

THE LEGISLATIVE ASSEMBLY OF MANITOBA

10:00 o'clock, Friday, April 14, 1967

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions

Reading and Receiving Petitions

Presenting Reports by standing and special committees

Notices of Motion

Introduction of Bills

I wonder if I might direct the attention of the Honourable Members to the gallery on my right, where we have 78 Grade 12 standing students from the Collegiates at Ethelbert, Rorketon and Winnipegosis. These students are under the direction of Mr. Nowosad, Miss Mikolayenko and Miss Goossen. These schools are located in the constituencies of the Honourable the Minister of Welfare, the Honourable Member for Ethelbert Plains and I believe the Honourable Leader of the Opposition. On behalf of all the Honourable Members of the Legislative Assembly, I welcome you all here today.

MR. SPEAKER: Orders of the Day.

HON. GURNEY EVANS (Provincial Treasurer) (Fort Rouge): Mr. Speaker, have we entered upon the Orders of the Day?

MR. SPEAKER: We are on the Orders of the Day, yes.

MR. EVANS: I have a message from His Honour the Administrator of the Government of the Province of Manitoba.

MR. SPEAKER: The Administrator of the Government of the Province of Manitoba, transmits to the Legislative Assembly of Manitoba estimates of sums required for the service of the province for capital expenditure and recommends these estimates to the Legislative Assembly.

MR. EVANS: Mr. Speaker, I move, seconded by the Honourable the Attorney-General that the Message of His Honour the Administrator of the Government of the Province of Manitoba, together with the estimates accompanying the same be referred to the Committee of Supply.

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

HON. STERLING R. LYON, Q. C. (Attorney-General) (Fort Garry): That is the conclusion of that order of business for the time being, Mr. Speaker. If we could just carry on now with the Order Paper.

ORDERS OF THE DAY

MR. SPEAKER: Address for papers, the Honourable the Member for Lakeside.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Speaker, I move, seconded by the Honourable Member for Birtle-Russell that an humble address be voted to His Honour the Lieutenant Governor, praying for copies of:

1. All correspondence and agreements between the Government of Canada, or any Department, Minister, Commission, Board, Agency or official thereof and the Government of Manitoba or any Department, Minister, Commission, Board, Agency or official thereof, dealing with the so-called Winnipeg Floodway, the so-called Portage Diversion and the so-called Shellmouth Reservoir. 2. All requests from the Government of Manitoba to the Government of Canada for permission to table these documents.

MR. SPEAKER presented the motion.

MR. CAMPBELL: Mr. Speaker, a motion similar to this one, sometimes I think identical, has been presented, if my recollection is correct, four times previously to this, twice I believe by myself and twice by other Members of the Assembly. In each case it has been passed subject to the usual reservations. For one reason and another, last year perhaps being the intervention of an election, but for one reason and another, on each occasion, it has failed to be implemented and though perhaps the information now is hardly as useful to some of us as it would have been earlier on, I would still like to have it and so would some of my colleagues.

I ask the second part because I am assuming that the customary requests were made of the Federal Departments or officials concerned and I would just like to see when those were first made and what answers were received. I would personally know of no reason why acquiescence would not be forthcoming from the Federal Government. So, Mr. Speaker, it is my understanding that though our own rules may be silent on the matter, that if we follow Beauchesne that it is clear that an Order once passed, not implemented during that Session,

(MR. CAMPBELL, cont'd) shall be provided after the House rises, and in case this one still is not provided before the House arises, I would request that that rule be observed and that we be furnished with this correspondence.

On the other hand, because of the fact that the request has been made on former occasions, I would think that it would be little if any trouble to have the material available even before the end of this session, which of course would be still more greatly appreciated.

HON. WALTER WEIR (Minister of Highways)(Minnedosa): Mr. Speaker, we are prepared to accept the order subject to the usual reservations.

HON. DUFF ROBLIN (Premier) (Wolseley): . . . if I may say a word. If my honourable friend would restrict his question to what was previously asked for, that is, not worry about any correspondence between the last time of asking and the present, I think we could produce the answer for him pretty quickly, but if he wishes us to look through and see if there has been any correspondence between the last time of asking and the present, for which we have to then refer to Ottawa, that takes time, but if he'd restrict his question so that it would just refer to the date covered by the last time of asking, I think it can be produced pretty quickly. I just ask him if he would be interested in that.

MR. GILDAS MOLGAT (Leader of the Official Opposition)(Ste. Rose): Mr. Speaker, before the honourable member speaks, I would assume that the information would be completely compiled and the order ready to be submitted, because after all if you go through the journals of the House, Mr. Speaker, you will see that this first request was made on the 15th of March 1963; a reply was not received. The next request was made on the 13th of March 1964; a reply was not received. The next request was made on the 31st of March 1965; a reply was not received. The last request was made on the 17th of March 1966; a reply has not been received. Mr. Speaker, I submit that this is contrary to the rules, that the address should have been returned to the House and that certainly for the first part there should be an immediate reply. I realize that this is what the Minister is saying. Insofar as the second part of the question I will leave it to my colleague who is moving the Address but I would expect that the balance, certainly the first part should be available within a day.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, it is rather puzzling to me why replies did not come forward. I thought when we discussed this matter in the Rules Committee on one occasion, that it was said at that time that replies would be made even though the session had prorogued, and here we find that similar requests have been made year after year and still no replies. What is the reason for this?

MR. LYON: Mr. Speaker, perhaps I can add a word on that point, because the matter has come up before the House earlier this session and one of the matters I presume that the Rules Committee which will be established shortly will be looking at, will be this question. It is a moot point as the Member for Lakeside has pointed out, as to whether or not these Orders in this House carry over from one session to another. It is clear I believe what the practice is in Ottawa. The practice in this House so far as we are able to ascertain it had not been that way. However, this is a matter that should come before the Rules Committee and should be settled once and for all I suggest. And the intervening problem, which again my friend from Lakeside touched on, which my honourable friend from Rhineland should be aware of, is whether or not, such orders even if they do subsist from one session to another, do they subsist from one parliament to another. We have had an intervening dissolution of the House and this I suggest is the main reason why matters could not be filed after the 23rd of June of this year, because it was a different Legislature that was constituted.

MR. CAMPBELL: Mr. Speaker, if no one else is wishing to speak, I would just wish to say in reply to the Honourable the Attorney-General that this is not just the practice of the House at Ottawa, it is a standing order; and it is an interesting development and one that perhaps has added to the confusion in this regard, that the standing order or rule as it appears in what we are using as the current issue of Beausnesne happens to be imperfectly printed. I have no doubt that this was just a misprint and all you need to do is go back to the earlier issue of Beausnesne and you will see what the rule was intended to be, but unfortunately some place in the printing it got garbled up and so it is not conclusive as it stands there. However, going back to the older edition, there is no question of what was intended; so that I simply repeat that this is a rule of the House of Commons in Ottawa and it is one of our rules that where we do not have a rule, that we take the Ottawa rules. So I submit that while I'm all in favour of these matters being covered by our own rules, yet in this case, in my opinion, there is absolutely no question.

(MR. CAMPBELL, cont'd)

Now, as far as the proposal that the Honourable the First Minister has made, I certainly would be willing to be co-operative and to compromise to the extent of let us have the first part as soon as possible, but I would like to have the other submitted later because I am interested in it. I always like to follow these things up. I would like to see what correspondence took place, so later on I would expect that correspondence as well.

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

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, I move, seconded by the Member for Lakeside

That an humble address be voted to His Honour the Lieutenant-Governor, praying for copies of all correspondence between:

1. Mr. D. H. Bain, the D. H. Bain Estate, and the Manitoba Government, re conservation, goose preserves and properties at Grant's Lake and Delta, since 1960.

2. The Manitoba Government solicitors, Pitblado, Hoskins and/or Mr. G. R. Hunter, and the Manitoba Government, re properties at Grant's Lake, Delta and Portage la Prairie owned by Mr. D. H. Bain and the D. H. Bain Estate, since 1960.

3. The Manitoba Government and/or its solicitors, and any other parties not mentioned in 1. and 2. regarding the properties at Grant's Lake, Delta and Portage la Prairie.

4. Copies of all requests from the Government of Manitoba to the parties mentioned in 1., 2. and 3., for permission to table the above documents.

MR. SPEAKER presented the motion.

MR. LYON: Mr. Speaker, we will accept this order. It has been accepted in the past; I would accept it subject to the same reservations that have been made in the past particularly with respect to privilege matters and paragraph No. 2 would come under that category.

I would make the same request, if I might, of my honourable friend, because I think we can expedite the Order for him if we were to treat the Order as dealing with matters, any correspondence up to the date the Order was moved in 1966; I think we can get that to him fairly quickly and thereafter we will have to scour the records of all the departments. I presume honourable members are aware what has to be done in this regard. You have to canvass every department of government in order to ascertain whether or not they have had any correspondence whatsoever relating to this matter and when the question of delay comes up, I trust that honourable members will appreciate that this is not wilful delay; in many cases it's searching work that has to be done by members of the staff in order to ascertain that when the Order is presented, that it presents as fully as the staff can advise us, all of the information and all of the correspondence that has taken place with any department of government, no matter how picayune the subject, with the persons sought in the Order, and this is why I really make the same reservation. If we could have the Order apply up to the date of last year's Order, I think we can get that information fairly reasonably to the House and thereafter it may take time to canvass all the departments again to see what further correspondence has emanated in the intervening year.

MR. GUTTORMSON: Mr. Speaker, this would meet with my approval. I would hope that we could get that Order as it was submitted last year as quickly as possible and then the balance of the information as soon as the Minister can gather it.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I beg to move, seconded by the Honourable Member for Emerson.

That an humble address be voted to His Honour the Lieutenant-Governor praying for copies of all correspondence between:

1. The Department of Mines and Natural Resources; and

a) North American Wildlife Foundation for the years 1962, 1963, 1964, 1965 and 1966;

b) Ducks Unlimited (Canada) for the years 1962, 1963, 1964, 1965 and 1966;

c) Ducks Unlimited (U.S.A.) for the years 1962, 1963, 1964, 1965 and 1966;

2. Copies of all requests from the Manitoba Government to the above parties for permission to table the above documents.

MR. SPEAKER presented the motion.

MR. JOHNSTON: Mr. Speaker, I wish to remind my honourable friends that this Order also had been passed, I believe it was last year, and taking my honourable friend, the Attorney-General's words at face value, I would expect that the work that had been done to prepare to

(MR. JOHNSTON, cont'd)answer this Order last year would be still there and there should not be that much more to add to it to complete and answer the Order,

Mr. Speaker, while I'm on the subject of the government answering Orders for Return that are passed, I'd like to remind the Honourable Minister of Industry and Commerce that an Order had been passed back in January and it was a very simple question, it asked the question of a firm that has or has not completed a feasibility study with respect to the pulp and paper industry in Manitoba. Now this Order is over two months old and . . .

MR. SPEAKER: Order please. I would suggest that the honourable member keep to the motion before the House. I can appreciate his opinion but I don't think he should confuse the two; so I would ask him if he has anything further to say on the particular motion that probably he would say it now.

MR. LYON: Mr. Speaker, we are prepared to accept this Order. I would make the same request of my honourable friend, if we could produce for him the material up to the date of when the Order was moved last year, again I think we could facilitate this by getting it to him within a reasonable time, getting it to the House in a reasonable time, and thereafter the department concerned - because here it's only one department - will canvass its records to see if there's anything further. Again he will appreciate that every branch of that department has to be canvassed in order to insure that the Order is answered properly. But if we could have his agreement on that we'll do our best to get it in.

MR. JOHNSTON: Mr. Speaker, I accept the conditions.

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

MR. SPEAKER: Third Reading of Bills. Bill No. 56.

MR. EVANS presented Bill No. 56 for third reading.

MR. MOLGAT: Mr. Speaker, is the Minister going to say anything or . . .

MR. EVANS: The Minister has said a good deal, and has nothing more to say at this time.

MR. MOLGAT: In that case then I wish to say a few words on the third reading of the Bill as this will be our last opportunity to discuss this matter.

Mr. Speaker, we have opposed the Bill in its general form and during the course of dealing clause by clause we have proposed many amendments to the government. Virtually all of these amendments, Mr. Speaker, were turned down by the government majority on the far side of the House voting unanimously against. I submit, Mr. Speaker, that while I am opposed to the Bill, many of these amendments would nevertheless have made a Bill that would have been certainly much easier to enforce, less harsh upon the people of the province, that it would have exempted a number of people who, in my opinion will suffer greatly by being left subject to the provisions of this Bill; that it would have prevented double taxation in a number of areas; double taxation on individuals as we pointed out in the clause dealing with the trade-in matters; double taxation in the case, even more important, of municipal corporations, school divisions, school districts and schools, hospitals, old folk's homes, and all type of charitable institutions, because under the present Bill, all of these will have to pay the sales tax and then have no alternative but to turn around and levy a local tax to collect this money in order to pay the sales tax.

We submit, Mr. Speaker, that this is not right, and had these amendments been accepted, the Bill would not have been as harsh as it will be. The government insists on proceeding. We don't have the strength in numbers on this side to make the change; although I must confess that on a couple of occasions it was very close.

I'm not going to cover the ground all over again, Mr. Speaker, we have had substantial discussion on this Bill. I want to emphasize however, one aspect. That is, that in my opinion, at the rate of five percent, the government will be receiving from this Bill, as it did in its 1964 Revenue Act, substantially more money that it then told the House, and that in fact, I suspect that they will be building up an over-taxation situation with this Bill. I can foresee in a couple of years or three years from now on the eve of an election that my honourable friends then will come forward with some of the amendments that they have turned down this year, because this is exactly what happened in the case of The Revenue Act of 1964. The government included in that Act, over the objections of this side of the House, a tax on heat. Every effort on this side of the House to have the government come to reason on this tax was turned down. And yet, two years later, on the eve of an election, the government suddenly found the funds to make it possible to reduce the tax on heat.

I suspect, Mr. Speaker, that we're faced here with the same situation, that the Bill, the

(MR. MOLGAT, cont'd) amendments that we have proposed were totally unacceptable at this time to the government members; they voted to a man against our amendments, including a number of amendments that they themselves were proposing in other motions, and yet they stood up in a body against these. I warn the government, don't play games now; don't come along two years from now and propose again these sort of amendments just before an election. If the amendments are right, and I submit that they are, then the time to make the amendments is now; not to use this Bill for political purposes. Mr. Speaker, from the past record of this government, I fear that that is in fact what will happen.

So, Mr. Speaker, I move, seconded by the Honourable the Member for Lakeside, that the motion be amended by deleting the word "now" and that the words "this day six months" be added at the end of the question.

MR. SPEAKER presented the motion.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party)(Radisson): Mr. Speaker, I'm happy to know that the Leader of the Liberal Party has introduced the motion of a six months' hoist. He didn't have to send me a copy of the motion because I already had one typed out myself that I intended to present.

I support the motion and so do my colleagues for some of the reasons that the Leader of the Liberal Party has mentioned but I think more important, so far as Manitoba is concerned and the suspicion of the actions of government in changing bills just before an election -- and this has been done, not only with the present government, but previous governments as well -- but I support the motion or those of us of the New Democratic Party support the motion for a more valid reason, I suggest, than just that one. And that is because of the fact that we are unalterably opposed to a sales tax imposition in the Province of Manitoba.

It was for this reason, Mr. Speaker, some few days ago in Committee, when a suggestion was made by the Liberal Party that the amount of the tax be reduced from five to three percent, that we did not vote for that motion because of our opposition to the principle of a sales tax, be it one, two, three or five percent or whatever it is. And, as I stated a second or two ago, this is still our position.

But I must agree with the Leader of the Liberal Party that the government has powers contained in this Bill that go far beyond what is normal in a taxation bill, because it does give to the Provincial Treasurer or the Minister in charge of the revenue department of the province, under the regulations, very wide powers; powers of description; powers of application; about the sales tax to various items of like change; powers insofar as methodology of prosecution of an investigation.

And I suggest, Mr. Speaker, that while I have, as I indicated the other night, personal faith or faith in the person who is the Provincial Treasurer, I cannot really agree that collectively the government should have the powers that it has under the regulations. I think that in the Act itself, as bad as it is, that there should have been a more clean-cut definition contained therein in respect of many of the items that have been subject to the regulations within the Act.

And I suggest too, Mr. Speaker, that there's another reason why the bill should not be now read a third time, because of this: this is the sheaf of documents, amendments that were proposed during consideration in Committee of the Whole House. And I am sure that the Honourable the Minister of the Treasury will agree that there are still many rough spots within the bill. While I'm sure we all appreciate the fact that we can't have or don't have what is called perfect legislation there are still so many areas of conflict, so many areas of indecision and areas where there is no clean-cut directives insofar as the tax is concerned, that it should not be passed at this time.

I suggest another reason, too, why the bill should not be passed is because of the fact of the whole economy of the Province of Manitoba. We're hearing a lot these days from our honourable friend the Minister of Industry and Commerce of the breakthrough for Manitoba, but we don't see it, we don't see any evidence of any increase in the revenues or wages or salaries that are accruing to the citizens of Manitoba in order that they may pay the bill the government is now heaping upon them in this five percent tax measure. I appreciate, as I'm sure most of us in the House appreciate the efforts of the Minister of Industry and Commerce through the propaganda section of his Department, I compliment him greatly on the various documents that he is issuing to try and indicate what hasn't been indicated in cold fact, of the progress that we are making.

There is no relief in this bill for those who are going to have to pay the five percent tax

(MR. PAULLEY, cont'd)that are on fixed income, be they old age pensioner under the social security measures of the Federal authorities, or be they pensioners of the various provincial utilities. As I have indicated in the House that there are many of our former employees of our utilities whose pensions are still ridiculously and meanly low. These people are going to be forced into paying the five percent tax because there is no relief for them contained in the Act. We have pointed out in this House while there is a sort of an exemption from the tax for children's clothing in the first instance - and it's very narrow this area of exemption - there is no exemption for the application of further labour to the cleaning of the clothing or of the resoling of the tax exempt shoes. We have pointed out many deficiencies and many areas in which this bill adds to the burden of the have-nots, because I think that it is generally accepted and acknowledged that even with the elimination of so-called basic necessities of food and clothing, children's clothing, which I don't consider is exemption sufficient the wealthy only use a relatively insignificant portion of their income in this exempt area as against the higher percentage of income of the low income groups in these same areas. They have nothing left.

I pointed out to the Minister of Labour how harmful this measure is because it's an additional five percent on labour in Manitoba in many fields. My honourable friend the Minister of Labour and also the Minister of Industry and Commerce are wont to tell us in this House of how we must be competitive in Canada with other areas, with other regions, in order to attract into our province industries and workers. And what is the Minister of the Treasury doing in this respect? As I pointed out the other night, a five percent tax on wages to enhance the coffers of the Treasury of Manitoba.

My honourable friend the Minister of Labour has rejected increases in the minimum wage of Manitoba as proposed in this House by both ourselves and the Liberal party; yet by the same token, Mr. Speaker, the Provincial Treasurer has imposed a five percent tax on many fields of endeavour in the ranks of labour. What inconsistency! What inconsistency! A rejection of a reasonable minimum wage for those who can't fight for themselves but have to rely on members of this House to fight for them; and at the same time five percent added on taxes by the provincial authority. Justice? No justice. No consideration. Of course this measure should not be passed now. Of course we all realize that the motion itself for the six-months' hoist, its main purpose is to kill the bill. I agree with the Leader of the Liberal Party. This government by its past actions has proven that it cannot be trusted in matters of taxation.

I know that it is senseless at this time in considering this bill to make any appeal to the backbenchers of government to see that this iniquitous measure is not passed. I know they have to vote for the bill. I know that failure to vote for the bill by two or three members opposite at this time would mean that we would be plunged into a provincial election immediately, and this is the price I suppose that has been brought to the attention of members opposite. And I suppose, Mr. Speaker, that this being the penalty of voting against the bill that the members opposite have to take pretty close check and give this every consideration because it would be the result of the defeat of this measure and in the precarious position in which the government of Manitoba finds itself today I doubt very much whether they would want an election.

We know full well, Mr. Speaker, that as the result of the election of June 23rd last year the 31 members who form the government only command, or have the support of 38 or 39 percent of the taxpayers or the voters of Manitoba. Sometimes it's almost a travesty of justice and democracy isn't it, Mr. Speaker, when about 38 people who are representing about 38 or 39 percent of the total voting strength of voters in a jurisdiction, can impose on the other 60-odd percent a measure such as we have contained in Bill 56.

Yes, Mr. Speaker, some improvements were made in some of the sections of the bill as it progressed to this point through committee. I know that there is no real purpose to be served at this time in prolonged debate in opposition to this bill; but I cannot help but think, feel and realize that many of the efforts that have been made by members of this House in all quarters to work for and to improve the conditions of the citizens of Manitoba, those efforts are going down the drain today in the passage of Bill 56.

So I say, Mr. Speaker, we in this group, those of us New Democrats in this House, join with the Official Opposition in this case in giving to the members of the government one more last chance to reflect on the error of their ways. This is not good for the people of Manitoba; it is not good for Manitoba today or tomorrow and I urge - even at the cost of an election - government to remove the shackles from their caucus and let each and every one vote, as I'm sure they would vote had they been over here and somebody else been over there, because nobody

(MR. PAULLEY, cont'd) likes the measure.

To me the most famous statement of all of the consideration and discussion of this bill was uttered by the Provincial Treasurer during his budget speech. If memory serves me rightly, it's on Page 22. "We regretfully have come to the conclusion that we must impose a sales tax in Manitoba". And I believe, Mr. Speaker, that my friend was sincere and is sincere that this is his opinion. While we were considering the Bill as it went through its various passages from time to time my honourable friend the Provincial Treasurer did indicate that he thought changes should be made, and as regretfully as the decision was for him to take, it's more regrettable that after having considered the Bill itself and its deficiency, regretfully it does appear at this late stage that members of government are going to impose on the taxpayer of Manitoba this tax which in my opinion is just as bad as the heat taxes that were imposed previously and been removed. But, Mr. Speaker, in the whole history of Canada - with one sole exception, the Province of Alberta - no other jurisdiction than Alberta has ever removed the sales tax. We know the history of the sales tax in Alberta. In 1936 it was imposed at the rate of 2 percent. It was there for 15 months and then removed. And then in 1940 started this roller coaster of provinces into the sales tax basis. But there is one very, very important point, too, I think, Mr. Speaker, that should be remembered by all of the Members of this House, that once this tax is imposed it hasn't come off; another feature of it, that no matter at what rate the tax started at, it increased from time to time.

The Province of Quebec started with a 3 percent tax; it is now 8, Ontario I believe was 2; now 5. So the story goes. It's so easy; it's so easy that once a foundation of this type is laid, as this is being laid, for a government to take the easy way out and say what's one more percentage point.

So, Mr. Speaker, once again, for the last time it may be, I urge the members opposite to withdraw the bill. It is certainly, even insofar as its content is concerned, not a perfect bill - if a sales tax bill can be perfect in any measure. I urge the government to withdraw the bill, and if as my honourable friend said when he introduced his budget that regretfully some other method of taxation, or tax imposition, has to be levied on the people of Manitoba, and if he is still convinced that the sales tax is the basis on which this has to be done, I ask him once again for the last time to withdraw the Bill and make it a little bit more palatable, if indeed such can be the case. But as it stands at the present time, in my opinion, Bill 56 is going to be another barrier placed on the road to progress in Manitoba and that the efforts of the Minister of Industry and Commerce and others will be for naught because of this additional road block.

MR. FROESE: Mr. Speaker, I definitely could not resist the temptation to make a final contribution and speaking on Bill 56 on third reading.

Mr. Speaker, I think this is the big centennial project of this government for this centennial year. This is one of those unannounced ones of last year; a number of them were announced last year and so many of them were encouraged by this government right throughout the province, encouraging municipal organizations, town councils, what not, to embark on centennial projects, but they never once referred at that time to the big one they had in mind themselves for this occasion. I think the sales tax will go down as a big monument to the Roblin Government and the people of this province will ever be reminded of who brought it in, and the year it was brought in, because it's the centennial year of this country.

I think the sales tax, as it is now known, takes the prize as being the largest one for this province. I just wished that he had announced this prior to the 23rd June election and people would have been more cautious of what they did. I'm not so sure whether they're so proud of it themselves. Let them provide floats to all the fairs in this province and parade the sales tax as a big project of this centennial year. Let's see what the reaction will be. It will have many ill effects, I am sure, and I think it is going to take a Social Credit government in Manitoba to eliminate this tax from the statutes of this province.

MR. M. E. MCKELLAR (Souris-Lansdowne): How about B. C. Jake?

MR. FROESE: I might come to that later. It has already been stated by the Leader of the New Democratic Party that in Alberta the social credit government eliminated the sales tax, so we have proof of the policy that we stand for and we do not go into debt. Mr. Speaker, this is the sorry point about this whole thing that here in this year we are going to implement a sales tax of 5 percent and at the same time we are going to borrow another 100 million so we are not taking care of our expenses that we are creating and we are not paying our way. If this would at least bring us on the policy of a pay as you go program, but it doesn't. It is just a stopgap measure and we will have another increase in this particular tax in a few years hence,

(MR. FROESE, cont'd) because at the rate we are going, there is no other way out for us, because we have increased government spending by 400 percent in the last seven years. This is the record of this government. We will find that this sales tax will only do us for a year or two and we will have to provide for more measures. This is going to hurt small business in this province. The remuneration being given to the small storekeeper isn't nearly sufficient for the work that he will have and the outlay that he will have because of the machinery that he will be required to purchase and the work involved.

Then, too, not only will it hurt the small businesses, it will hurt the poorer people of this province and especially those with larger families who will have to buy more goods of the taxable kind because we have tried very hard from this side of the House to establish just what would be included in the exemptions and on so many occasions we have been unsuccessful. They are taking all these powers under the regulations and I am sure what will happen is that they are going to play politics with these regulations in the future. When the next election comes around they will make greater exemptions under the various regulations. Which is possible, Mr. Speaker, under the present Act.

Then, too, Mr. Speaker, I think the name, the title of this Act is a misnomer and that they now change it to the Revenue Tax from the former title, which they had selected as an educational tax, but I suspect when they felt the writing was on the wall and that the referendum was not going to go over the way they calculated, that they were busy trying to change the name of the tax, because now they are in the fix where the backbenchers of the government will be called on to vote for this measure and their very electors back home will not be able to benefit from this tax. I think this is a very sorry state of affairs in this province, when we have classes of people of this type, some that will benefit and others that will not. The discrimination that is taking place in regard to the . . . district divisions is very unfair and unless the government comes in with a better proposition, the people of this province will not forget this. They will be reminded of it every year.

Then, too, I feel that this tax wasn't needed. I think we could have cut down in expenditures on many occasions. Too much spending is done unwisely and it seems as though we are on a course here in Manitoba of not rewarding initiative and efficiency. This is the case in so many of our service departments that we are pooling the funds and then dishing them out from one big pool and no longer is there the local incentive to economize and to be efficient. This is all lost and gone by the wayside. Then, too, it seems that we are bent on curtailing freedom and eliminating local control. This we find not only in one piece of legislation, it re-occurs time and again. We have too much centralization going on by handing more power, more and more control to cabinet and government boards by way of regulations. I think this is a very bad situation and it's not improving. It is getting worse as we go along. Then, too, the Act has so many inconsistencies. We on this side have tried to remedy some of them. I might just mention one which was brought forward. Here we are going to exempt railways, the aircraft industry, but when it comes to bus transportation, we say no. Well we have accepted a principle and yet we won't abide by it. This is very wrong indeed in my opinion and certainly once accepting it, we should have followed through on it.

Mr. Chairman, I definitely will support the motion before us to give this bill a six months hoist and I would have suggested a free vote on this bill. I am sure it's just as much a matter of conscience as on the liquor vote. The backbenchers constituents will be losing on this. This is a matter of conscience and the government should have given their backbenchers the same right on this Bill as they are giving them on the liquor bill vote. I suggest that this legislation in this particular bill will lead to the downfall of this present government. In my opinion there is no doubt on this matter and this will occur in the not too distant future.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, I certainly will support the motion because I think that this Bill is doing exactly the opposite of what it is set out to do. Now this government has made a big thing about the "ability to pay". A few years ago the First Minister was quite pleased to announce here that finally Ottawa had given us the chance to, they were going to collect the income tax for us and finally we would be able to say, we'll bring in a program with the ability to pay principle. And this is when we had an income tax. Shortly after, this income tax that had been mentioned by the Members of the Government as a fair tax, a good tax, if there was such a thing as a good tax, this was reduced. The income tax was reduced; apparently we had too much money.

The following year, the government imposed a tax on heat, amongst other taxes. Then with enough pressure from this side of the House that tax was withdrawn and now we are told

(MR. DESJARDINS, cont'd) that we need so much money, we are desperate for money and we must take this tax, which is probably the worst tax possible. The government is now saying, well we will shift the tax load, we will give a chance to those that cannot afford it. This was the big thing - this was the program - this is what they said during the campaign in the last election, we will shift this tax load. This campaign, the last campaign was fought on this issue, that they were going to relieve the home-owner from this tax, this tax on education and so on, the cost of education. Some Ministers made public statement that this income tax would cause the municipal taxes to be lowered and this government is certainly failing, it's doing exactly the opposite of what it did say. And if there are any backbenchers that are interested in their constituency and in the rest of Manitoba, and if those people were fooled by the members from their front bench, I think that they owe the people of Manitoba and that they should certainly consider this a free vote, if anything. As I say the first responsibility is not to the front bench. The Attorney-General told me when I mentioned that once before that the first responsibility was not to the people in their home constituency but to the people of Manitoba and I will accept this correction and I say to these backbenchers now that your responsibility is to the people of Manitoba not to your front bench. This is the responsibility that they should take.

We have talked about needing so much money. Why do we need so much money? - because we've had eight years of failure. This government won another election because it said we will give you a lot more and it won't cost you anything, any more at all. Some people were gullible enough to believe this and some people were gullible enough to believe them last June; but I don't think there's one person left in Manitoba that's gullible enough to believe them now when they bring in this tax and they say this is going to relieve the poor home-owner. We've had this bill without regulations at all. We've had to drag and fight for every bit of information that we could get. The Minister made a big thing of his responsibility but he talked about one responsibility, the responsibility of piloting this bill through the House. Mind you his Leader the First Minister who had been the Provincial Treasurer since becoming the First Minister was no longer interested in this job, he did not dare introduce this bill himself, and the present Provincial Treasurer talks about responsibility but he only worries about the responsibility of bringing this bill through. What about his responsibility to the taxpayers of the Province of Manitoba? I think that this is also very important.

The First Minister as I say did not want to have too much to do with this so all of a sudden eight years we got another Provincial Treasurer. I'm sure that this is to the liking of the Attorney-General because in his campaign to replace - his present Leader we now know that the Provincial Treasurer is out of his way and he'll only have to worry about the former Attorney-General and maybe Mr. Dinsdale and so on.

I think they're having a caucus now to see what the next line - maybe they should try to bring in a few taxpayers in their caucus. They would tell them what to do. Maybe they'll make a few suggestions, maybe they'll - suggestions that might wipe the grin off their face and make them face reality and their responsibilities. Talking about the responsibilities the Minister stood up here and he said well there's a mistake, I think there's a mistake we'll hold this one about the repairs of children's shoes. Then he looked up to the gods in the gallery and he must have received a signal, he says "no, this is the only way it can be worked out". And this is the only argument that we've had all along: this is the only way that it'll work, this is what they do in other provinces. But the Minister says himself that he's gone much further than any other provinces, that it's a worst tax than anywhere else. Sure, we'll probably - we're budgeting now for a surplus. I think that my Leader is absolutely right when he says that we're budgeting for a surplus and come a few years just before the election there'll be a big announcement, we are taking the tax off clothes. Are the people who will pay this tax now, this tax that is not needed - I'm not talking about all the income tax - our friends have decided, have made up their mind they're going to bring, not the income tax, the sales tax. But what about certain things that's not going to bring that much but these people will be made to pay so they can say when they lift the boot off, they can say, "oh, well this isn't bad".

This is practically, this bill is practically a licence to steal, this is practically what it is. We had an example of what happens in the bartering. The Minister kept getting up and saying "I can't say any more". He wasn't interested. People that might have a car that have paid the full amount, the full tax on it, will turn around after a month or so for any reason, now they can exchange this on a boat or anything like that but they have to pay the full tax again. This is stealing, Mr. Speaker, that's what it is and I don't think we've got the right to do this.

(MR. DESJARDINS, cont'd).... This is a bad one, this is one of the worst things in the bill, this clause on the bartering. What about the clothes? We brought about six amendments from this side of the House on the clothes. All right, if you want to make something out of people that can afford a mink coat, this is fine. What about clothing under a hundred dollars? When I moved this resolution I explained, take a look at this for awhile, bring a schedule, but \$20.00 for shoes, \$1.50 for a tie, everything you want, but try to give some protection to the people. Then we talked about the people on old age assistance that will be made to pay for this. Of course our welfare will spend a lot more money. They'll have to. So this is just going around playing with the taxpayer's money. This is what's going to happen.

Then we brought in another thing on clothes, for students. This is a tax on education, so you're taking it away from the students from the parents of the students so you can give it back to them. What kind of a bribe is that? What kind of a deal is it? This is certainly not reasonable. This tax is for one reason, to shift the load to help those that cannot afford this tax. And who do we tax? Who do we tax, Mr. Speaker? We tax the students, old age pensioners on their clothes. Then the only way of course - this is going to be very popular because most people like children so the children won't be taxed. But it goes by size. You might have a son 12 years old who won't pay a tax. My friend from Selkirk might have one 11 year old that'll pay the tax because he's bigger, because he's like his Dad. Well, Mr. Speaker I don't think that this is quite fair. This is discrimination. Oh well, the First Minister is leaving but he stood a little longer than usual. Mr. Speaker, I don't think that this is quite fair; this is discrimination and there's no other word for it. How can you say your child of 11 years old will be taxed, mine 11 years old will not be taxed? If you can give me another word, if anybody can give me another word besides the word "discrimination", I'll use it. But no, the First Minister, the Minister that introduced this bill said one thing, "This is the only way it can work". He's worrying about his army of people that he'll need to implement this tax; but what about the people that'll have to dig in their pockets? That doesn't count.

Now we have a tax on hospitals. We can see how much trouble this government has with hospitals. They want to cut down the standard, they don't even look at them. I asked, Mr. Speaker, I asked the Minister to have the members who were willing to hear from the Manitoba Hospitals, the administrator of hospitals, I asked the Minister to get a meeting to give us information; I said is that possible, would you do it. He stood up and he said "no". He doesn't want anybody to know too much about these things. And we're in trouble there. Some people on the boards of very well known hospitals threatened to resign because they were fed up the way the government was treating them. So what's going to happen now? We're putting a five percent sales tax on them. The budget is approved or rejected, this is final; now we will force them to budget -- so this government can budget at a surplus to be ready for the next election, the hospitals will have to be forced to budget with a deficit. Then they borrow from the bank - and it's in the Act that you cannot pay the interest on this, the government cannot pay the interest. Where will that come from? Sure they will get their money back from the deficit, but what about their overdraft at the bank? Who will pay for that interest? This is another thing. Force the hospitals, bring them to their knees, those people that are trying to do a job, so this government can have a surplus to be ready for the next election.

The municipalities, the Minister says, "Your municipal tax will go down, will be lowered". This bill says everybody the same. In other words, you taxpayers that have already paid, you'll pay again. Five percent sales tax for municipalities. On rental, on everything, five percent to the municipalities. Worse than this, the Crown, the Provincial Government is taxed. The Provincial Government, that means--the province I should say, not the - oh gosh what a mistake I made, the Provincial Government. We know that these people have \$3,000 tax free. This is the day of showing example. We need so much money, go and get the people with the kid that needs his shoes repaired, five percent; but then \$3,000 for each single fella sitting in the front seat, tax free besides that other 1,600 -- \$5,000 tax free, this is the example that we get from these people who are so desperate that they have to bring in this kind of tax. This kind of tax - taxing hospitals; Metro will be taxed and so on.

As I was saying the province will be taxed. They might be leasing computers and so on; they take the money, the taxpayer, five percent of the cost of this computer per month. They give it to the people that are leasing. These people of course are entitled to keep a certain portion for this, they give it back to the province minus their share for having this swing around of the taxpayers' money. And this is supposed to be reasonable; this is supposed to be a good Bill.

(MR. DESJARDINS, cont'd)

We've heard for years -- this is the government that thinks that they're going to embarrass people from this side because they say what's going on in Ottawa. I've never worried about that because I wasn't elected to represent the people in Ottawa, but here. I was the first one to accuse Ottawa when I think they're wrong as I did not too long ago in a certain debate that we had in this House. But they say that awful tax on construction; that awful tax on construction material. We have a resolution now on the Order Paper that wants us to ask Ottawa -- to beg Ottawa to withdraw this tax. I wish I could find it because it's a pretty good resolution and I think it's worth looking at again. Maybe I can get help from my deskmate here -- no, I've got it here.

"Whereas the costs of building and maintaining farm buildings in the Province of Manitoba have greatly increased in the last three years; whereas the costs of building and maintaining dwellings in the Province of Manitoba have greatly increased in the last three years; whereas the costs of building and maintaining buildings used for industry in the Province of Manitoba have greatly increased in the past three years; Therefore be it resolved that we urge the Government of Canada to rescind the 11 percent sales tax on building supplies." What do we do? What do we do? It doesn't say anywhere on another page that the cost has decreased in the last three years but we slap a five percent sales tax on that. Does that make any sense?

The man who is sponsoring this, who has this placed on the Order Paper, voted against an amendment asking this government to forget the five percent sales tax on building materials for the same reason that he mentioned. Does that make sense, Mr. Speaker? Is that responsible? Is that taking a responsibility seriously? How can that be? How can anybody look in the mirror when he shaves in the morning? Now mind you, he's not going to withdraw this motion because he knows we want to make it too. So, you know there's always something to stop any constructive words from this side, either something in the Throne Speech, a phrase that'll catch all, and now you've got this on the Order Paper.

Well, Mr. Speaker, does this government think for a minute that we should go along with this kind of regulation? Does the government think that we should be party to taxing the people on clothes -- students, old age pensioners -- taxing families when they want the shoes of their children repaired, wants us to be part of this discrimination that they have between children of the same age, maybe people that can afford it even less than others. They want us to go ahead and tax these hospitals, the province, the Metro, the municipalities, bring in some most unfair -- you have people working in the north; these are big contracts. They've bid on this contract figuring this is what it's going to cost them for the rental of certain heavy equipment, and now -- these people have signed this contract last December and before that -- now after June 1st when they get their Bill for the leasing, five percent! Is that fair?

This government doesn't like it when we say that they are arrogant, but what other word? What other word when you look at people and say "You like it or not; this is it." If they're so sure, let them be honest now, let them release their own backbenchers, let them vote the way their conscience dictates. They did this on the liquor Bill like the honourable member said. This is a heck of a lot more important than the liquor Bill, a heck of a lot more important. Let them vote, let them follow the dictates of their conscience. If it causes an election, well then let's go to the public and see what the public wants, but let's be honest with the people. Let's accept that responsibility. This is a responsibility, the responsibility that we have here. There seems to be so much stick-handling out there for position amongst the front bench and the backbenchers are all following. They haven't got the gumption to stand on their own two feet and vote the way they see fit. Why? Because of a certain Bill we have in front of us that might be withdrawn? Is that what you're afraid of?

Mr. Speaker, I think that backbenchers, some of them at least -- oh, you hear in the halls, they tell us this is an awful thing but what are they going to do about it? This is their chance. If they don't want it they should accept the responsibility of their action if they're going to try to help these fellows on the front bench to steamroll this thing through; to mock the people of Manitoba; to discriminate against certain people of Manitoba and to put a bigger load on the people that cannot afford it.

MR. SPEAKER: Are you ready for the question?

MR. ROBLIN: Mr. Speaker, I'd like to speak briefly in this debate. With one exception, those who have preceded me have set a good example in not re-hashing the whole of some 17-3/4 hours of discussion in the course of the passage of this Bill, but there are one or two points that I think perhaps should be mentioned because some speakers, although perhaps I should say

(MR. ROBLIN:cont'd) particularly the last one, has really done a superb job in twisting and perverting the views and the policies that we are espousing here in such a way that they are completely unrecognizable by any fair-minded person. I'm going to leave my reaction to his speech at that and get on to something that's a little more important.

I want first of all to say that although this tax has deeply concerned members of the House and there has been a great deal of attention given to it, that it is not a new tax in the sense that we are pioneering. Sales tax legislation is, for better or for worse, part of the tax structure of the North American continent and the Dominion of Canada, and I only repeat the obvious when I say that everybody knows that of the 10 provinces in Canada, eight now have a sales tax and have had them for some time, and we shall be the ninth. And I say for the benefit of the Honourable Member for Rhineland, that he better not hold his breath about Alberta because I think he will find them joining the ranks before long, for the simple reason that the costs of education and the costs of running the hospitals and other important functions and responsibilities of the provinces are rising, will continue to rise, and the money has to be found to pay for them.

So although our tax is new in this province, it is not new either in principle or in detail in other jurisdictions. We have tried to learn as much as we can from the experience of other jurisdictions in drafting our own Act, to take advantage of what they have learned, and while it is quite true that no statute is perfect, we do think that this statute is one that includes the experience of the past in other jurisdictions and it includes some of the advice and assistance that has been offered from across the House. We have certainly adopted those changes which we felt we could that other people have suggested to us, and we have not at all been backward, I think, in responding to a suggestion which we thought could be adopted.

So I think that any cries of horror or outrage, any cries of discrimination, any cries of unfairness, etc., with respect to the sales tax, are perhaps a little bit overdrawn, because this legislation has been working in other provinces; it has been providing the revenue that is needed; it has not brought the economy of other provinces to a stop; it has not placed them at an intolerable disadvantage with other places; their economy and their general progress in life has continued and I think the same will be true here.

So I do not think that we need pay as much attention as some would have us do to these cries of pain with respect to the effect of this tax on the body politic or with respect to equity between citizens, because the tax package has to be considered as a whole. The sales tax itself contains important modifications which make it a non-regressive tax in the exemption of food and lodging and other exemptions of which members are aware. It removes whatever tendency there might be to have a regressive character. This is not my opinion; this is the view that is expressed by those who have studied the tax. And it has to be considered in combination with the taxes we're already raising: the income tax, the corporation tax, the tax on natural resources, and we have to achieve a balance. So that all has to be borne in mind. One cannot simply fulminate against certain aspects of this tax as if they could be considered in a vacuum because I think that they have to be considered in the context of the total tax package in the province. I think that when one considers all these things, one is forced to the conclusion that the sales tax is the best way open to us to raise the money we need.

Now the only suggestion that I recall of an alternative to the sales tax is to borrow, and that question has been discussed several times. I'm not going to repeat the arguments but that's the only alternative that I'm aware of: You can abandon the sales tax; you needn't have it because you can borrow. Now, no official spokesman of either Party that I know of has put forward an alternative other than the one I mentioned. Am I wrong? --(Interjection)-- Well, I regret if I'm wrong but --(Interjection)-- Well, indeed. If that is the case certainly I congratulate him for having an alternative. I thought that borrowing was the only alternative. But it seems to me that if you analyze those alternatives, as we have already done, one can see that it would place our total tax structure out of balance with other provinces and that is just something that responsible people cannot do, because the effects of it are extremely important and certainly I would not be prepared to support such a policy.

The big question is: Why the tax? Why any increase in taxes at all? Why do we need to consider any increases in taxes? And they come down to two reasons. Half of the reason sits up here in the gallery. How do you suppose the children of Duck Mountain came down here in a bus this morning? Because the taxpayers of Duck Mountain can afford to send them down here with their own unaided resources? No. Because, I suggest, about 80 percent of the tax bill for schools in that area are paid for from provincial revenue - 80 percent. That's how these

(MR. ROBLIN, coat'd) . . . children got here this morning. And where does the province get its money from? Naturally it must get it from the various tax sources like the sales tax that is open to us. We need this money to keep the hospitals going. Twelve to Fourteen million dollars of this money will be going to the hospitals of the Province of Manitoba to keep those doors open, and yet the Honourable Member for Rhineland says that this is something that we can do without.

The rest of the money is going into improving the educational system, the university, the technical schools; some 12 or 13 million dedicated to the transfer of taxes on land and the 24 mill rebate. A lot of people assume that all this sales tax money has to do with the shift of taxation from land to the provincial tax revenue. The answer of course is that is not so, it is some 12 or 13 millions at the present. The rest of the money is going for the advantage and progress of other aspects of education in this province and for the hospitals as well.

Now nobody suggests that we shouldn't spend this money on hospitals and on schools. Nobody suggests that except the Member for Rhineland - I think he suggested it. Nobody else does. So we've got to find the money from some place and we have to examine the possibilities that are open to us, and the sales tax is the one which we think is best, all things considered. You see there's a great tendency on the part of the people and the members of the House to want the services, but when it comes to paying the bill they don't want to pay. People on the other side - and I'm not impugning their motives in any way because it's a perfectly legitimate approach to the debate - people on the other side don't have to face the bills; we do.

A lot of talk has been heard this morning about government backbenchers having any courage. I think they've got plenty of courage because it's their responsibility - and I use that word - it's our responsibility on this side of the House to provide the wherewithall to do these things and we must bring in the tax measures we need to raise the money, and these men and women have to have the courage to support it and to vote for it. Do you think they're going to have an easy time when they get back home? I don't think so, but I think they have the courage and they have the gumption to support the measures that they believe are necessary. Who likes it? I don't like it. We've been through this routine before. But the fact is that it's necessary to find the money and I am certain that the people on this side of the House have the courage to face the responsibility of providing that money for the people of Manitoba.

My honourable friend from Rhineland talks about Social Credit. Why doesn't he go to British Columbia and see how the sales tax operates there? Why doesn't he go to British Columbia and find out how much they're borrowing before he criticizes us. Our \$100 million looks like small potatoes. -- (Interjection) -- Well neither are we, except for \$8 million in this year's estimates. You didn't say \$8 million; you said 100, and that's what you say when you get out of here, you say a hundred.

He complained when the minimum wage was brought up. Well the Minimum Wage Board is sitting this moment -- that is the schedule has been published and it will be having hearings in respect of the minimum wage. The position of the government has been that that is the way to set the minimum wage, not by resolution in the Legislature. We think that's the right position. The Minimum Wage Board has been steadily increasing that minimum as circumstances required. I suppose it will continue to take the same course.

But I don't think there's much point in my speaking at length on this matter because every possible aspect that I can think of has certainly been mentioned by one member of this House or other. Of course the people from the other side are going to have a field day. Of course they are. They are going to raise every protest, and every outraged agony that they can muster will be presented here and elsewhere, no doubt, in connection with the sales tax, but I think the fact simply is that if you want to run the schools, if you want to run the universities, if you want to run the technical colleges, if you want to run the hospitals, if you want to do all those things which we agree are good for the Province of Manitoba, then you have to find the money.

If the argument is between those who want the sales tax and those who want some other form of taxation, well we've dealt with that particular point and I will exonerate anyone who wants to raise the money by some other method because it indicates the money has to be raised and that's the first principle you have to decide, and if they think there is some other way that would be a better way to raise it, well naturally they are entitled to their opinion, but some in the House seem to think that we don't need the money; we shouldn't have the tax and therefore we shouldn't vote for the bill that is before us now.

I'll simply conclude by saying that we have the responsibility on this side for paying the bills; we have to face up to this; we have to accept the onus of certainly a highly unpopular

(MR. ROBLIN cont'd.) measure, because we believe that all things considered it's the best thing for us to do in this province today.

MR. NELSON SHOEMAKER (Gladstone): I beg to move, seconded by the Honourable Member for St. Boniface, that the debate be adjourned.

MR. SPEAKER presented the motion.

MR. ROBLIN: Mr. Speaker, would I ask the honourable member if he would like to continue the debate. The subject is not a new one; it has been before us for two or three months and this matter should be brought to a conclusion for reasons stated by the Provincial Treasurer in the course of the debate, and we would ask his co-operation in continuing the debate now so that it may come to a vote.

MR. SHOEMAKER: Well, Mr. Chairman, I can't see, this being Friday, why there is such a rush. I could prepare a much better, more effective talk I know if I had the weekend to do it. It is Friday now, law amendments on Monday, and anyway if I do speak, there is no guarantee that someone else won't want to adjourn it.

MR. ROBLIN: We are asking for the co-operation of the House in disposing of this matter. We have had a very lengthy debate on it in all its stages and I do not think it is asking too much to ask the House to agree to proceed with it at all convenient speed.

MR. SHOEMAKER: Well, Mr. Speaker, I know that it is an important Bill and I will speak briefly on it now, and perhaps someone else will want to adjourn it or move another amendment and then we will have an opportunity to speak on it then. But I want to point out what I said when I spoke on two or three other occasions while the Bill was on second reading and while it was in Committee for some 17 hours or whatever the First Minister indicated, and I say that this sales tax Bill should have been the No. 1 plank of the Conservative Party at the June election. That's when we should have had it debated, out on the hustings, and let the people decide - let the people decide on the tax Bill and on the alternatives that were offered to it. There would have been many alternatives offered to it and there were alternatives offered to it during all of the speeches in May and June of last year, and I am confident that if the Conservative Party had made the sales tax issue the No. 1 plank in their platform, they would not be sitting where they are today. I am confident of that. And why didn't they do it when - why didn't they do it when.

My honourable friends back in 1958, the year in which I was elected to the seat that I occupy, they said then that they could do a lot of things without increasing the taxes. In fact, they accused the former government of abandoning, and I'm going to quote - I still cherish in my files some of the election propaganda sheets that were used in 1958, '59, '62 and '66 - and in 1958, "The Campbell government has abandoned Manitoba farmers to the pressure of the cost-price squeeze." Well what have they done about it in ten years? According to my honourable friend the Provincial Treasurer in his budget speech, he said "that only 6,000 out of Manitoba's 40,000 farmers were earning more than \$4,000 a year." Ten years ago he said he could fix this all up, alleviate - not only alleviate the cost-price squeeze, there wouldn't be any cost-price squeeze if they would just let them in for about a year. They have been sitting over there for ten years and they haven't done anything about the cost-price squeeze. In fact, it's getting worse. All you have to do is listen to what my honourable friend the Provincial Treasurer said, listen to what the farm union men are saying, listen to what the farm bureau are saying, listen to what the vegetable growers are saying, listen to what my honourable friend the member for Souris Lansdowne is saying. The cost-price squeeze is getting worse after ten years - a lot worse.

My honourable friend - and I want to congratulate him - after four years of prodding has introduced the Bill to provide for the use of purple gas in farm trucks. I want to congratulate him on that, but it took four years of prodding to get him to do it, and my honourable friend - I don't think that I have the exact quote here now - but when we raised it even a year ago the First Minister said that this was one of the most ridiculous ways to help the farmer in his problems, giving him tax-free gas. And do you know what he said at that time? He said - and I was talking about how effective it was in Saskatchewan and that Premier Thatcher when he introduced the Bill two or three years ago said it was the most important piece of legislation that would be brought forward at that session - and the First Minister got up and said: Oh yes, but they have got a sales tax up there; they have got a sales tax up there and we haven't got one here, and a lot of wild statements like that and accused us of not having any alternatives at all when we talked about the tax-free gas for farmers.

I'm completely disappointed with the government's taxing policies anyway, Mr. Chairman.

(MR. SHOEMAKER cont'd.) My honourable friend the Provincial Secretary and the Minister of Public Utilities and the Minister of Public Works, and two or three other portfolios that he holds, when he was called on to explain why there was a heat tax he said there was no special reason at all, it just happened. It just happened to be one of the things they thought of on the spur of the moment and they just happened to need a certain amount of dollars and it just happened that if they put on two percent on heat that it would raise this amount of money that they just happened to need at the time. Well they just happened to withdraw that one because it wasn't a very popular tax, and I was here when it happened. I just didn't happen to be at the Tory meeting but he was cornered not by our group, not by — (Interjection) — my honourable friend says that I will be welcome.

So, Mr. Speaker, my honourable friends delight in saying that we want a lot of things and we don't want to pay for them. My honourable friend just ten minutes ago suggested or inferred that it was because of the sales tax that all of these 56 children that are now gone — I guess they got tired of listening to him — said that it was because of this that he was able to bring them down from Duck Mountain today. But whose money is it anyway? Where are they gone to? Where did the 19 divisions that elected to vote against the referendum — would he not extend the same invitation to them, offer them one of their own buses to bring them in here today if they wanted to come in? Gee whiz, we heard enough about this reading between the lines at the last election — I heard enough about it.

My honourable friend the Member for Portage la Prairie heard enough about it when this government went out on the hustings and said if you don't vote for us you'll get nothing. Well this idea of collecting taxes from everybody — and that's what you are going to do with the 5 percent sales tax — collecting taxes from everybody and paying the benefits out to a few of your friends has got to come to a halt, and no one yet has got up and said that they didn't give a stamp of approval to the type of campaign that John Aaron Christianson was using in Portage. Most of them used it; most of them used the same tactics at the last election but they didn't tell them, "I'll tell you what we're going to do, we are going to slap a 5 percent sales tax on the minute we get in office." I'll bet my bottom dollar that you knew right there and then that you were going to put on a 5 percent sales tax. You knew it but you didn't tell them, and this is deceiving the people. There is no question about that.

They talked about priorities. The first thing — in fact they were going to have a fall session. Well we met here on December 5th I believe for about 10 days and I suppose that that could be called a fall session, but what did they do immediately upon getting into office? Talking about priorities — increased the Cabinet Ministers' salaries. No. 1 priority — No. 1 — they did it by Lieutenant-Governor-in-Council. I've got the Order before me. I asked them well why didn't it go in the Gazette? Why don't these things go in the Gazette, Mr. Speaker? They said it's public information. My honourable friend the First Minister got up and I asked him well how did they do this? I still say it should have had the approval of the Assembly. Yesterday, my honourable friend the First Minister got up on second reading of this Bill to provide for an increase in our salaries. He introduced that and he wants to get the approval of everybody in the House. They didn't care whether they got the approval of anybody but themselves on September 7th last when they moved Order No. 1221, September 7, 1966 — Order-in-Council No. 1221 on the matters of state, and I suppose it was retroactive. Well if it was — no, effective the 1st day of September, 1966, so I guess it was retroactive. But I notice that at least one — at least one member who was present at that council meeting was not an elected representative, a fellow by the name of Mr. Steinkopf. Did they pay him the increase in salary? He was present. But anyway, Mr. Speaker, if this government considers their No. 1 priority to look after their own salary, I'm sure that the people of the province do not appreciate this definition of priorities. I am sure of that.

Incidentally, Mr. Speaker, last evening I went through several of the Journals — 1955, 1956, 1957, 1958, to prepare myself for some of the concurrence amendments, Mr. Speaker, that will be put forward shortly because we have only got about 2-1/2 hours left. And talking about alternatives, you should see — and Mr. Speaker, I recommend that you look up some of the Journals because you were not here when some of the friends opposite were sitting in the Opposition. But it's amusing and entertaining and interesting to look up some of the motions that Mr. Roblin, Mr. Evans, Mr. Shewman and some of these people moved on concurrence of the estimates — the regret motions. They were asking for everything under the sun and not offering any alternatives at all. What else is new, my honourable friend says. I guess he's been checking the Journals. What else is new, he says.

MR. SPEAKER: Order, please. During the speeches of the several honourable members this morning I have, I feel, been quite considerate in what they had had to say, but I do feel that the contents of Bill 56 or the motion that's before the House that is being considered is being somewhat ignored. Insofar as the Honourable Member for Gladstone is concerned, I take particular notice that for the last ten minutes of his speech he's made little if any reference to the Bill or to the motion that is before the House and I wondered if he might not come back to that, and if those that may take the floor in the near future in this regard would do likewise in order that the business of the House may proceed as expeditiously as possible. The Honourable Member for Gladstone.

MR. SHOEMAKER: I appreciate your comments in this regard and the only reason that I for one am prompted to get off the subject matter is because of the fact that my Honourable the First Minister started talking about the Duck Mountain School Divisions and the alternatives that we had neglected to offer and a lot of other subject matter, so I was just following his practice and the precedent that he has set in this debate that is before us. I know, Mr. Speaker, that the whole subject matter of the five percent sales tax has been discussed at some length, but it is so important a subject matter and so far-reaching that I think that a lot of it has to be repeated.

Now, as I said when I entered the debate, if the government, if the Conservative Party had just said last June, "Here's what we're going to do when we're elected; we're going to slap on the five percent sales tax; let you people decide whether it's a good thing or a bad thing, but we've got to have the money and we're putting it on." Then he would have had the approval of the people. The people would have - if they had have voted them in and my guess is they wouldn't - but that was the time to decide, not now, and I like many others that have spoken, I'm willing to bet my bottom dollar that there will be - there will be relief made in the sales tax Bill prior to the next election. They may cut it down to four, they may cut it down to three, or they may exempt a great number of items from it, but certainly there will be relief from it.

And so, Mr. Speaker, I have nothing more to say at this time. I think perhaps someone else will want to adjourn the debate and we will have the weekend to prepare some further comments on it.

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MR. SPEAKER: I thank the Honourable Member for Gladstone for his co-operation. The Honourable Member for Turtle Mountain.

MR. EDWARD I. DOW (Turtle Mountain): Mr. Speaker, during the study of this Bill through the committee, much reference was made in applying decisions by the Honourable Minister of Treasury to the Carter Commission, and I am somewhat disappointed in the fact that we are pushing this Bill ahead at such a rate of pace because the Carter Commission was looked upon as one of the better formulas that would come down and the recommendations made in regards to our tax position throughout Canada. It's very interesting to note that in the recommendations that most of the things that we have asked for by way of amendments to the Bill, Carter has agreed to a large degree.

Now in the first place, the amendment to this Bill to have it stood over comes directly into the position that Carter recommends, that the provinces should now be permitted to have an indirect retail sales tax in conjunction with the Federal Government, and while at the moment it's unconstitutional, it could be worked into being. And here again, are we being progressive in our thinking, that a commission has come along and said, "This is not the right way." They even go so far as to say in the recommendations that the Federal Government tax as applied to the manufacturing level should be changed to a federal retail sales tax.

Now these items bring us into this position, that if in the next short while - and I'm not arguing the fact that this government doesn't require money, the First Minister and the Minister of Treasury says we do and I'm not going to argue this fact - but are we making a progressive move, knowing in fact that these recommendations are under consideration and likely undoubtedly most of them will become effective. So then we come into a position where we're not in accord with other parts in Canada. I might point this out, that Carter recommends very definitely - and this is one of the recommendations we brought up - that the removal of sales tax on all building materials was recommended, that we shouldn't have a sales tax federally or provincially on building materials. This is one of the things that we asked for and Carter has now recommended this.

The other thing that no provision has been made, that we asked for exemptions on, was exemptions of municipal and school divisions and so forth. Carter recommends that the sales tax exemption for purchases by other governments and their agencies should be eliminated. All right, he recommends this, but he said, if necessary, they could be compensated through increased grants or other fiscal arrangements. Now, we have accepted the fact that these other agencies of government are going to have to pay a tax, and just to show how costly it is, Mr. Speaker, this morning I was at a meeting of the Municipal Board and one small community are contemplating putting in a water system. The tax, the provincial tax that has to be paid by this community by this imposition is close to \$7,000, so you can see we as a legislative body are working against - we're trying to pick out in my opinion some of the advantageous things that Carter says, but the basic things that he recommends we are forgetting about, and what position are we going to be in. Surely with this in view and the possibility of this coming, surely this amendment of an extension of time should be taken a good look at.

MR. CAMPBELL: Mr. Speaker, I am prepared to proceed now with the debate. I wouldn't at this stage ask for an adjournment, but I understand that the Leader of the House has some House business that he would like to proceed with while it's still government business. I'm entirely willing to co-operate by asking for the adjournment if that suits the will of the House, otherwise I would proceed with the debate now. I don't know how long my honourable friend needs for his business but I couldn't guarantee that I would finish much before 12:30.

MR. LYON: It might be just as satisfactory having regard to the hour now, Mr. Speaker, if my honourable friend did speak, and then if there is any time left we can perhaps deal with - I was only referring to the next item on the Order Paper hoping that there might be time to move some of those Bills ahead. However, in consultation with the Provincial Treasurer we can move them ahead on Monday. Only those without amendments could be read for a third time Monday; those with amendments might by leave be read for the third time if we got that at that time. But I thank my honourable friend very much for his consideration. If he wishes to proceed now we would have no objection.

MR. CAMPBELL: Mr. Speaker, I would prefer to proceed now but I had been willing of course to co-operate with the government if that was better for their own forwarding of the business of the House.

Mr. Speaker, I think that you have been both wise and proper in allowing such wide latitude to end this debate, because after all it's my understanding that when taxation measures

(MR. CAMPBELL cont'd) are before the House that the whole question of financial policy of the government is thereby opened, at least in my opinion and I think becoming more so in a lot of other people's opinion, one of the very basic considerations of government policy, and I simply cannot help, particularly in view of the remarks of the Honourable the First Minister - and I'm sorry he's not present at this time - to make a few remarks of my own.

It seems to me, Mr. Speaker, that the fundamental point here is the discussion of not only what is best for the government and not only what is best according to the individual preferences of the members of this House, but what is best for the economy of the Province of Manitoba, and it's on this wide basis that I would once again put before the House, Mr. Speaker - and I am afraid that I will be reiterating some of the opinions that I've expressed before - but it's on this basic consideration that I would want to once again direct the attention of the House to matters that I think are particularly important.

My honourable friend the First Minister has been reasonable and tolerant, sensible, and considerate in his approach this morning and he has said quite frankly, and I think fairly, that it is the government's job to decide on these matters. The government has to find the money for the policies that it is implementing and he paid a tribute to the courage of the backbenchers who find it necessary, if they're going to support the government, to support even unpopular measures. I would like to say that I join with him in expressing my appreciation of the courage of the backbenchers because in my opinion they are certainly going to need it.

There's a story that's told, Mr. Speaker, of the gladiators in the forum at Rome in the old days who were so highly trained not only in their own particular line of endeavour but in the niceties of the occasion that they used to before they engaged in mortal combat stand in front of the emperor and bow and say, "We who are about to die salute you", and I think this is a proper tribute to pay to the backbenchers of the government, and indeed many of the front-benchers as well, because their political demise might just about as well be already appearing in the obituary column because it's just inevitable in my opinion --(Interjection)--Yes, and I salute you - I salute you under the circumstances - because it's just about inevitable that after the financial experience of Manitoba under the Roblin Government that the long-suffering, tolerant and sensible taxpayers could do anything but to say to the government: we've had enough of this; we really want to try something else.

Mr. Speaker, I'm not bitter in saying this. I think we can be perfectly philosophical, and I'm one who has a right to be philosophical because no one, no one is better cognizant of the fact than I that that's what they said in 1958. They said to our government over there: We've had enough of you fellows; we want to try something else. Mr. Speaker, this is the good thing about democracy. This is the undoubted privilege of the electorate. It is immaterial whether their judgment is founded on the most logical of motives; it is immaterial whether they act in some cases on impulse, and in other cases that they are swayed by a particular figure or by a particular program. It is immaterial to a great extent what the reason is; the fact is they have a right to do this. We had a former judge in this province, Mr. Speaker, who used to say - declare in fact - that a judge has the right to be wrong. And the public has a right to be wrong if they want to. I thought they were wrong in 1958; I know it now. I only thought it in 1958. It's a cinch now.

One of our troubles, Mr. Speaker - and we have lots of them - but one of them was that we weren't any good at telling the people of the province what we were doing. We started a modest little information service - and of course under my honourable friends it's been expanded into an empire - but we tried to, we tried to get a little information out to the public for their own protection, so as to guard them against making the kind of mistake they made, but we weren't good at it. I know we weren't. What has shown the people how good we were, is these folks by what they've done. We didn't make a good job of it, but they've made a good job of it with all the philosophies about what should have happened and might have happened and all this. But I come back to the essential fact that the public has the right to make the decisions, and I predict that there's going to be a decision made here just at the very first opportunity that presents itself, and I too join in paying tribute to the courage of my honourable friends the private members who face their own political demise with such equanimity.

The difficulty, the primary difficulty that faced the government from the start, in my opinion, was that they really had themselves convinced that the former government had been very slow to act and very backward and that they were too careful of the taxpayers' money, and so they dashed immediately into very expensive programs. The results of those programs have been evident for a long time but they're now becoming really onerous, really burdensome, and

(MR. CAMPBELL cont'd)...the government - I've always given credit for this, Mr. Speaker, I still do - I think that the government at that time sincerely and honestly believed that the measures that they were going to implement were going to so spur the economy of the Province of Manitoba - because they had themselves convinced that the other government had not so spurred it - were going to so spur the economy of the province that the momentum that would result under greatly improved economic conditions would improve the situation so greatly that increases of tax rates would not be necessary. I think they were sincere in that and they proceeded to put into effect the programs that were supposed to accomplish this desirable end.

Mr. Speaker, that would have been an excellent thing if it had worked. The only trouble is that it didn't work and we have the record now to prove that. We have the record that shows that in the field of industrial development, which was going to be the focal point of all, that it hasn't worked, hasn't even kept up to the other provinces let alone forging ahead; and it hasn't worked in the vital economic sector of Manitoba - agriculture - because there the cost-price squeeze was going to be attacked immediately. I could present to you, as I have done on former occasions, Mr. Speaker, chapter and verse of where the First Minister of this province, and others, said that the cost-price squeeze is the thing that has been neglected. Agriculture has been neglected; this is going to be attacked immediately. Just yesterday, Mr. Speaker, just yesterday, I think it was in the evening, the Honourable the Provincial Treasurer said, quite sincerely, that he was aware of the fact that agriculture is in difficult circumstances, and all of us who are acquainted with agriculture know that the cost-price squeeze is worse now, much worse than it was before. This is the real problem of agriculture now.

In our time, the real problem of agriculture was markets. We could get along fine in those days if we just had the markets. Even the price situation we could have taken in stride if we had the markets. I'm speaking of the years that I was leading the government, not the earlier years when we certainly had difficult times with the production end, but this situation is worse. So taking those two main basic sectors of the economy, the situation has not had the improvement that I believe my honourable friends honestly expected that would accrue from their policies.

So up to the government having - again I emphasize that I give them credit for sincerity at that time, I'm not charging that at that period that they were fooling the public. They thought that these programs of theirs would work, and in the enthusiasm of that belief they said - again I believe quite honestly - that they would not find it necessary to raise taxes; they would not. Well now, Mr. Speaker, I don't need to recount to you the myriad of tax increases that we have had or the impact that they have had upon our people generally, and especially upon those people who are the least able to afford it.

Then the Honourable the First Minister was quoted not so long ago as saying that the sales tax was as dead as a dodo. He was at that time still convinced that, although belated and long delayed, the boom that he had been expecting was just around the corner, and as has been mentioned earlier this morning, we periodically have our hopes challenged by having some government document appear which announces a breakthrough so-and-so, a breakthrough such-and-such, a breakthrough program in this area or that area is going to occur and this boom is still coming. But it hasn't come. And with all the arguments that were advanced in those days and all the high hopes that were held, they just haven't come.

So the sales tax, instead of being a dodo, turned out to be a phoenix. It has arisen from the ashes of those days and it's with us, against all the promises that were made, and I repeat - this is not original with me, Mr. Speaker, but I repeat something that was said earlier in the debate - that the introduction and implementation of a sales tax in this Chamber, Mr. Speaker, is a confession of failure by the Government of Manitoba; a confession that no one of us, no matter how hard we tried, could express so eloquently as the government itself has done in introducing this sales tax, because it is a confession that the policies have not worked; that the expected improvement has not occurred.

Then of course, Mr. Speaker, there's the other side of the coin; there always is. And the other side of the coin is that my honourable friends - again I do not challenge their motives - but my honourable friends, in the expectation that these improved conditions were not going to be long delayed, proceeded to incur added expenditures, in some cases - I think in many cases, Mr. Speaker - without being aware of the cumulative and continuing effect of the policies that they were instituting. We have no better evidence of this, Mr. Speaker, than to notice that in this year's estimates - and I admit in saying this that in some respects they are exceptional of course - but in this year's estimates we have these so-called areas of social service, hospitals,

(MR. CAMPBELL cont'd) . . . education and welfare, taking them together, amounting to an increase in this year alone as compared to last year, and goodness knows there were large increases before that, of \$48 million plus - \$48 million.

This is certainly bad enough, Mr. Speaker, to contemplate, but the other fact is there too, that for these charges, when you have the hospital increase in the Province of Manitoba more than \$7 million - at least the Health estimates, education more than \$36 million, Welfare practically \$5 million, you have to look at the additional factor that there had been increases in every one of those in Winnipeg and Metro as well, and in the other municipalities as well, and there are going to be further increases in them. I predict that there are going to be still further increases because of the particular difficulties that education faces.

Mr. Speaker, I'm sure that the government was unaware, completely unaware when they instituted some of these programs, of how the continuing costs would develop in the years to come. These are the fields - the Honourable the First Minister mentioned them himself this morning - these are the fields that once policies are implemented regarding them, they continue to grow without any increase being made in the generosity or the further assistance of the policies themselves. They grow without those increases, and for a long time my honourable friends were making the increases as well, with the best of motives. I know that I do hold - I do hold the government guilty of the sins about which they have been charged by my honourable friends, and I do believe - I do believe that the government in what I am sure will prove to be an abortive attempt to escape its death sentence, will attempt - will attempt to build up a surplus through this very remunerative sales tax imposition which will allow them to decrease taxes just before the next election. That's only in passing; this is not the main theme of my argument. The main theme is that governments must be eternally vigilant in recognizing the implication of the services that they introduce and expand, particularly in the case of welfare services.

We got criticized greatly about road programs, but there is one thing about road programs, Mr. Speaker, that if conditions develop differently to what you expected or if the revenues fail to rise as you thought they would or if the economy does not boom as you hoped and believed it would, with road expenditures at least you can halt them. You can stop them to some degree, particularly with the capital costs and the new expenditures. With some of the other departments, this is correct too. You can call a halt, but in the social services, once the program is laid it's so difficult to hold the line or even to, well much more so, to reduce it.

I'm not going to reiterate what I said earlier with regard to the welfare program of this province, Mr. Speaker, and I emphasize once again that in such matters as this I am speaking for myself. But when we look at the increased cost in one year, this year, of practically \$5 million in welfare expenditures, and when we recognize the fact that Winnipeg's welfare expenditures are still up, when we see that there are more people on the services in the Province of Manitoba as a whole and in some of the other municipalities as well, when we see that there are more and more and continuing to be more staff employed in order to implement these programs, resulting - the two things combined - into these tremendous expenditures in both the province and several of the municipalities, then I think, Mr. Speaker, that it is time that we gave serious consideration to the fact that evidently these programs are not working; they are not accomplishing what they were supposed to do. And what do you do about them? My honourable friend the First Minister says that there are never any suggestions at all about where any savings can be made; I suggest that as a fertile field for study as to making some curtailments.

HON. J.B. CARROLL (Minister of Welfare)(The Pas): Be more specific

MR. CAMPBELL: It's time you were getting specific and not just dealing in generalities and continuing to expend more and more of the taxpayers' money on programs that you yourself must know are unproductive and are not accomplishing what they were supposed to do.

MR. CARROLL: You're the authority, tell us where to cut, you know all about it.

MR. CAMPBELL: You evidently don't anyway.

MR. CARROLL: I'll accept any good advice I get, but I haven't had any.

MR. CAMPBELL: You've had plenty.

MR. CARROLL: Not from you.

MR. CAMPBELL: Now, Mr. Speaker, the other main point that I have is what does all of this do, what does all of this increasing taxation do to an economy who is closely geared to an exporting position. Canada as a whole, and particularly the prairie provinces in my opinion and especially the two provinces of Saskatchewan and Manitoba, simply must deal for the

(MR. CAMPBELL cont'd)...major part of their income in an export economy, and what are we doing when we are continually and continuously raising the tax load upon our people. In my opinion, we are making it continually more difficult for the people of this province and other provinces to compete in the world market in which they are going to, if my prophecy proves to be right, be faced with even stricter competition than at present. I know - I know that there are so many people in this House that say that the public demands these services. I know that there are many who say that you look at the welfare of people not at the dollar signs all the time, but, Mr. Speaker, the dollar sign is absolutely essential to the basic economy of this province because we have to sell our products, the ones on which we mainly depend, in the export markets of the world and we simply can not continue to increase our costs and compete with other people who may do the job more cheaply or more efficiently than we can.

I have spoken of the cost-price squeeze in agriculture and it's there and it's severe, and yet agriculture has a mighty big job to do; it still has. If we believe the reports of the world situation, then all the food - all the food that this great granary of the world can provide is going to be needed, but this job can not be done to its maximum potential by the farmers unless they are able to have a reasonable financial reward at the end. True, there are no people more humanitarian than the farmers, but they can't afford to continue to produce unless they at least get a fair remuneration therefor.

When my honourable friend from Gladstone quotes official figures which say that only a small proportion of the farmers of Manitoba have a total income of more than \$10,000 a year, I think those official figures are quite likely correct, but when the official figures suggest that a farmer who has an average gross income of \$10,000 a year has an average net income of \$4,000 a year, the figures are stupid, whether they are official figures or not and from where they come I care not, because I ask the farmers in this House if they get 40 percent net of their total revenue. There isn't a farmer in this House will tell me that if his total revenues are \$10,000 that he has \$4,000 clear. Those figures that my honourable friend quotes as being official figures, I will accept the first part; I certainly do not for a moment accept that the average farmer, no matter how good he is, has 40 percent of his gross revenue left to him as net income. Nothing even close to it, Mr. Speaker, and so I say that agriculture faces a difficult situation here. The cost-price squeeze has not only not been relieved, it has not even been maintained at the undesirable figure that it was at when my honourable friends took office and for which they blamed us. So if agriculture is going to make its full contribution to the economy, and this is what has got to happen in all segments of the industry if we are going to be able to pay these taxes, then some better policy had better be forthcoming immediately.

Once again I compliment my friend the Honourable the Minister of Agriculture because he was foresighted enough and frank enough to say quite frankly that the main solutions do not lie with the government of Manitoba. They do not lie in that field. The main solutions lie in the national and even the international fields, but to the extent that we continue to pile more and more taxes upon the farmer's back to the extent to which we make his cost of production rise higher and higher, then we're going to make that situation all the worse for him and we're going to make it all the more difficult for him to contribute his full potential to the difficulties of a world that is very hungry.

Now, Mr. Speaker, I have only the one other matter that I wanted to discuss and it's really the important one, and that is: Where do we go from here? What do we do now? Well, apparently the government has made up its mind that it's going to implement this sales tax.

MR. SPEAKER: ... interrupt the honourable gentleman. I imagine he has a little more time but it's now 12:30.

MR. LYON: We're quite prepared to hear the honourable member out, Mr. Speaker, because we don't want to break his train of thought and if there's a possibility he can conclude before...

MR. CAMPBELL: I'll be able to get back onto it, Mr. Speaker. I never like to ask for concessions from the House.

MR. SPEAKER: It's now 12:30; I'm leaving the Chair to return again at 2:30 this afternoon.