the Attorney-General was speaking. You know, it's interesting, first of all with regard to the assistance they've been giving some of the credit unions, and I'm not arguing with it, but when you look at what is happening, first of all the government taxes these low income people, takes the money that rightfully should be theirs, then arrives at a way of giving back supplements to them, then doles out money to agencies to help these people get the money back that was theirs in the first place.

When reviewing the budget that was brought down last Thursday evening, needless to say the increase in spending was rather a shock I think to most everybody in the opposition, and I think the thing that really hit us, hit home here, is that inflation is helping fill government coffers, an increase of \$30 million in revenue on the 5 percent sales tax jumping from \$95 million collected this past year to \$125 million estimated this year. The personal and corporation tax jumped by \$40 million, the total of those two taxes of a total amount of \$65 million.

During my first speech in this House I expressed some concern with reference to the plight of the low income wage earner, and at that time I cited an example and I would like to cite that example again. The cost of living is of immediate concern to all Manitobans. Food Prices rising, housing costs rising, everything on a general upward trend, including salaries. But what about the people on fixed incomes who receive percentage increases yearly? When they get this money they find that instead of having gained the amount of money to help them combat inflation, the government has taken a goodly chunk. Take, for example, the man who has a wife and two children and is making a wage of \$500.00 a month. He receives an 8 percent increase, bringing his salary up to \$540.00, but how much of that \$40.00 does he get to keep? Only \$28.59, a 26 percent profit realized by this government.

The inflationary problem is becoming a very real thing with the average wage earner, and I suggest that the government has a serious look at their over-all spending and start to consider this average person. The problem of inflation is also hitting homeowners and it's becoming a very real thing as far as school boards and municipal governments are concerned.

The local governments raise the majority of their money on property taxes. They do not have the benefit of growth taxes and therefore, instead of profiteering by inflation, are the losers of it by inflation. As a result, property taxes this year are going to reach an all-time high. In the rural municipality of Ste. Anne, one of the rural municipalities in my constituency, the Foundation and Special levy on education will jump. The special levy will jump by over 14 mills and this is just the special levy on education. The municipality has a relatively low assessment and are forced to raise for education an increase of \$33,000 under the special levy. In 1973 they were supposed to raise \$69,000, which they did, under the special levy program, and this year it has jumped to \$102,000. The same thing is also applying to the rural municipalities, the smaller towns and villages, and of course Metropolitan Winnipeg, to try and provide better services for the people. To try and provide the same services, to try and maintain a certain level of services, they are finding that their dollar is buying less and they are forced to increase their taxes.

I feel that most municipal councils and school boards are doing a fairly good job in trying to hold the line. They are in touch with the people; they know what the local conditions are; but because of the fact that the profit sharing on increased revenue is not being shared with municipalities and with school divisions, these people are being put against the ropes. The formula for financing the financial aid to school divisions will have to be changed to give the municipalities some breathing room. The town of Steinbach which has been fairly fortunate in the last while in that their assessment has risen quite substantially over the last year because of some aggressive people in the community, our assessment rose from \$10,000,400 to \$13,000,200 this year. This has helped offset the school . . . tax increase, but even at that the increase will be roughly 10 mills. Now this again is under the Special levy. They will

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(MR. BANMAN Cont'd) be required to raise an additional \$250,000 because of, again, inflation. The school board has not taken into consideration the new increases as far as Hydro goes, and should gasoline go up it will mean an additional burden on the school division.

Now one wonders why the government has not provided more compensation or cost sharing with the municipal governments. Now we've heard certain overtures with regards to regional government, and I think most of the municipal people know what's happened to Unicity. Bigness isn't necessarily better, isn't necessarily cheaper, and we're finding that by creating a big entity, (1) people lose control. They lose control of their local needs and wants but they also lose control of spending. I question if the Minister of Municipal Affairs doesn't have some devious plan whereby he intends to let the municipalities hang out on the ropes for the next couple of years, see the mill rates jump all the way up to 100, 150 mills on residential, never mind what it's going to go up on business, and I wonder if he will then at that time try to promote regional government. I guess we'll just have to wait and see what his thinking along this line is.

The Budget also provides very little tax relief for rural Manitoba. We are watching the Provincial Government make different overtures to the Federal Government with regard to freight rates, secondary industry; in other words, a better shake for Manitoba and the western provinces. And I may add, Mr. Speaker, that I support that whole-heartedly. I feel that secondary industry is of major importance to Manitoba. I would take exception to the Minister of Labour's remarks a little while ago, who said that the Opposition, the Official Opposition, was not concerned about industry. I can assure the Minister that we are very concerned about industry.

But I find it very, very hard to reconcile several other things, and to follow through with more equalization and being from a rural area outside of Metropolitan Winnipeg, I would ask the government to please be consistent. I would like to know why milk in Niverville and Steinbach area, which is only 30 miles out of Winnipeg, is two cents a quart more than in Winnipeg - that is, wholesale price. I would like to point out to the members, and I know that the Honourable Member for Emerson has a fairly large population of dairy people in his area - so do I - and 50 percent of the Manitoba dairy products come from our area in southeastern Manitoba and yet we in that area pay more for our milk than they do in Winnipeg.

Now you may argue that this is transportation cost, but it strikes me that this is very much the same fight we're having with Ottawa right now. The only way we will bring decentralization to the province of Manitoba is to make sure that the cost of living in rural areas is the same, and preferably less, than in the larger metropolitan areas. Hydro is more expensive in rural Manitoba, Autopac pays less in the way of labour rates to rural Manitoba body shops, and so on and so on. Why should people stay in rural Manitoba? And how are we going to get a person raised in the City of Winnipeg - and half the population of Manitoba lives in Winnipeg - how are we going to get these people to move out into the country? How are we going to get somebody born and raised in Winnipeg to move out to the country? We have to provide some incentives for these people to stay in rural areas and also move out from urban areas. The decentralization problem that is facing us . . .

MR. SPEAKER: The hour being 10 o'clock, the House is now adjourned and stands adjourned until 10:00 a. m. tomorrow morning. (Friday)