

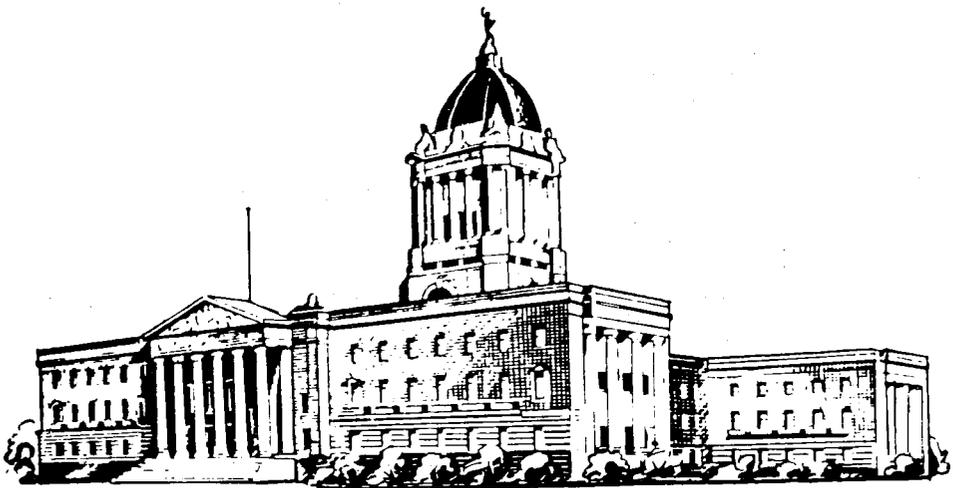


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XXIII No. 140 10:00 a.m., Monday, June 7th, 1976. Third Session, 30th Legislature.

Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	ROM 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Robin Place, Wpg.	R3J 3L8
BIRTLE-RUSSELL	Harry E. Graham	P.C.	Binscarth, Man.	R0J 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
CHARLESWOOD	Arthur Moug	P.C.	29 Willow Ridge Rd., Winnipeg	R3R 1L5
CHURCHILL	Les Osland	NDP	66 Radisson Blvd., Churchill	R0B 0E0
CRESCENTWOOD	Warren Steen	P.C.	410 Borebank St., Winnipeg	R3N 1E7
DAUPHIN	Hon. Peter Burtniak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ELMWOOD	Hon. Russell J. Doern	NDP	Legislative Bldg., Winnipeg	R3C 0V8
EMERSON	Steve Derebianchuk	NDP	Vita, Manitoba	R0A 2K0
FLIN FLON	Thomas Barrow	NDP	Cranberry Portage, Man.	R0B 0H0
FORT GARRY	L.R. (Bud) Sherman	P.C.	86 Niagara St., Winnipeg	R3N 0T9
FORT ROUGE	Lloyd Axworthy	Lib.	140 Roslyn Road, Winnipeg	R3L 0G8
GIMLI	John C. Gottfried	NDP	44 - 3rd Ave., Gimli, Man.	R0C 1B0
GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	R0J 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
KILDONAN	Hon. Peter Fox	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAC DU BONNET	Hon. Sam Uskiw	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAKESIDE	Harry J. Enns	P.C.	Woodlands, Man.	R0C 3H0
LA VERENDRYE	Bob Banman	P.C.	Steinbach, Man.	R0A 2A0
LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	R0J 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	R0G 1K0
OSBORNE	Hon. Ian Turnbull	NDP	Legislative Bldg., Winnipeg	R3C 0V8
PEMBINA	George Henderson	P.C.	Manitou, Man.	R0G 1G0
POINT DOUGLAS	Donald Malinowski	NDP	23 Coralberry Ave., Winnipeg	R2V 2P2
PORTAGE LA PRAIRIE	Gordon E. Johnston	Lib.	Box 112, Portage la Prairie, Manitoba	R1N 3B2
RADISSON	Harry Shafransky	NDP	4 Maplehurst Rd., Winnipeg	R2J 1W8
RHINELAND	Arnold Brown	P.C.	Winkler, Man.	R0G 2X0
RIEL	Donald W. Craik	P.C.	3 River Lane, Winnipeg	R2M 3Y8
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	2518 - 160 Hargrave St., Wpg.	R3C 3H3
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	R0J 0X0
ROCK LAKE	Henry J. Einarson	P.C.	Glenboro, Man.	R0K 0X0
ROSSMERE	Hon. Ed. Schreyer	NDP	Legislative Bldg., Winnipeg	R3C 0V8
RUPERTSLAND	Hon. Harvey Bostrom	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. BONIFACE	Hon. L.L. Desjardins	NDP	200 - 185 Carlton St., Wpg.	R3C 1P3
ST. GEORGE	Hon. Bill Uruski	NDP	10th flr., 330 Portage Ave., Wpg.	R3C 0C4
ST. JAMES	George Minaker	P.C.	318 Ronald St., Winnipeg	R3J 3J8
ST. JOHNS	Saul Cherniack, Q.C.	NDP	333 St. Johns Ave., Winnipeg	R2W 1H2
ST. MATTHEWS	Wally Johannson	NDP	418 Home St., Winnipeg	R3G 1X4
ST. VITAL	D.J. Walding	NDP	26 Hemlock Place, Winnipeg	R2H 1L7
STE. ROSE	A.R. (Pete) Adam	NDP	Ste. Rose du Lac, Man.	R0L 1S0
SELKIRK	Hon. Howard Pawley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SEVEN OAKS	Hon. Saul A. Miller	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SOURIS KILLARNEY	Earl McKellar	P.C.	Nesbitt, Man.	R0K 1P0
SPRINGFIELD	Hon. René E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	R0L 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Ken Dillen	NDP	24 - 1 Public Rd., Thompson	R8N 0M3
TRANSCONA	Hon. Russell Paulley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDEN	Morris McGregor	P.C.	Kenton, Man.	R0M 0Z0
WELLINGTON	Philip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	Hon. J.R. (Bud) Boyce	NDP	Legislative Bldg., Winnipeg	R3C 0V8
WOLSELEY	R.G. (Bob) Wilson	P.C.	2 Middlegate, Winnipeg	R3C 2C4

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10 a.m., Monday, June 7, 1976

Opening Prayer by Mr. Speaker

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the loge on my right where we have Mr. Jeremy B. Akderman, Leader of the New Democratic Party Legislative Assembly of the Province of Nova Scotia. On behalf of all the honourable members, I welcome you here.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees. The Honourable Member for Gimli.

PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

MR. JOHN C. GOTTFRIED (Gimli): Mr. Speaker, I beg to present the second report of the Standing Committee on Municipal Affairs.

MR. CLERK: Your Committee met on Friday, June 4, 1976 and heard public representation with respect to the bills under consideration as follows:

No. 36 - An Act to amend The Municipal Act. Brian Campbell - Private Citizen

No. 48 - An Act to amend The Municipal Act (2). Ron Cayer - Alderman, City of Brandon. Joe Thomassen - Former Alderman, City of Brandon.

Your Committee has considered Bills:

No. 27 - An Act to amend The Flin Flon Charter,

No. 71 - An Act to authorize The Town of Morris to acquire certain Real property and to validate its By-law No. 5/76,

And has agreed to report the same without amendment.

Your Committee has also considered Bills:

No. 36 - An Act to amend The Municipal Act,

No. 65 - An Act to amend The Planning Act,

No. 67 - An Act to amend The Municipal Assessment Act,

And has agreed to report the same with certain amendments.

MR. SPEAKER: The Honourable Member for Gimli.

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

MOTION presented and carried.

MR. SPEAKER: The Honourable Member for St. Vital.

MR. JAMES D. WALDING (St. Vital): Mr. Speaker, I beg to present the second report of the Standing Committee on Private Bills.

MR. CLERK: Your Committee met on Friday, June 4, 1976 and considered Bills:

No. 32 - An Act to amend An Act to Incorporate Tri-State Mortgage Corporation,

No. 35 - An Act to amend An Act Incorporating "Fort Garry Trust Company",

And has agreed to report the same without amendment.

Your Committee has also considered Bills:

No. 45 - An Act to amend An Act to incorporate The Jewish Foundation of Manitoba,

No. 77 - An Act to Incorporate Carman Golf Club,

And has agreed to report the same with certain amendments.

Your Committee recommends:

That the fees paid in connection with the following Bills be refunded, less the costs of printing:

No. 45 - An Act to amend An Act to incorporate The Jewish Foundation of Manitoba,

No. 23 - An Act to incorporate St. Andrew's River Heights United Church Foundation. (Passed at the Second Session of the Thirtieth Legislature, 1975).

PRESENTING REPORTS

MR. SPEAKER: The Honourable Member for St. Vital.

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

MOTION presented.

MR. SPEAKER: There is no debate. The Honourable Member for St. Johns have a point?

STATEMENT RE PRIVATE BILLS

MR. SAUL CHERNIACK Q.C. (St. Johns): Mr. Speaker, I was wondering if I could have leave of the House to give some information to the House and to the Committee dealing with one of the bills that appear there.

MR. SPEAKER: Does the honourable member have leave? (Agreed) The Honourable Member for St. Johns.

MR. CHERNIACK: It will just be a moment, Mr. Speaker. One of the bills that came before the committee was a bill asking for permission to extend the time to permit a certain gentleman, a former plaintiff in an action to commence action again in spite of the lapse of time against four defendants. The committee was not certain at the time we met on Friday whether or not the four defendants had been given any notice of the meeting. The bill was for other reasons I would think, but for whatever reason the bill was moved not to be reported and will not come back to the House. I think the members of the committee particularly would be interested to know that on Friday morning I phoned one of the defendants and learned that he had no knowledge whatsoever of the bill being before the House or in fact he had no memory of anything having been told to him in the last ten years.

I therefore want to conclude after giving the information that I would hope that the Rules Committee will consider the advisability of requiring in the future that just as evidence must be given to the Clerk that a bill has been advertised, so possibly notice ought to be given to affected parties that it's a Private Bill and evidence of service of such notice could be filed with the Clerk. I'm just suggesting that as something for the committee to consider.

MR. SPEAKER: Ministerial Statements and Tabling of Reports. The Honourable Minister of Mines.

HON. SIDNEY GREEN Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, I don't know whether you put the question on the receipt of the report.

MR. SPEAKER: Oh, I'm sorry.

QUESTION put, MOTION carried.

STATEMENT - HOUSE PROCEDURE

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Well, Mr. Speaker, I would like to indicate that our intention today is to deal with House matters until business is exhausted and then to move into Industrial Relations Committee when that occurs. So presuming that we finish in the House in an hour, if we do, then we would move to Industrial Relations Committee to complete the work that was not completed by the work on Saturday. We would do the same thing this afternoon and the same thing this evening.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. DONALD W. CRAIK (Leader of the Official Opposition) (Riel): Mr. Speaker, with regards to the House Leader's announcement here, the Industrial Relations Committee I gather is still hearing representations which would indicate that probably there are people expecting the committee to meet at a certain time.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, we have indicated that the time would not be certain but that it would meet when the House activities are completed. We did indicate that on Saturday.

STATEMENT

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: I might ask, is this the lineup for this morning, and if necessary if there is still representation on the same committee, presumably they would meet this afternoon under the same conditions.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; Questions; Orders of the Day. The Honourable House Leader.

ORDERS OF THE DAY - ADJOURNED DEBATES - SECOND READINGS

MR. GREEN: Well, Mr. Speaker, I would ask you to proceed to the adjourned debates on second reading at the bottom of Page 2 of the Order Paper starting with the Co-operatives Act.

MR. SPEAKER: Bill 59, proposed by the Honourable Minister of Tourism and Recreation. The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Stand, Mr. Speaker.

MR. SPEAKER: Bill 69, proposed by the Honourable First Minister. The Honourable Leader of the Opposition.

MR. CRAIK: Stand, Mr. Speaker.

BILL NO. 79 - GRANTING OF FISCAL MONEYS

MR. SPEAKER: Bill 79, proposed by the Honourable First Minister. The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I do have a few observations to make in respect to this bill which is an act for granting to Her Majesty certain sums of money.

I was interested in the remarks of the Minister of Education in Brandon last week when he was addressing a meeting of the New Democratic Party and, Mr. Speaker, his remarks were reported as indicating that the Minister of Education wished to put an end to the free enterprise bias in the textbooks and in the way in which much of the education had been presented in our schools.

Mr. Speaker, I think perhaps it's entirely possible that there is a kind of bias in terms of free enterprise in our educational system, because I think it can be said that it's a historical fact that the economic system that brought us to the stage that we're at now on the North American continent enjoying the highest standard of living perhaps in the world, was produced and developed by the free enterprise system. It is a system that has had a great deal to do with the history of our country, our province and our continent, so for someone to find now that there is that kind of slant or bias in some of the textbooks I think is not an unusual observation.

The Minister of Education pointed out that a number of texts for elementary grades portray families where "father works in an office and a relative, usually grandmother, lives on a farm." I would think that that's a reasonable kind of a premise for the discussion of the family life and economic activities in our province. But I suggest, Mr. Speaker, that the Minister is now concerned about the fact that there are no other kinds of economic activities perhaps getting equal time in the education system and he is determined to ensure that people are aware of the advantages of co-operatives and other kinds of economic activity.

Mr. Speaker, I think that we could proceed on that general trend and perhaps suggest to the Minister that it be assigned reading in all secondary schools that financial horror story that we might call the Saunder's Aircraft story, that we might include this as a proper presentation of public enterprise in our country - if we are going to be concerned about private enterprise then let's ensure that the pupils learn about the advantages and the disadvantages of public enterprise in our school system, and to me, Mr. Speaker, no financial story of public enterprise at work could be more impressive than that of the Saunders Aircraft.

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(MR. MCGILL cont'd)

This sad and dreary story began back in October 1970 when the Government of Manitoba decided that they would encourage a company headed by David Saunders to come from Quebec to Manitoba to build airplanes. Mr. Speaker, there's been a great deal of advice given to the Government of Manitoba since this plan to enter the aero space industry in Manitoba was announced, a great deal of advice. Some of us had had experience over a period of 25 or 30 years and we learned, many of us, that the flight path of the aero space industry is strewn with broken dreams, and I suppose we could add, is strewn with dreamers who are broke. We tried to indicate to the government at that time that they were embarking upon a very dangerous course, that the results were almost completely predictable, and four years ago we on this side recommended very clearly that the government get out of it, they were in for \$3 million at that time. The future was just simply not there for this dream of David Saunders, who by this time had been relieved of his connection with the company and had departed for other perhaps more lucrative fields.

During this whole period, Mr. Speaker, it was so difficult for us to obtain accurate information about what was happening. The predictions and projections of the Manitoba Development Corporation had one type of consistency, and that was that they were almost always completely wrong. I can't understand how so many questions from our side could have been answered with information that turned out to be entirely incorrect. Admittedly we were asking for opinions, we were asking for the best judgment of people who were responsible for the provision of further sums of money from the taxpayers of Manitoba towards the operation of this business, but the information, Mr. Speaker, made it almost impossible to present a clear factual picture to the taxpayers as the amount of involvement of this government became greater and greater.

Here is just one example, Mr. Speaker, of the kind of information that we were getting and the public was getting. This was a News Service Bulletin dated January 21, 1972, and it says, "Saunders Aircraft records big sale. Gimli based firm sells 5 craft to U.S. airline. A Gimli based firm backed by 3.5 millions of provincial funds," - 3.5 at that time, we had a chance to get out with a loss that wouldn't have been quite as disastrous as we have now. Well, the Gimli based aircraft manufacturer has recorded the sale of 5 aircraft to an unidentified American airline for \$2,339,860, the price was precisely stated, the sale had been recorded, and this was announced by Industry and Commerce Minister Len Evans. The sale was made by Saunders Aircraft Corporation in which the Manitoba Development Corporation has a 47 percent equity position. And they go on to describe the airplanes that were sold at that time. "The Minister said he particularly welcomed Saunders' great success in view of the fact that it is a pollution-free high technology and high wage enterprise, three of the ingredients we in the department look for in enterprises seeking provincial support." --(Interjection)-- Five aircraft. The announcement of that sale is just about the total of all the aircraft that were sold by the company over the period of its life.

Mr. Speaker, how is it possible that announcements that were as clear and concise and firm in their terms as that one could have been presented to the public. Did no one on the other side really know what was going on in the Saunders Aircraft story? It would seem from the responses from the Chairman of the Manitoba Development Corporation and the announcements from time to time of the Minister of Industry and Commerce who was then responsible for the operation, it seemed to indicate that really they didn't have an idea about the operations of the aircraft firm. So we kept on saying, "It's time to take your losses and get out." But, Mr. Speaker, that was unsolicited advice, the government wasn't asking us for our opinions really. We were presenting them without being invited, and I suppose it's understandable that they didn't pay too much attention to what we were telling them.

And so the whole dreary story proceeded. Mr. Speaker, what about the solicited advice? What about the advice that this government paid for and sought? What did they have to say in 1971 about this kind of operation? Well in November 1969 this government set up an Economic Development Advisory Review Board. This was for the purpose of getting advice about how to proceed in developing the province. The members were

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(MR. MCGILL cont'd) Mr. Arthur DeFehr of Winnipeg, Mr. Searle Leach of Winnipeg, Mr. Harry Fenster of Flin Flon, Mr. Charles Hunt of Swan River, Mr. Alfred Walker of Winnipeg, and Dr. Baldur Kristjanson was the Chairman, and in the course of the first year of operations, they presented a report to the Economic Development Committee of the House. This report was presented about six or seven months after the first involvement of the Manitoba Government in Saunders Aircraft. The amount that they were in for at that time was about \$750,000, largely the amount to pay the debts of the company that was then operating in Quebec, and as a result of which to get an undertaking from that company to move to Manitoba to build airplanes. Six months after that first involvement the Economic Development Advisory Board presented its report to the Committee on Economic Development, and to the Minister of Industry and Commerce. I'm reading from that report, Mr. Speaker, and this is from about Page 3 or so, it's a paragraph, it's an excerpt from the report to the Standing Committee on Economic Development of the Legislative Assembly from the Economic Development Advisory Board, and they say as follows:

"As well as recommending programs for adoption, we also wish to recommend certain things to be avoided as a matter of deliberate government policy consonant with our ambition to retain and exploit our distinct advantages in the pursuit of Manitoba's economic development. We ought for example to avoid deliberately attracting into Manitoba, as with special incentives or assistance, the kinds of industrial enterprises which are characteristically unstable (boom or bust) in their economic activity, or whose activity levels are entirely determined by decisions made outside of our province. The aerospace industry comes to mind as a particular example of this kind."

The aerospace industry comes to mind as a particular example of this kind. Mr. Speaker, this was the advice of the Advisory Committee set up by this government to guide them, and six months after they had invested \$750,000-odd in the aerospace industry. They couldn't have said it more clearly than they did in this report: This is a bad direction for this province to be taking, you are attracting a boom or bust kind of industry to Manitoba, one that depends entirely almost on decisions made outside of the Province of Manitoba for its success or otherwise. Well, Mr. Speaker, certainly the unsolicited advice of the opposition didn't in any way deter this government in pursuing its way with the aerospace industry and not even the advice of the Committee for which they paid some \$12,000 to \$15,000 a year, not even that advice was in any way accepted by the government.

I thought it was a rather notable undertaking of the First Minister the other day when he said, "You know, I'm personally responsible for the last \$18 million that was advanced to Saunders Aircraft." One has to commend that kind of responsible position, he didn't need, I suppose, to say that. He had plenty of example from his Federal counterparts about what to do when you get into a jam, you can look for a scapegoat and pin it on someone else and say we were given the wrong information. Well all through this sorry tale the House and the taxpayers were given wrong information on the prospects and the actual sales of Saunders Aircraft, but the First Minister stood up and said, "It's my responsibility." I don't really think that it was. There was plenty of opportunity for someone else to stand up in the House and say, well, this was my undertaking and I have to accept the responsibility. You see, Mr. Speaker, when this flight got airborne, this flight of fancy in the aerospace industry, one crew was at the controls, and when the weather got tough they needed some more experienced guidance and they brought in the Minister of Mines to take over and see if he could land the flight without damage to the passengers, the taxpayers. All we could suggest at that time was that they better fasten their seat belts because they were going to have a pretty rough landing. And then I suppose the weather got even worse and the First Minister moved in as co-pilot, and between the two of them they, as of a few days ago, came down to the ground in a - well, we call it in the trade, a controlled crash. We knew it was going to happen and it happened, and now the taxpayers are, since the receivership was declared, are unbuckling their seat belts and climbing out of the wreckage and trying to decide how much permanent damage there is. I suppose, Mr. Speaker, the taxpayers will recover. I don't know whether this government will ever recover, I think the permanent damage that has been done probably

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(MR. MCGILL cont'd) has been done to their credibility. They engineered it of their own free will and they pressed on in spite of all the advice to the contrary, and so it's going to be a decision of the taxpayers in a year or so or two, whenever the next election occurs, when the amount of damage will really be assessed.

It's difficult to deal with this whole program. I do think that when the whole story is written that the Minister of Education will ensure that it's assigned reading in our school system. This is public enterprise, we'd have the bias that he suggests on private enterprise, we know what it can do, let's make sure that everybody in the province from the school children up knows what public enterprise can do. Thank you, Mr. Speaker.

QUESTION put.

MR. SPEAKER: The Honourable Member for Thompson.

MR. KEN DILLEN (Thompson): Mr. Speaker, the Member for Brandon West in his presentation led us to believe that there was only one system being considered in the schools, and that I think what he tried to say was that the so-called free enterprise system as he understands it has contributed to the present high standard of living in Manitoba if not all of Canada.

Well if he wants us to accept that idea that the free enterprise system bias that is being taught in our schools has contributed to that tremendously high standard of living, then he also has to accept that that same so-called free enterprise system has also contributed to the horrendous conditions that exist for a larger proportion of society, of 750,000 people in Canada being out of work, that that is the result of this so-called free enterprise system. It results in the native people of northern Manitoba in some of the most remote communities having upwards of 75 and 80 percent unemployment, that is the result of this so-called free enterprise system. It results also in the infant mortality rate of native people and native children in northern Manitoba, would he also say that that is a result of the free enterprise system?

But we have been able to set up systems that prop up this so-called free enterprise system so that we don't hear of those people who are in those conditions. We've introduced unemployment insurance; we have social assistance; we have a number of make-work programs that people are supposed to be grateful for; we have a number of other short-term programs, both at the federal and provincial level that people are supposed to be somehow grateful for - that is as a result of the failure of the free enterprise system to create the kind of economy in Canada that will make employment available, meaningful jobs available, and that was the exercise at Gimli. You know, it wasn't too long ago that people in this House thought it horrendous that Air Canada had moved its maintenance staff from Manitoba to Quebec and everybody agreed at that time that that was a terrible blow to Manitoba - on top of that everybody in this House thought it was a terrible blow to Manitoba to have the air base at Gimli close - and nobody disputed the fact that the Provincial and Federal Governments had a responsibility to try to bring about additional employment opportunities for those jobs that were lost as a result of the closing of that base and the removal of the Air Canada Overhaul facilities from Manitoba.

Anybody that has any knowledge of the air industry at all, my memory is not that long in the aircraft industry, but it wasn't too many years ago when they were building the engines for the L-1011, the Rolls Royce engines, that the government of the United States and Britain had to come in and prop that company up with somewhere in the order of \$300 million in order for them to complete the contract. That was public money, there was no outcry, there was no screaming from the opposition at that time. And more recently the decision was made in Canada to proceed with the long range patrol aircraft, the Orion, at a cost to the public of Canada of somewhere in the order of \$1 billion. There was no outcry from the opposition in Ottawa that this decision was proceeding with, there wasn't a whimper, everybody thought it was a great deal. It was only as a result of the inability of that company to gain financing through private sources that again it would have been propped up by the public of somewhere in the order of the interest rate of \$100 million - nobody cried about that, nobody in the Conservative Opposition in Ottawa thought that was a bad deal. As a matter of fact everybody thought it was a great deal, and that it was a great deal for Manitoba as well, because they felt that some other

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(MR. DILLEN cont'd) companies were going to get a little bit of the spinoff action from that deal. But that was all public money, all taxpayers' money, there wasn't one red cent of free enterprise money being provided in that deal. And even now in order to get out of it, the Federal Government with public money, taxpayers' money, is going to have to pay \$16 million just to get out of the deal.

We've created a system that ensures that with public money that companies are not going to fail - we've done it with de Havilland - we have set up a fail-safe system that those companies are going to continue to succeed as long as we prop it up with public money. There's never been any question about that in the minds of anybody in Canada when that was happening. And I heard no opposition from the Conservatives, I heard no opposition from anybody else in this Chamber or in any other Chamber in Canada for the amount of public money that was being propped into de Havilland - a private company - and there was no outcry when the public paid somewhere in the order of \$40 million to purchase this company after we had supported it for years with public money. It's like using your own money to purchase what you've already purchased. I don't know how else I can make it any simpler.

The same applied to Canadair. Nobody argued when Canadair was being constantly propped up with public money, and they were ensured that everything that they produced was going to be purchased with public money - nobody argued about that. But now that we have seen the results of what happens when the opposition feel that they have something that they can get their teeth into, such as Saunders Aircraft, and they can successfully sway public opinion to the point where it is no longer palatable for the public to consider continuing to prop this company up, they sit back in this House and say that that's a great thing that it's now defunct.

Even the former Leader of the Opposition when he was in Gimli three years ago said that Saunders Aircraft would fly better on Conservative wings. You know, he goes into a description of a controlled crash with the Minister of Mines and the Premier at the controls. Well who was at the controls during the crash of CFI? It's like putting Reisser and Kasser at the controls except that the crash wasn't a controlled crash, it was a very expensive end-over-end crash.

The member tried to speak in opposition to modify the educational system in Canada or in Manitoba that will provide at least the opportunity for somebody to make a decision. We have treated the students in this province for so long on the basis that they were incapable of making a decision at any age. We have also set up a system that tries to ensure that every person, at least we try to give the impression that every person who enters school and goes through the educational system is going to go to university, when statistics show that less than 10 percent of those people ever enter the university in whatever profession.

The largest percentage of the people who are presently in our school system are going to enter the work force and I don't believe to this day that we are preparing those people for entry into the work force. We don't acquaint the students with the labour laws of the province, we don't acquaint the students with his rights under the Workmen's Compensation Act in the province, and this is a consequence of that lack of education. We have a tremendous number of people who now are suffering as a result of being unaware of what their rights and responsibilities are, that's where the education system has to be modified and changed so that we are preparing people for the workplace. If they don't go to the workplace, at least they're prepared for it; if they continue on to university, at least they're prepared and they have a greater understanding of what those people who have entered the workplace have to contend with.

You know, all of the laws that are in place - the Mines Act; Employment Standards; Minimum Wage; now Occupational Safety and Health; or Workplace Safety - all of these things have an important place in the educational system to prepare people to enter the workplace. It's not being done - and the Member for Brandon West would have us believe that preparing people for entry into the workplace is somehow opposing the free enterprise system.

I said that we have introduced a fail-safe system, Sir, to ensure that companies

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(MR. DILLEN cont'd) do not fail, and yet we just think that it's absolutely horrendous if we establish that same kind of fail-safe system for public companies; if it is done for private industry it should follow that public industry should also receive the same kind of assistance, the same kind of propping up. We're prepared to do that for de Havilland or Canadair or Lockheed, for CFI, for any number of companies, Air Canada, the CN, the CPR, but we just think it's horrendous if it is a public company that is making a contribution to the employment and the economy of the province, that that somehow is wrong.

And what about people? We just think that it's horrendous for people to be supported financially, the establishment of some kind of community enterprise anywhere in the province, that as long as it's controlled by the community, that somehow reeks of socialism and that we fail to give people the same kind insurance against failure. Take an example of a community making an application through the Department of Indian Affairs for the establishment of a sawmill logging operation. In 1970 the application was made. They were advised in 1970 that, I'm sorry the budget does not provide for any support of this enterprise, therefore please resubmit in 1971. In '71 they submitted again and they were advised that they did not . . . I think the wording was, "Due to inadequate feasibility studies please resubmit." They resubmitted in 1972, and they were advised that they did not do an adequate market analysis, please resubmit. You know, how long does this kind of thing go on before people just give up in despair and say, "To heck with it, I'm going to sit down and the public is going to have to feed me." That's exactly what is going on.

MR. ENNS: Rubbish! Rubbish! Rubbish!

MR. DILLEN: But when Lockheed comes to Canada at the insistence of the American generals, you know, they didn't say, "Please resubmit". You know, it's interesting when you read the American newspapers to find out what the American generals are saying about our need for long-range patrol aircraft. They are saying that we have to protect ourselves from sneak attacks from submarines offshore, that's their approach as to why we need the long-range patrol aircraft. But the reports from the Canadian generals tell us that we have to have this long-range patrol aircraft to exercise our sovereignty over the north. Now, who are we exercising the sovereignty from? From the same people that we are buying the aircraft? --(Interjection)-- The Member for Lakeside makes reference to the fact that the entire northern part of this province is being represented by New Democrats. It would still be represented by Conservatives if the Conservatives had of listened to people in the north.

We have not developed the kind of system that protects people from failure. And there have been failures. You know, people who have had initiative to do something in the north have failed. They have failed because we have failed to recognize that they need the kind of financial support that we're prepared to give to Lockheed, to de Havilland, to Canadair and to everybody else. We need the same kind of support in northern Manitoba to establish the kind of enterprise which will give long-term financial and economic stability to the people. The same kind of support that we're prepared to give to the agricultural community of Manitoba, nobody in northern Manitoba says that we should not provide financial support to the agricultural community. And nobody in the City of Winnipeg will say that the agricultural community in Manitoba does not need financial support, does not need loans, does not need continued propping up, in hard times as well as in good times. Nobody spoke against the granting to the cow-calf operators somewhere in the order of \$40 million, nobody argued against that kind of propping up of a necessary industry in Manitoba. So all we're asking in northern Manitoba is for the same kind of consideration. We have valuable resources in northern Manitoba that are undeveloped, pulpwood, logging, sawmills, fishing, people, and they're going to require the same kind of assistance that we're prepared to give to the agricultural industry, the cow-calf operator, de Havilland, Canadair, Lockheed.

Mr. Speaker, I want to close on those few short notes, that somehow we can continue to accept without any problems, without any opposition, that we should continue to prop up everybody else in the country. The people in Gimli require the same kind of propping up because of the actions of government - the only problem with that system that

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(MR. DILLEN cont'd) I see, is that the Federal Government was not prepared to give to give the same kind of support to Saunders or to Gimli as the Provincial Government, had there been some kind of cost-sharing arrangement that would have been a good business for Gimli, with the same kind of support that is provided for everybody else. And nobody who is now in possession of one of those planes operating in Manitoba or Ontario speaks disfavouably about the aircraft itself, everybody has the highest praise for it. It's a good product, and I believe that that may be the problem, because a good product is, in the true sense of the free enterprise system, is in competition with the eastern aircraft companies.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I beg to move, seconded by the Member for River Heights, that debate on this bill be adjourned.

MOTION presented and carried.

MR. SPEAKER: Bill No. 81. The Honourable Member for Rock Lake. (Stand) Bill No. 87, proposed by the First Minister. The Honourable Leader of the Opposition. (Stand)

BILL NO. 88 - THE CORPORATION CAPITAL TAX ACT

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere) presented Bill 88, the Corporation Capital Tax Act for second reading.

MOTION presented.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, pursuant to the Budget Address of approximately five weeks ago, we have introduced legislation to increase during the period of the currency of the anti-inflation program in Canada, legislation to increase corporation income tax payable or the surtax by corporations with taxable income in excess of \$100,000, now revised in effect to \$150,000, to increase the income tax payable to a rate of 15 percent for a period, they're not certain of, but which will be in the order of 18 months to three years. As a complementary measure to that, Bill 88 now before us, provides for a measure to tax capital employed by corporations. This too is subject to certain parameters. This capital tax is deductible, as I pointed out in the Budget Address, it is deductible for purposes of both the federal and provincial corporation income tax and therefore for corporations with taxable income the capital tax liability will in most cases be approximately halved. In the case of those corporations that do not have taxable income the application of this tax will ensure a contribution on their part to the costs of public service. The rate of tax is one-fifth of one percent of a corporation's capital as it stood at the year end and the tax will apply to all corporations with permanent establishments in the province with two notable exceptions: one, those corporations whose taxable paid up capital is less than \$100,000 and two, all charitable corporations as defined under Section 149 of the Income Tax Act.

In addition to those major exceptions there are additional exemptions relating to credit unions and co-operatives, family incorporated farms and federal and provincial crown corporations. It goes without saying, Mr. Speaker, that since this is a Corporation Capital Tax the Act does not apply to unincorporated businesses.

The advantages of incorporation as opposed to non-incorporated forms of business will to this degree then be offset so that there would be some advantage to non-incorporation in the case of smaller scale of operation. The exact definition as to what is taxable capital, the figure at which the one-fifth of one percent will apply is something which requires some considerable detailed specification which will be provided in Committee stage. But in general terms it is equal to the capital a corporation employs whether it be from surpluses, advances or loans from shareholders, other corporations or banks or from the issuance of bonds or mortgages, less an investment credit which provides a relative deduction for investments by the corporation in the bonds and debentures of other corporations, governments and school boards. Capital therefore includes all

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(MR. SCHREYER cont'd) capital, irrespective of its source. In a sense to be equitable, or as equitable as can be in taxation, there is no difference between a corporation on one hand which finances its operations from moneys received from shareholders as compared to another corporation that finances its operation through a retention of profits or through borrowing. The tax will apply to the taxable capital of a corporation as it stands at the end of its particular taxation year and will be effective to all year ends following on or after the first of July, 1976.

Installment payments will be required under the Act 15 days prior to the last day of a company's year end. This installment will be based on the corporation's taxable capital of the previous year. The final payment with supporting documentation, return statements, etc., is required to be filed six months after the company's year end and there is some specification here again that can be provided at Committee stage.

I'm sure that this procedure will become clearer as we move by way of clause by clause consideration in Committee stage. There are in the bill transitional provisions which defer installment payments in the first few months of the Act's existence for those corporations whose year end falls between June 30, 1976, and September 16, 1976. This is to allow a period of transition or a learning period for those in the first few months to become familiar with the procedures. It will also provide time for the administrative mechanism to be put in place.

As pointed out in the Budget Address we propose to follow the experience of other provinces that have implemented this tax in years gone by, not simply because those provinces have so imposed the tax but because it is policy decision of the Government of the Province of Manitoba that this type of tax is reasonable and, as pointed out in the opening remarks, it is a means of insuring that corporations will contribute a more equitable share into provincial programs, particularly at a time when, as a result of changes in the federal income tax levels, there is a lesser level of taxation paid by corporations today than would have been the case in 1974, for example, '73, and indeed a lower rate than at certain periods in the 1960s.

We have to a large degree, as far as administrative techniques are concerned, based the new legislation on the legislation of the Provinces of Ontario and British Columbia. I think it is only prudent that where a given concept is adopted that such administrative techniques as are already proven in other jurisdictions, in the very self-same kind of tax field, be closely looked at in order to ensure that we do not waste time and effort in re-inventing the wheel or re-inventing techniques and administrative procedures already well established and already surrounded with considerable experience.

Perhaps as our administration here, as our public service administration here becomes more familiar in this area changes for the better will be proposed in the future from time to time. I am advised that both Ontario and British Columbia's legislation in this regard are very similar and this will, when coupled with the Manitoba legislation, give us a basis for adopting those procedures and detailed regulations which will simplify compliance.

Insofar as assessing, collecting and relative procedures are concerned we have in most cases utilized in drafting this legislation similar wording to that contained in the corresponding taxation statutes in British Columbia, Ontario and to some extent in Quebec. Revenues are estimated for the period July 1, 1976, to March 31, 1977, at approximately six to six and a half million dollars.

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MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, I do not rise to adjourn the debate but rather to enter it. To a certain extent I'm intrigued by the words of the First Minister.

To suggest that in effect this bill is introduced as a complementary feature to the Anti-Inflation Board's effort I think is intellectually dishonest. I would suggest to the First Minister that the introduction of this bill is consistent with the introduction of the bill in other jurisdictions. It's simply a means of the tax collector acquiring more money, more money for the purpose of carrying out the programs of government.

Now I think there is a debate to be held as to whether there is justification for more money to be taken from the taxpayer for the kinds of efforts the governments are putting forward and for the way in which governments have generally handled their administrative responsibilities. I think that that debate to a certain extent has gone on and will continue. I think as well to suggest that there'll be a revision of techniques which would somehow or other make the bill work is really only a forerunner, Mr. Speaker, of saying that we're going to revise the techniques so as to be able to turn the tap on a little bit more in successive years to be able to acquire more money from this means of taxation.

Mr. Speaker, this tax is a tax on capital but this tax really is just another means of the government trying to reach out and raise money for whatever purposes it sees fit. In the course of doing it it ignores, I think, some very basic and fundamental reasons for the whole concept of taxation and concept of income tax on earnings.

Mr. Speaker, it doesn't make any difference whether a company earns money or not it will have to pay that tax. A company can lose \$100,000 and have \$100,000 asset or \$200,000 asset and be mortgaged to the extent of \$199,000 and still pay the tax, whether it has income earned or not. At this point it's one-fifth of one percent; in years to come as the demands of government become greater it will become one percent, two percent, three percent, four percent, five percent and those are the techniques that the First Minister is really talking about.

It is a tax not on assets of the company, not on capital of the company, but, Mr. Speaker, it is a tax that is devised to be able to in effect, essentially confiscate from the corporation, confiscate from the corporation part of what it has, with no other basis than there is a need for government to have money.

I, Mr. Speaker, have not examined the full details of the bill but I was concerned about the interpretation of what paid up capital would be. I have the Information Services Bulletin that was published which indicated in advance what it would be. I know that when certain questions were asked of the department after this publication but before the bill, they indicated that they would not be prepared to speak on it simply because capital tax will really be defined when the bill comes in as what the Finance Minister says it is to be. While they expected it to be this, it still was possible for it to have been something else. But in effect it would appear that the Information Service was correct and it will in fact include all these things.

It will be the actual capital in a company - that is the actual contributions that have been made by shareholders purchasing and the equity that goes into the company. It will in effect include all the retained earnings of the corporation. It will include loans from shareholders, loans from banks and mortgage loans. Now we get into the whole situation as to why or on what basis can the government justify that a corporation having to do business must loan money from the bank and for the loan that it takes from the bank it has to pay a tax to the government. In effect that's what the First Minister is saying. If in fact the business is one in which the receivables are not paid on a basis in which the company can handle its financing, of necessity it will require interim financing from the bank which is a very common kind of thing. So from the financing that's required from the bank, from the financing that's required from the other credit institutions, from the financing that's required from all the industrial credit institutions, for that purpose, to be able to operate its business, the tax collector has to put his hand in the corporation's pocket and pull out some more money. It's not earnings; it's not income; it's necessary for the operation and it has to be paid. On what basis? What for?

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(MR. SPIVAK cont'd)

It is not the assets of the corporation because that asset is met by the liability to and the obligation and yet it's to be taxed. Now why? When the capital tax was introduced in the Budget or referred to in the Budget - and I must say that I wasn't familiar with other jurisdictions or the variations that exist in other jurisdictions - my assumption was that what we were talking about were, in fact, capital or assets. In effect, we're not. What we are talking about is a different scheme, a scheme that is inequitable. In the Manitoba context it is I think ridiculous, and I say that, for all the small corporations who in fact will be affected by this. It would seem to me that it is something that cannot be justified.

We have the continual struggle in this province to maintain our industry, to maintain our business. There is a flow of capital that is leaving this province for other provinces, particularly Alberta, because of the general climate that exists here, because of the conditions that exist here, because of the taxation position that exists here, because of the attitude to succession duties and to gift tax that exist here, and it would be foolish to suggest that that is not taking place. So we add something else, and in the course of adding it we add it with the recognition that small business in this province has always had a difficult time struggling; that it has never been in a position to marshal by way of direct contribution by shareholders' purchasing of equity the kinds of moneys to be able to carry on its functions; that in effect it has always, small business has always had the problem of financing and in the course of financing has had to deal with all those institutions that I've referred to, the banks, etc. Now, for that, they are going to have to pay an additional tax. There's just no justification for it, Mr. Speaker, except the need of government for more money, the need of the First Minister to have more money - and I say this year for next year, for a surplus to give away for the election. Mr. Speaker, it would seem to me that at one point someone has to say to the government that, you know, you can try and rationalize, you can try and intellectualize, you can try and justify but in reality what you are doing is simply confiscating and you're confiscating at this point and that's exactly what you're doing. You're confiscating on the basis of what you consider needs to justify all your programs. When the programs come forward, and the Member from Thompson talked about this, and when there's waste and mismanagement shown, his answer is, well my God it happens in other areas. So therefore that's a justification for it happening here. --(Interjection)-- Oh, is that not what he said? Well I think that's what he said. Yes, that's exactly what he said. As a matter of fact the real argument - and I would just add to that - is that the Federal Government should have given us more money because they gave money elsewhere. At least by giving us more money we could have wasted their money instead of having to waste the money we have to collect. That's realistically, I think, the summary of what he said.

Now, Mr. Speaker, the Premier introduced this, he said, as complementing the measure for the AIB. That's nonsense. That's not the reason. He talked about the perfection of this administrative technique that he and other Premiers and other Finance Ministers are introducing and they're introducing it for the same reason. There's no way that they can control their spending; there's no way that they can control their waste and as a result and for that reason they need more money. Therefore they will take it wherever they can and they will take it in such a way, Mr. Speaker, so that it will not be apparent to the taxpayer that he will be directly paying it.

It's pretty obvious that for institutions that are going to have to pay this tax, it will be passed on. Because ultimately the consumer is going to pay for this and the taxpayer is going to pay for this as another means of another indirect tax. So the basis for it isn't on the basis of assets; it isn't on the basis of capital; it is on the basis of the widest base possible so that in effect the percentage will appear to be at this point a very small percentage but in reality as the techniques are developed it will increase higher and higher and another cost of doing business in this province will be the additional payment of the government who will then have their hands in the corporation's pocketbook at all times.

Mr. Speaker, you can develop so many different scenarios of so many different

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(MR. SPIVAK cont'd) companies whose financing will come in so many different ways and whose actual net worth will be insignificant, who will not have any earnings of income and who will be struggling but nevertheless are still going to have to pay the Provincial Government who will not have any earnings of income and who will be struggling but nevertheless are still going to have to pay the Provincial Government. And that can go over and over and over again, I mean, you can repeat this over and over again.

We've got some exemptions, actually Crown corporations would be exempt, you know Flyer industry, Saunders in their situation would be exempt. Why not? Why shouldn't they be exempt? But the reality is that taxpayer, the corporation and the small businessman who is trying to struggle in this province, he has to pay. Family farm corporations are exempt because farmers represent a particular political group in this province with a tremendous amount of clout, and for that reason there was no question, they would not be included. But where is an exemption for the small businessman who from this government has received very little consideration, very little consideration: \$100,000 exemption, \$100,000 of assets, \$100,000 of profits -- (Interjection)-- \$100,000 of assets? Well \$100,000 of assets. He can have two pieces of equipment, that can be \$140,000 and you can owe \$139,000, you're taxed. -- (Interjection)-- But the fact is you're taxed, and small business today will be involved, there's no exemption from that.

It's not a tax on income, it realistically as I suggest is a means of confiscation, and a means of the state itself acquiring money through another vehicle with a recognition that it will be directly affected it will directly be reflected in increased pricing to the consumer, and recognizing that in terms of the amount of political flack, it will be minimum. So the corporations will have to pay for it, the administrative costs will be there, the government will ultimately vary it and the bureaucracy will grow in the years to come and in the whole course of all of this, it will be justified on some basis that in the achievement of the social democracy philosophy in this province, what we are doing is better than others would do and therefore it's justified.

I say to the First Minister that the time --(Interjection)-- I am saying directly to the Minister, that's true, I am saying that, I will say that to Ontario or to B.C., I am going to say to them that they're in the same position as the First Minister. The possibility existed that they had more agility in their taxing methods in trying to again get money from the taxpayer, but it doesn't justify it, I don't believe it to be the case, I think it is wrong. I think what fundamentally has happened is that they have lost sight, as the First Minister here has lost sight, of a very fundamental principle, that the whole basis on which we have taxed in this country has been based on the income that's been earned. And if in effect in the course of earned surplus there are in fact anomalies, corrections, errors that have been made, then you correct that, but to suggest at this point that we now tax whether there's earnings or not and to look at the Manitoba scene and small business position and the need for loan capital to be available and for money to be available to be able to operate because of all the difficulties of accumulating any kind of capital and surplus over the years, because of the history of our whole industrial complex in this province, to then say that we must tax them is I believe just ridiculous. It's a failure to recognize our position and it cannot be justified, Mr. Chairman, to me on the basis that Ontario or B.C. or anybody else has done that.

Mr. Speaker, it is unlikely that we're going to change this Act because of the need that the government has for money, and that brings in the fundamental question then whether that need really is justified. One then has to review the whole range of what's happened. Mr. Speaker, the people of this province will be paying for it, it will be passed on to them. There will be plenty of smaller corporations who will have much greater difficulty in handling and just arriving at whatever they'll have to arrive at as far as payment of the tax is concerned. It's just another burden, it's another involvement, and the questions people will ask is, why? And, Mr. Speaker, when the First Minister introduced his comments he couldn't give you the reasons why. He did not give you the reasons why except we need money, and then the complementing of the AIB. But he already acknowledged that it happened under jurisdictions before the AIB guidelines came in.

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(MR. SPIVAK cont'd)

Mr. Speaker, I would suggest again that the members opposite who are concerned about exhausting the taxation possibilities in this province, who recognize the political realities of the taxing position of the last period of time, and the sensitivity of people generally at this point to the government taking more and more from them, have simply accepted this vehicle as a means of acquiring money now in what apparently appears to be an innocent kind of undertaking, in a percentage which is very small and really insignificant in the total context. In dollars it will represent \$6 million in approximately a nine-month period, which is about \$12 million, and I assume in a full year, this year. But then, Mr. Speaker, we open the tap a little more and now we have two-fifths, three-fifths, one percent, two percent, three percent, and, Mr. Speaker, realize what kind of money we're talking about. And it's going to come from the corporations who will pass it on to the consumer here in Manitoba, if they can; will then have to pass it on in the sale of their exports to other provinces, if they can; will pass it on in the sale of exports to other countries, if they can; and if they can't, that'll be their problem. And what are they paying for? They are paying a tax on the amount of money in many cases that they're going to have to loan for carrying on business, that's exactly what they're going to have to do. They're going to have to pay it for the bank loan, for the mortgage loan, for the factoring that'll take place, in order to be able to carry on their operation.

I don't think that I can convince the members opposite to change because the announcement's been made, but I want them to recognize what they really are doing. They're not taxing the major companies in this province. You're not taxing - because you're not - you're not just taxing the major companies whose assets are substantial and who have the buildings on the main streets in this city and who have major plants in operation, you're taxing a lot of small people who from day to day have had a heck of a time struggling in this province to continue on and to be able to maintain themselves here, and, Mr. Speaker, who have justified living here because of the quality of life that has developed and because they want to. --(Interjection)-- Well, Mr. Speaker, I don't believe that you have to raise the sales tax - and I want to tell the First Minister, he gave a hint - I think in the Budget Speech that he may have to raise it, you don't have to raise it. Why can't you just cut down your spending? Do you realize that? What you really have to do --(Interjection)-- oh please. I mean, you're spending - you come in with the Estimates and say it's 12-1/2 percent, it's about 18 or 19 or 20 percent. I have no doubt, Mr. Speaker, that the First Minister has sat on the Treasury Board or on the Management Committee and has essentially tried to be tough and hard, from every report I've heard that that's been the case. I have no doubt that he has done that. But having said that, that isn't what I'm talking about. I am really talking about looking at your government programs and once and for all shaking your Ministers and telling them now to cut it and cut it well, and it can be done. And in the course in doing this, not having to come with this kind of proposition with an increase of 5 to 7 percent but with a reduction of taxes. But it's a task that will take a tremendous amount of time and it simply means that the same kind of dedication the First Minister has, has to be the dedication of the other Ministers, and it doesn't exist. And that's the problem. And it means in a number of ways, because there's certain assumptions that because what has happened in the past must continue, because this is the way we did it, it has to continue this way. And the reform that's necessary is much more serious than just the control of spending at the top level.

Mr. Speaker, I don't believe that this can be justified. I think that the definition section is indicative of the government's attitude and I think it is just simply a forerunner, Mr. Speaker, a forerunner of the increased taxation that is going to take place through this mechanism, and I believe, Mr. Speaker, that it has implications for small business here. It is another one of those reasons why business and those who are involved will look to other jurisdictions. I want to say to the other members opposite - and they'll always say well, it isn't happening - don't tell me now that people are not looking at other jurisdictions, because they are; don't tell me that they're not moving,

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(MR. SPIVAK cont'd) because they are; don't tell me that capital isn't moving from this province, because it is. And the reality is that this is just another reason for that move to take place, and all the reasons for staying here because of family up-bringing association will not in the long run hold people back. This is a silly Act at this particular time, and the members opposite must have known this when they considered it. It would have been one thing to have taxed capital, it's another thing to tax what you are taxing, and I don't believe it can be justified.

MR. SPEAKER: The Honourable Member for St. Johns.

MR. CHERNIACK: Thank you, Mr. Speaker, I always enjoy getting into a debate with members of the opposition when we're dealing with matters of political philosophy, and particularly with the Member for River Heights, maybe because of the way he - as he said earlier today, one can always write scenarios about different companies and all the different problems and I think the Member for River Heights is one of the good writers on the other side when it comes to building up scenarios, creating mirages by which he attempts to sell his opposition.

It's been said before that the opposition has to wait for the government to make certain political mistakes so that the opposition could take the place of government. And I'm speaking about this opposition and this government, because this opposition really lacks a clear definition of policy so that they could go to the people with a program of their own. Now that's going to change. It is going to change because the Member for River Heights found it difficult to take a clear-cut stand of a Progressive Conservative Party. He found it difficult but his successor does not. And we will have a much more clear difference to present to the people, who will then be able to make a better choice based on actual evaluation of philosophy than the red herrings that some of the members opposite are able to paint beautifully. --(Interjection)-- The Member for Roblin is ready to enter the debate on that basis, and let me tell him, he is one of the most at fault when it comes to fuzzing issues, making them so obscure as to be not understandable and certainly not clear as to what is really the point at issue. I must say the Member for Roblin, whether he stands on his feet or sits there and contributes as he sometimes does, usually confuses the issue by distortion, but the Member for River Heights does not do so quite that bluntly. He's much more sophisticated about it and he builds his scenarios and his smokescreens in such a way as to make it appear plausible.

But really it is plausible if you would only admit to Conservative philosophy, to the need to support the system as they see it in such a way as to give to those people who accumulate capital, to those people who earn large sums of money so that they are able to build the economy that members opposite envision is important for this province. And that's really the difference. The only thing is that they have always been indiscriminate in the way they build their case. The result is and has been to the advantage of the government party in that they are able to build these scenarios, these fictitious doom and gloom concepts, so indiscriminately and so frequently that they are not believable. And this is one of the cases.

One of the problems that we have on this side I think, is that we find that other governments of various political faiths are sometimes running ahead of us in their efforts to see to it that they can keep in check a threatened growth of the corporate structure, and that's why we find other governments, Conservative governments, Liberal governments, who are just as anxious as we are to evaluate what's happening to the economy and to attempt to assist it to serve the people which is really the only purpose I see that they can have. And those people that the Member for River Heights describes as being hard up, scraping along, I forget the words he used, fighting to stay ahead - Mr. Speaker, I remember our leader being criticized for saying that the people who are involved in conspicuous consumption are indeed the people who are the first to complain when there's anything happening by way of taxation, and the Member for River Heights today has represented to me those people who would be complaining about this kind of a tax and who are probably those involved in conspicuous consumption. The member I think, said that he was Minister of Industry and Commerce - and we to our regret remember those days very well - and as such he was able to build a scenario because, Mr. Speaker, no one before him or after him has been able to do as great a selling job of mythical concepts

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(MR. CHERNIACK cont'd) as he did while he was Minister of Industry and Commerce. The one thing he didn't do was to study his own responsibility, and of course one need only to look at the MDC in order to know where he failed so miserably.

Mr. Speaker, I don't want to really direct my attention to the history or the experience of the former Minister of Industry and Commerce, the Member for River Heights, I really want to talk about his concept and those which he represents, that of the Conservative Party. But I want to tell him that the doom and gloom and the cry wolf which we saw today just is not believable. He talks about people moving, capital moving. Mr. Speaker, he says that in the face of the fact that Manitoba's economy has been improving, and so has the west and so has Canada, but our standard of living is constantly improving. And our fight on this side, Mr. Speaker, has been at all times geared mostly to those people on limited and fixed incomes, to help them keep abreast of the tide that is going on in the economy generally on this continent. So that just keeping abreast is not easy. And when they talk about the growth and disparities - and that has been talked about - and if we can, only that we've done our best to reduce that growth to see to it that there is lesser disparity, then we are told, well you're driving people away. The people that we are driving away are very few in number as is shown by all the statistics describing our economic growth. They are people who have reached the stage where they have no contribution really to make because their capital has gone long before they have and we know that, the Member for River Heights knows that. In years gone by when the Conservatives were on this side of the House I was working with certain clients on what they called estate planning and I learned from all these big estate planners - and I don't claim to have been one - the people who spend most of their time in planning their estates, both individuals and the professionals that served them, the accountants and the lawyers, that the movement of capital started long ago, long ago, during the Conservative regime in Manitoba, probably even during the Liberal regime although that's a long, long time ago. But certainly during both the Conservative and Liberal regimes in the Federal Government. --(Interjection)-- The Member for Swan River is talking about a little faster. He's even wrong about that because money has moved, it moves easily and therefore people who could see ahead . . . why the wealthiest people are probably the ones who have done the best job in so ordering their affairs as to be able to avoid taxation. You know it's not that I'm making this up. It's not that members really would have an opportunity to dispute it because we have facts that are available to us.

But before I go into that I want to point out that - maybe it's part of the tricks of the trade of every opposition who want to go to the people and say, "Taxation is too high," who want to say, "We will reduce taxation," and who then have to say, "Well we will find our moneys to carry out the programs by cutting waste." I suppose every opposition has done that. I suppose that when we were in opposition we did that, I suppose that happens in every province. Cut waste. Mr. Speaker, I don't accuse the Conservative Government before us of having been profligate, free and easy, ready to let their Ministers run amuck with money. And when we came into government we found a fairly good administration and we feel that we have the same kind of approach. Where the criticism has come right through the Estimates debate this session and every session has been in certain directions, one general. Every member opposite can say why you can cut the fat, why those Ministers are overspending. Mr. Speaker, the question of how you deal with income relates to how it's to be used and that's how the Member for River Heights talked about cutting costs.

Let me just deal with that part very briefly by saying that the only positive way that there can be a contribution in reduction of costs by an opposition is as has been, general - which is not very meaningful - or aiming at those programs with which they disagree which is perfectly legitimate. It's not waste necessarily, it's a program they wouldn't handle. Or it relates to the research aspects where they can say that all the research is going to develop programs they don't like. That's really all they talk about. But it's nonsense to say it can be reduced because it would be replaced by any government that is activist. Any government that wants to do things is going to be spending

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(MR. CHERNIACK cont'd) that kind of money. It's only the government that holds the line in all programs, a reactionary government, that will have no expenditures along the lines of development or new programs in research. But when it comes to this thought that, we are endangering capital, that we are driving capital out, the Member for River Heights knows that it's not believable, it's not acceptable.

Mr. Speaker, we have in the Budget Address certain statements which are supported by tables. We have to recognize that there has been a change in spite of all the progressivity of all the legislation of all the last number of years in all of the jurisdictions - let me say specifically in the jurisdiction of Canada as well as, well, in all the jurisdictions really. We find that the giveaways, the tax concessions, the incentives, the various approaches by governments and the ability of corporations to move money around has resulted in a gradual reduction of a ratio of taxable income to corporate profits. The corporations give their annual statements and they publish them to their shareholders and say, look how well we did. We earned this kind of money. These are our profits.

But when they come to file an income tax return which is not public what seems to happen? Those corporate profits about which they were so proud when they described them to their shareholders and to the people somehow become stripped down to a much lesser amount when it comes to calculating the income which is taxable in relation to the profits. On Page 14 of the Budget Address there is this statement which I'm going to repeat, it's a short paragraph. It says that for a number of years Manitoba has expressed concern about the effectiveness of the current system of corporation income tax in taxing profits earned in Manitoba by national and international concerns. I'm sure the Conservatives care about that; I'm sure that concerns them. In total, as shown, and I'm back to quoting, in total as shown in Statistics Canada corporation taxation statistics, the corporate sector across the country pays income tax on under two-thirds of profits. Well that's important. Shouldn't we recognize it? Shouldn't Conservatives recognize it? Shouldn't the fighters on the bastions of capital enterprise at least recognize this fact and this concept? In fact the latest available information for 1973 indicates that for the largest corporations, corporate income for tax purposes is barely 50 percent of the profits shown in the company's own books. In our view this is substantial indication that the current corporation income tax base requires a major overhaul. Our concern was increased when we discovered that a significant number of corporations have been able to adjust their accounts in such a way as to pay absolutely no income taxes in years when they report substantial earnings to shareholders and on occasion increased dividends.

Mr. Speaker, it is wearing blinkers which, of course, I suppose people from the horse and buggy days are more inclined to wear than those who are more inclined to the changes in society. But those people, many of whom are still in the horse and buggy days, are wearing the blinkers that they used to put on their horses. They put blinkers on horses to make sure that they are not distracted by facts. You know the fact is that when a horse is running down the street I suppose there could be other traffic coming from either side or there might be a child about to run in the way or there might be a red hydrant that attracts him for some reason and they, Mr. Speaker, put blinkers on horses so horses can look only in one direction and not see what goes on at the side. Their peripheral vision has been reduced. The members opposite are wearing blinkers today in a figurative sense just like the horses that they used to deal with on which they put on the blinkers. Those blinkers deny them the opportunity to look at the facts as they are today.

Amongst the facts are Table 1 that appears as an appendix to the Budget report, the comparison of corporate profits before taxes and taxable income by selected Canadian industries, 1968 to 1973. It gives the ratio of taxable income, income on which they pay tax against corporate profits. It gives them for each of the years 1968 through to 1973, in each of the various industries that have been used for statistic purposes. But in 1973 the figure not being available for each of the industries the figure is only for the total of all industries which comes from Statistics Canada's Corporations and Labour Unions

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(MR. CHERNIACK cont'd) Returns Act Report which is corporations with assets of greater than \$5 million. And there I just want to read these for all industries: 64.5 percent in 1968 - that is two-thirds of what they reported as having earned in profits are reported for taxable purposes. 1969 - 64.7 percent; 1970 - 60 percent; 1971 - 58.7 percent; 1972 - 62.8 percent; 1973 the indication is 50.3 percent. These figures could be used against us, Mr. Speaker. If the opposition really cared they would use these figures and say, what have you done? Before you were elected and since you were elected you've been talking about reducing disparities and look what's happening to corporate profits as related to the taxes that they pay on them. That is the accusation that should be made but it is not being made because the blinkers won't let the members do so. Mr. Speaker, the Member for River Heights seems to want to interrupt me.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I ask the Member for St. Johns - it's rather appropriate because it's a question really of who has the blinkers - based on the information he has just read whether he feels that the information he's read justifies the Provincial Government taxing loans from banks.

MR. SPEAKER: The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, the member is drawing a red herring. He is now suggesting that the point I made fails because of the point he made regarding to loans. It has no connection at all. Absolutely no connection. I intend to deal with that, deal with it separately because it's not related. This bill we are debating is one which deals with a tax on capital used by a corporation. The concept that the member tried to develop about corporations being running away and being hurt, I feel had to be dealt with. But I intend to come to the other point.

I just wanted, before the member interrupted me with that rhetorical question, that he might be interested in knowing how the service industries are faring. I don't know why I think so, but he might. In 1968 the service industries were reporting 86.3 percent of their corporate profits as taxable income. That's when he was Minister of Industry and Commerce. Mr. Speaker, by 1972 they were reporting 65.7 percent. Look at how governments have failed the people dealing for example with the service industries, which in 1968 were paying so much - so close a percentage of their profits were reporting them as taxable income and now in 1972 reduced to 65.7. Just as a matter of interest I'd say that the largest one was 92.9 percent for retail trade in 1968 and it is now 77.3 percent. It's still higher than all industries. Well, Mr. Speaker, I point that out only to describe that corporations have not suffered at all.

I sincerely believe that the fault is in the program of the Liberal Party of Ottawa, the government, and supported substantially by the Conservative one of Ontario which is the major government, the major impact that it has on industry and the economy in Canada. So I really believe that it is the Liberals in Ottawa, the Conservatives in Toronto, and their point of view which they have a right to hold, which has helped the corporations avoid a fair share of the cost of operating services to people. When I say a "fair share" I'm not talking about my concept of fair share, I'm talking about their concept of fair share. Because they must have in 1965, 1966, 1968, had a certain concept of what is a fair share to be paid by corporations. During their regime the corporations were at least reporting a larger share of their profits for tax purposes than they have been through the years subsequent thereto. So when I use the expression "fair share" I'm assuming that they ought to be terribly disappointed in the reducing amount of contribution of a fair share.

Mr. Speaker, I want to come and zero in on the more important point raised by the member opposite, the member to whom small business is still one which has assets, working operations assets of over \$100,000. That to him is small and maybe he's right. Maybe it should be \$150,000. He didn't tell us what exemption there ought to be. But I would like to point out to the honourable member that small business is still pretty well able to produce a fairly good income to its owners. --(Interjection)-- Let's say that. You know I'm prepared to be faced with this when I meet owners of small business, to tell them that I think they're doing pretty well generally. They're not as rich as the rich but, Mr. Speaker, they're not as poor as the poor. I believe --(Interjection)-- The poor

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(MR. CHERNIACK cont'd) what? The poor people, yes. The people who operate and own small businesses are not as poor as the poor people in Manitoba. If the Member from River Heights wants to challenge that statement I'll sit down and let him do so by way of a question.

Mr. Speaker, what are we talking about? We're talking about a small tax, a very small tax. What was it? Estimated at \$6 million out of over a billion dollars of revenue. Mr. Speaker, the Member for River Heights used the expression "insignificant." I think he agreed that it was not a significant tax. But, Mr. Speaker, there he brought that boogeyman with him. Mr. Speaker, why you start at one-fifth of one percent next year, two-fifths of one percent the following year, three-fifths of one percent, then four-fifths. Then, Mr. Speaker, one percent. What happens after that? One percent then you go to two percent then three percent. I'm quoting him. I can now see that it'll take us 104 years to do what he claims we're trying to do and that is to confiscate. Mr. Speaker, it's such nonsense. Mr. Speaker, if this government wanted to confiscate it would confiscate. Mr. Speaker, there's nothing so final as confiscation. You know once you do it it's done. It is just complete nonsense. That's why I say that the opposition all too often makes it easier for us to explain our point of view by their scenarios where they take things to such a ridiculous conclusion that they're not believed. Because what is one-fifth of one percent? Mr. Speaker, one-fifth of one percent.

Apparently the Member for River Heights does not really object to the tax if it were to be applied to paid up capital. I don't want to put words in his mouth but I don't think he objected to it from that standpoint. I think he accepted, well it was paid up capital all right. I think he said that. If I didn't I'm sorry and some other member of his party will be able to correct me. So what was he talking about? Oh, it's borrowed money that's being used. Well, Mr. Speaker, I've practiced law for a while; the Member for River Heights has been in business for a while; we both know how many companies are structured. We both know that for purposes unrelated to taxation, corporations have been constructed and small corporations have been constructed in such a way as to have a minimal paid-up capital. The minimal has been the minimum allowed. You know it was required under our Corporations Act that you had to have a minimum of \$500 of issued capital - it didn't even have to be paid up, but as long as you issued it, which means that it became an obligation to pay the \$500, then that was the minimum - and how many corporations have gone through with a minimum of \$500 in paid-up capital is a very large number. I don't want to estimate it but I assure you, Mr. Speaker, it's a very large number. And it was done for other reasons. It was done so that shareholders would be able to take profits back out of the business without declaring a dividend, a perfectly legitimate transaction according to our tax laws; but if a shareholder lends money to the corporation rather than owns shares and the corporation makes profits and accumulates moneys more than it needs to operate, then it can pay back the shareholders' loans without inviting taxation. It postpones for a long period of time the tax cost involved in declaring dividends; it's a very simple device used very frequently.

Mr. Speaker, there's another matter. People who are able to structure their affairs in such a way as to create the maximum return for their investment are people who are able to use other people. I don't want to go back to a Marxist and pre-Marxist concept of exploitation of people, but it is true that through the generations, through the centuries past, moneys have been accumulated through the use of people, through the exploitation of people. Now that's not a dirty word, it's just an old word. But there's another way to use power. I don't mean power in any derogatory or pejorative sense, I mean, let's say ability to structure an industry, to structure a corporation; there are ways of using other people's moneys, not exploiting people, not even exploiting their moneys, but to use other people's moneys. And the person who has good credit is always able to borrow, and that person who can borrow does better than the person who uses his own money, because borrowed money is still, with good credit, a low cost. The Member for River Heights must know it, because I know it, and I don't mix in the same high economic circles that he meets in his daily life, that many businesses are structured this way, \$500 subscribed capital, maybe paid, maybe not paid, usually paid; borrowing, borrowing from the bank, which is the easiest way, borrowing at prime which

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(MR. CHERNIACK cont'd) today is 9-3/4 percent, or borrowing at one percent over prime, and thus using moneys that are loaned to them on the strength of what? The \$500. No way, Mr. Speaker. On the strength of the signature of a person who is good for the money. So whether it's the shareholder's money or whether it is the money of the bank which the shareholder guarantees and therefore in effect is the shareholder's money, or whether it is the money owing to the company by accounts receivable which are postponed and not yet paid, it is still money that is made available by the operation of the business, by the investment in dollars or in signatures or in guarantees by the shareholders, that is being used to develop the business.

Mr. Speaker, you could picture my friend from Flin Flon who sits beside me, who has great capital assets like I might have, and the two of us using two ways of starting an enterprise. He's the old fashioned man, he's grey, although he's younger than I am he looks older because of the colour of his hair, because he hasn't started dyeing yet, dyeing his hair I mean - and, Mr. Speaker, he may use the old fashioned way of saying well, I need \$100,000 to go into this or the other enterprise and I have \$100,000 so I'll subscribe for \$100,000 worth of shares, and I'm in business, I have \$100,000. Or I might say well, I will use \$500 of that \$100,000, I'll subscribe and pay for those shares and then I will lend the bank or lend somebody the extra \$99,500 or I may invest it in my home or I may invest it in condominium in Florida or Acapulco or Hawaii and I will go to the bank and I will sign a note for \$99,500; I might put up as security the assets I have acquired for the moneys that I have the extra \$99,500 and the bank will lend me the money and then it's borrowed money and I will operate with the same \$100,000 available to me.

So, Mr. Speaker, the money is still being used, the money is still being used in the enterprise. And just think of it in this simple way. What are we doing? What is the Member for River Heights going to the people to tell them this dastardly thing we are doing? I understand one dastardly thing is, are we again following Ontario? I'm not sure. I think that may be one of the provinces --(Interjection)-- Yes. You see, Mr. Speaker, that dastardly thing we're doing is following the trend in Ontario.

The terrible thing that the Member for River Heights zeroed in on, that dangerous concept which he calls confiscation, what does it mean? Well if I go to the bank and I borrow \$100,000 from the bank and I pay let's say one-quarter percent over prime - and I think most endeavours pay more than one-quarter of one percent over prime, they might be paying 11 percent interest. So using \$100,000 of bank money will cost them \$11,000. That's okay. That cost is the cost of operation. The Member for River Heights doesn't deplore that. I haven't heard him make fantastic speeches requiring the MDC to start competing with the banks in order to bring down the interest rates, no indeed. The MDC isn't allowed to charge less than anyone else so they must be all right. So they're paying \$11,000 to use \$100,000 of borrowed money. What is this bill doing to that company? Do you know, Mr. Speaker?

It is saying to them that we're asking you to pay one-fifth of one percent of the assets that you use in order to pay this tax and of that \$100,000 borrowed from the bank, at a cost of \$11,000, we're asking you to pay one-fifth of one percent of \$100,000. One percent of \$100,000, that's \$200. I hope my arithmetic wasn't too fast, that I made a major mistake but I think that one percent of \$100,000 is \$1,000, one-fifth of one percent is \$200, so we are saying to that person who is paying \$11,000 to borrow from the bank \$100,000 at a cost of \$11,000, that person is paying what under this Act? \$200.00. I don't want to start figuring out what percentage \$200 is out of \$11,000 but, Mr. Speaker, it's as insignificant as the Member for River Heights said it was. But it's more insignificant or it's less significant because, Mr. Speaker, it's deductible. It's deductible, Mr. Speaker. It is a cost of operation.

The figures I have here, a business, small business - I'm using now what may be the Member for River Heights concept of what is small - which may have a taxable capital under this Act of, let's say, \$300,000. I imagine that's small in his idea. The tax would amount to \$600. That's the tax. But the capital tax is deductible at the small business rate of 28 percent so the net cost is \$432.00. So that's what we're talking

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(MR. CHERNIACK cont'd) about. Here's a \$300,000 operation for which --(Interjection)--Pardon? No. I'm saying that if you take a company, one of his scenarios might involve a company with \$300,000 taxable capital, that is capital used in carrying on the business whether invested or borrowed. That company of \$300,000 borrows that money - that's my scenario - from the bank, not from any usurious place at all, from the bank, at say 10 percent for easy figures, costing it \$30,000. The tax payable would be \$600 but there is deductible from that the 28 percent tax at the small businessman's rate so the net cost for a \$300,000 taxable capital under this bill will cost \$432.00.

Mr. Speaker, it is necessary to give the whole picture. It's fine, it's good polemics, it's good argument for the members opposite to talk about this invidious tax, whereas I say I'm kind of ashamed to have to say that we followed Conservative Ontario in the principle. But it is necessary to report to the people to whom we address ourselves about this tax as to what it is. For the member to try and picture one-fifth of one percent as confiscation is such arrant nonsense that if he would only please, and I ask this of him, please give the whole picture when you go to the people. Please tell them what it means. Don't tell them what you think it means, tell them what it actually means. When you talk to the individuals from whom you're going to be asking for a campaign contribution, which is tax deductible as the member will no doubt tell them, please tell them that in their business this tax will amount to so many dollars and the net amount will be so much and that you think that's confiscation. Please do us the fair - what's the word? Fair play - of giving the whole picture --(Interjection)-- The courtesy. Well yes, the Member for Lakeside who has been noted at times for being courteous to members on this side, suggests that I expect courtesy. I don't. I don't really expect that we be given the courtesy but just give yourselves the intellectual honesty of telling the whole picture. When you're going to go out and talk about confiscation find out from the person to whom you're talking what you are saying. Give him the picture, what will it cost? Then, Mr. Speaker, he will laugh uproariously at the Member for River Heights with a scenario that he depicted for us. If he doesn't, Mr. Speaker, it's only because the facts will have been presented in a distorted way for which some members of the opposition have been noted.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, I move, seconded by the Member for Lakeside, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I intend to adjourn and I would like to indicate that we would have still a half hour to meet in Industrial Relations Committee. There are some people apparently that want to present briefs. I propose to do the same thing this afternoon and this evening.

I would now move, seconded by the Attorney-General, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 2:30 in the afternoon. (Monday)