

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Wednesday, February, 24th, 1965

Opening Prayer by Madam Speaker.

MADAM SPEAKER: Presenting Petitions

Reading and Receiving Petitions

CLERK: The Petition of Earl Langton McGill and others praying for the passing of an Act to incorporate The Dufferin Racing Association.

The Petition of Francis Alexander Lavens Mathewson and others praying for the passing of an Act to incorporate Manitoba Museum of Man and Nature.

The Petition of The Convalescent Hospital of Winnipeg praying for the passing of an Act to amend an Act to incorporate The Convalescent Hospital of Winnipeg.

MADAM SPEAKER: Presenting Reports by Standing and Special Committees

Notices of Motion

Introduction of Bills

Orders of the Day

HON. DUFF ROBLIN (Premier and Provincial Treasurer) (Wolseley): Madam Speaker, before the Orders of the Day are called, I rise to undertake what tradition requires in this House, in connection with men and women who have been members of this Legislature and who have died since we last met, and we take this occasion at an early date in our annual session to remember with affection and esteem, such citizens. On this occasion, however, I wish first to place before this House at the present time, the name of a man who never sat in this Legislature but who is perhaps the supreme parliamentarian, certainly of our day, if not of our history, and I refer of course to Winston Churchill. I think that the House would wish me, and I think the people of the province would wish me, to propose that we record in some formal way our feelings on the news of his death and our appreciation of his great gift of leadership to us and to all who are in the free world.

It is hard to think what we should say about such a man on this occasion, because some of the most eloquent tongues in the western world have summed up his life and his contribution in words far more touching and appropriate than those which I can command, because he was certainly the glory and the wonder of our age. We know his talents, we know his tremendous versatility; we know his humanity; we know his foibles as a human being; but we know above all his magnificent heart. Perhaps the ordinary man remembers him for the gift of golden eloquence which was supremely his. I can recall as others can, no doubt, in training camp in 1940, gathering around the radio in the Mess to hear his great speeches given to us and to the world in those dark days, and I can recall now how those words of measured diction and of calm courage and of resolution restored us to those feelings of confidence in our cause which the times and the news perhaps would not justify in that way.

I had the pleasure of seeing Winston Churchill on one occasion at close quarters, listening to him speak, and I can tell the House that the charm of his personality was overpowering at an association of that kind.

If one were to sum up Winston Churchill it would be hard to do better than to use his words in which I think he expressed more of himself than he might have thought, when he wrote this dedication to his great history of the Second World War -- four lines -- "In War, resolution; in defeat, defiance; in victory, magnanimity; and in peace, goodwill."

I submit, Madam Speaker, that it is fitting that we should commemorate this great parliamentarian, this great human being, this great soul. Perhaps a few minutes, a moment of silent respect would be the best tribute that we can pay to such a man. So it is that I am honoured to move, and I associate in this motion the name of the Honourable the Leader of the Opposition, that this House record its deep regret in the death of the Right Honourable Sir Winston Churchill, Knight of the Garter, Privy Councillor, Order of Merit, Companion of Honour, who was pre-eminent in his devotion to parliamentary and democratic government and a peerless leader of the free world in its great struggle against the soul of tyranny, and to ask Madam Speaker to express its sincere sympathy in their bereavement to Lady Churchill and her family and to forward a copy of this resolution to them.

Madam Speaker presented the motion.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Madam Speaker, it is an honour to be associated with the First Minister in seconding this motion. Beyond the gratitude that all of us have sitting here as representatives of the people of Manitoba, I think it is true to say that in this one man, Winston Churchill, every single individual who lives anywhere in the free world today has a personal debt. This is not just a general debt of a nation to a statesman of another country. This is a personal debt that all of us have to a man who in the very dark days of 1940 and 1941 kept up the courage of his people and our courage. As a result of, I would say his single handed personal attitude, we carried through, and today all of us as a result are free men. Had it not been for this one man there were definite possibilities that our free institution would have gone by at that time and that we would not be here today, that the rest of the peoples in the free lands would not be living as they are.

MR. MORRIS A. GRAY (Inkster): Madam Speaker, I wish to thank my leader for the honour given me to say a word about a great man. At the same time, I hope I'll be forgiven in my few remarks on behalf of my people. Before doing it, I would like to read a translation of a prayer which we have for the great men who have left this world after many years loyal service.

"May God remember the soul of Sir Winston Churchill and grant his repose in the radiance of the Divine Presence, in the high rungs occupied by the righteous and holy, those who lived and served mankind faithfully. May the merit of our prayers and the charity which we will offer for the repose of his soul be added to the merit of his own deeds and may he be bound up in the bond of life eternal according to the promise made to the righteous of the nations of the world that they will share in the bliss of Paradise with the other great men in the history of this world."

The entire civilized world is in debt to Winston Churchill and there is universal mourning on the death of this colossal figure of our time. While he will be forever remembered as the symbol of our fight of democracies in the period of World War II, his career was so varied that he was truly the man of the century. The first world figure to recognize the evils of Naziism and the scourge of Fascism, while other statesmen were compromising the issues he remained the foe of Hitler and Mussolini. The Jewish world has its own special reason to express deep condolence and profound sympathy. His loyalty to the Balfour Declaration endeared him in the world of Jewish communities and his unswerving faith of the justice of the creation of a Jewish homeland, the foremost non-Jewish leader in Zionism. As Churchill himself said . . . "My heart has throbbed with Zionism for many years." The Lord being his heritage may he rest in peace.

MR. J. M. FROESE (Rhineland): Madam Speaker, I think the First Minister has expressed my thoughts very well and I along with the other members of this House pay tribute and also extend sympathy to the bereaved family. I join with the First Minister in this resolution.

MR. ROBLIN: Madam Speaker I have a second resolution of condolence and sympathy to propose and this time in connection with the name of Mr. John Simon Lamont. Mr. Lamont came to Manitoba from Prince Edward Island in the very early years of this century and had a distinguished life of service in this province. As a young man he distinguished himself by winning practically every honor there was in those scholastic fields to which he applied himself, one of which was the law, and throughout his career he displayed the greatest of interest in many activities of the community. He was active in municipal affairs and he was of course a member of this legislature, coming to the House in 1936 and remaining as a member for five or six years thereafter.

I had the pleasure personally of knowing Mr. Lamont, though not of course while he was a member here, and I recall what a charming and thoroughly attractive personality he was, and I think that if one were speaking of him perhaps he would be most appreciative of all if one were to mention the splendid family that he brought up and left behind in this province -- three sons in Manitoba and two daughters. Altogether the contribution of John S. Lamont is worthy of our recognition, our esteem and our respect, and I should like to move, seconded by the Honourable Member for Lakeside, the following resolution: That this House convey to the family of the late John Simon Lamont who served as a member of the Legislative Assembly of Manitoba

(MR. ROBLIN cont'd) . . . its sincere sympathy in their bereavement and its appreciation of his devotion to duty in a useful life of active community and public service, and that Madam Speaker be requested to forward a copy of this resolution to the family.

Madam Speaker presented the motion.

MR. DOUGLAS L. CAMPBELL (Lakeside): Madam Speaker, it has fallen to my lot on several occasions in recent years to speak in connection with the condolences that are extended annually from this House, of men who were close personal friends. In no case does that apply with greater force than when I speak of John Lamont. I considered him one of my closest and dearest friends, and I was only one among legion who regarded him in that category, because I think that with all his many other qualities and capabilities that perhaps the capacity for making friends, and keeping them, was one of the most outstanding.

As the First Minister has mentioned, Bud, as he was generally known, came from Prince Edward Island to this province while still a young man. He had attended Prince of Wales College in the province of his birth and he came here and worked his way through the University of Manitoba, attending particularly Manitoba College. He excelled in many fields. The First Minister has already recalled he was outstanding in scholarship. He was an excellent athlete, an all round scholar of great erudition. I believe it is correctly recorded of Bud Lamont that he never failed to take the top honours that were available to him in his scholastic career, and I have noticed from a close connection with his family that all five of his children seem to inherit to a high degree that same academic excellence. Bud of course became a lawyer. After graduating from the Manitoba University with a B. A. he took his Law, became an L. L. B. and was awarded a Master of Arts from Princeton University after spending a term there. He entered public life in more than one capacity, becoming reeve of the rural municipality of Assiniboia and remaining there for some years, and it was due I think in large measure to Mr. Lamont's capacity that the financial affairs of that municipality which had suffered somewhat from a period of rapid expansion, succeeded by a severe depression, were rehabilitated to the extent that it made excellent financial progress.

Bud was elected to the Assembly in 1936. He was one of those members who was either fortunate or unfortunate enough to stay here only the one House, but while he was here he gave an outstanding account of himself. I know that comparisons are supposed to be odious but frequently they are interesting and I would regard Bud Lamont as one of the most colorful characters that ever sat in this House, and one of the most able. He had tremendous scholastic ability as has already been mentioned. He had great legal talent. He was forthright in his expression and he was distinctly colorful. But again I say that I think his outstanding quality was his capacity for making friends -- making friends and keeping them -- and he would have appreciated very greatly the fact that the Legislative Assembly, of which he was so fond and to which he contributed so much, would pause in its arduous work for a short time today to pay this tribute to him, and I'm sure that his two daughters and three sons, the latter all being with us in this area still, will also appreciate the message, Madam Speaker, that you will eventually send to them conveying our appreciation and condolences.

MR. SAUL CHERNIACK, Q. C. (St. John's): Madam Speaker, I thank my leader for permitting me to speak on behalf of our group in recognizing the contribution made by the late Mr. Lamont to this community. I knew him as a member of my profession and as such he had qualities which too are deserving of recognition. I have seldom seen a person to take the battle on behalf of his client so personally and to undertake to do his best for his client at all times. I have seldom seen a lawyer who was more prepared to look at the law as a servant of the people than its master. It seems to me that every time I had an opportunity to meet with him on some question of law he knew the law but he also knew the reason for the law and the background for whatever law we were discussing, so that he could apply the principles behind the law to the situation in hand. This to me was the proper attitude of a lawyer who knows that the law is to be the servant of the people, who make use of it to protect their rights. I think that that tribute should be added to those that have already been expressed by the Honourable the First Minister and the Honourable Member for Lakeside, and I am glad I had an opportunity to do this.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Madam Speaker, I hope you will not consider me presumptuous if I add my respects to the late John S. Lamont, whose friendship I enjoyed

(MR. HILLHOUSE cont'd) ... from the time I was called to the Bar until the time that he crossed that Bar which sooner or later we will all cross. Bud as he was affectionately known to all of his friends, was a man of outstanding, I might say prodigious ability. As has been stated by the Honourable Member for St. John's he was an excellent lawyer, but in spite of his love for the law he never lost his love for good literature. I can recall going to Bud Lamont's office and being advised by his secretary that he was in conference and I found out afterwards that Bud had got hold of a good book and he just told her that he didn't want to see anybody that day. I knew Bud very well. He was very friendly with the late J. O. McLenaghan, whom I succeeded in this Legislature. I had known his family for years and I feel that his three boys, I don't know the girls very well, but I feel that his three boys will carry on the good work that was started by their father and will add to the economic and cultural life of this province by following in their father's footsteps.

MADAM SPEAKER: Before the Orders of the Day I would like to attract your attention to the gallery where we have some 57 Grade 11 students from the Manitou Collegiate under the direction of their teachers, Mr. Olmstead and Mrs. Mueller. This school is situated in the constituency of the Honourable the Member for Pembina. There are also some 150 Grade 11 students from Westwood under the direction of their teacher Mr. Cooper. This school is situated in the constituency of the Honourable Member for Assiniboia. On behalf of all members of the Manitoba Legislative Assembly I welcome you.

MR. GRAY: Madam Speaker, before the Orders of the Day -- (interjection) -- I wish to direct a question to the Minister of Agriculture. I realize that this question may be premature, but does the weatherman who's playing tricks with many parts of Canada, and may also apply to Manitoba, I am wondering whether any indication could be given to this House today as to the possibility or safety of a flood in view of the heavy snow fallen lately?

HON. GEORGE HUTTON (Minister of Agriculture) (Rockwood-Iberville): Madam Speaker, the Flood Forecasting Committee is sitting this afternoon so a report will be coming forward I expect tomorrow.

HON. STERLING R. LYON, Q. C. (Minister of Mines and Natural Resources) (Fort Garry): Madam Speaker, before the Orders of the Day I should like to lay on the table of the House the Annual Report of the Department of Mines and Natural Resources. This contains the statutory reports required under the Crown Lands Act, The Forest Act, The Government Air Service Act and The Mines Act, and also the Report of the Board of the Manitoba Farm Loans Association for the period ending March 31, 1964. The previous report, that is the departmental report, has already been distributed to the members of the House.

MR. MOLGAT: Madam Speaker, before the Orders of the Day I'd like to direct a question to the Provincial Secretary. Could he explain to the members of the House the proposal that has been made to the municipalities in the Winnipeg area regarding their borrowing for the purposes of the Centennial Centre?

HON. MAITLAND B. STEINKOPF, Q. C. (Provincial Secretary and Minister of Public Utilities) (River Heights): Sir, I believe that would be an Order for Return, and suggest if it was handled that way I would be very happy to comply with the request.

MR. HILLHOUSE: Madam Speaker, may I address a question to the Honourable the Attorney-General? Could the Honourable Minister advise me as to whether or no he has made any representations or any request to the Federal Government to appoint a resident County Court Judge for the northern judicial district, which I understand is holding Court now in Thompson, Flin Flon and The Pas?

HON. STEWART E. McLEAN, Q. C. (Attorney-General) (Dauphin): Madam Speaker, no request has been made.

MR. HILLHOUSE: Could the Honourable Minister explain why no request has been made and a Court has been established in those three places?

MR. McLEAN: Madam Speaker, because we don't consider a judge is required.

MR. HILLHOUSE: A supplementary question. Could the Honourable the Attorney-General tell me whether any survey was made to determine the needs of the northern judicial district for a permanent resident judge -- as to whether or no any comparison has been made with that survey with a similar survey made in the central judicial district?

MR. McLEAN: No survey of the nature indicated, that is no survey of the comparison

(MR. McLEAN cont'd)between the northern judicial district and the central judicial district. I think we are fairly familiar with the amount of work required to be done in the new northern judicial district.

MR. HILLHOUSE: A further supplementary question. Could the Honourable Attorney-General advise me as to whether or no any arrangements have been made by the Federal Government to pay the travelling expenses and the per diem allowances of a judge serving the northern judicial district from Winnipeg?

MR. McLEAN: Yes, those arrangements have been made.

MR. GORDON E. JOHNSTON (Portage la Prairie): Madam Speaker, I'd like to address a question to the First Minister. Some time ago there was a press report quoting the First Minister as saying that the proposed one percent land transfer tax was not being proclaimed in its present form. I have before me a letter addressed to the Portage City Council, and it says in part: "As you have probably seen by the press, the provincial government has withdrawn the land transfer tax proposal and the legislation will not be proclaimed." I am wondering if the First Minister could make a clarifying statement to tell us whether or not the tax is withdrawn completely or will be submitted in a different form?

MR. ROBLIN: Madam Speaker, I thank my honourable friend for the question and I'm glad to inform him that I will make a full statement on that matter soon.

MR. ELMAN GUTTORMSON (St. George): Madam Speaker, I'd like to direct a question to the First Minister. In the votes and proceedings of yesterday, there were notices of motion on the Horse Racing Commission, The Horned Cattle Purchases Act, the Mineral Taxation Act and a number of bills scheduled to come up for today -- it says Notice of Motion for Wednesday. I notice on the Orders for today there is no reference made to any of these Notices of Motion or Bills. Does the Government not intend to proceed with them?

MADAM SPEAKER: I have given instructions to the Clerk of this House to hold this until Thursday, in order to give this the full 48 hours of notice. Everything shown on the paper for Wednesday will be on for Thursday.

HON. OBIE BAIZLEY (Minister of Labour) (Osborne): Madam Speaker, before the Orders of the Day, I would like to lay on the table of the House the Annual Report for the Department of Labour.

MR. LEMUEL HARRIS (Logan): Madam Speaker, before the Orders of the Day, I would like to put a question to the Attorney-General. What is the percentage of Metis and Indian in the Portage la Prairie gaol -- that is the percentage of women and the percentage of men -- if you can get me that figure?

MR. McLEAN: Madam Speaker, there are no men in the gaol at Portage. It's a women's gaol. I would have to take the question with regard to the percentage of women as notice and will be glad to get the information for the member.

MR. MOLGAT: Madam Speaker, I would like to ask a subsequent question of the Provincial Secretary. Is it correct that the government has asked the municipalities to borrow on a 30-year basis, and transfer the money back to the government for the purposes of the Centennial Centre?

MR. STEINKOPF: I wonder if the Honourable Leader of the Opposition would repeat the question again.

MR. MOLGAT: Is it correct that the government has asked the municipalities or has suggested to the municipalities of the Greater Winnipeg area that they borrow money on a very long-term basis, I believe 30 years, and then turn this money to the government for the purposes of the Centennial project, with some arrangements for repayment?

MR. ROBLIN: I think I should say, Madam Speaker, that this whole question will be dealt with at length at the proper time and we will give all the statements required as to government policy.

MADAM SPEAKER: The Adjourned Debate on the Proposed Motion of the Honourable the Member for Lac du Bonnet and the proposed amendment thereto by the Honourable the Leader of the Opposition, The Honourable the Leader of the New Democratic Party.

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): Madam Speaker, in taking part in this time-honoured debate may I first of all extend to you my felicitations and best wishes that during your occupancy of the major position in this legislature, for this legislature, you will not find it too arduous or too difficult. And may I say to the Honourable Member for River Heights, you have run the gamut of the highest court in the land, namely those who elect members to this legislature. They have cast their decision in your favour and I join them in welcoming you back though we may have many differences of opinion. May I also compliment the mover and the seconder of the Speech from the Throne for their very interesting contribution to this debate.

Madam Speaker, I will not deal with all matters contained in the Speech so ably read by His Honour. It is obvious however that it must have been written by the Premier while he was basking in the sunshine in the South. His thoughts must have been occupied with a review of the Special Session of last year because much of the Throne Speech is a repetition of proposals made at that time. I am sure though, Madam Speaker, that many people were misled by the wording of the speech into thinking new tax reductions would be forthcoming. Even the Winnipeg Tribune carried the headline "Roblin Aims to Relieve Tax Load on Home-Owner." Such however, Madam Speaker, is of course not the case.

Madam Speaker, it was interesting to listen to the speech of the Leader of the Opposition yesterday. It is not for me to comment on the same except to say that we were aware in this party of the circumstances regarding the sale of the property of the late Donald Bain, and it was our intention to raise the question during this session. The charges made that the government paid exorbitant prices for this land are serious and I call upon the government to answer these charges and to demonstrate that the prices paid for the land in question were proper. If this cannot be done then I join in declaring that the government should be condemned and that it should resign. It is typical however for the Leader of the Opposition to infer that if this transaction resulted in an excessive profit for businessmen involved the businessman cannot be criticized. In other words, exorbitant and unjustified profit at the expense of others is still Liberal policy, providing the government is not a party to the same. Since 1958, Madam Speaker, it has been remarked on several occasions that I have devoted more time to criticizing the Liberal opposition than I have to attacking the government of this province. Indeed, I have at times even had to answer for my actions at New Democratic Party conventions. My defence has always been the same, that under the late -- and may I say universally unlamented Liberal regime -- this province was horribly misgoverned. So poorly governed that one suspects that the Liberals had no true concept of what government is or should be. Out of office the Liberals have demonstrated that they do not understand the role of Opposition. Their complete lack of philosophy and principle, their absolute political pragmatism, has led them to rely on muckraking and criticism for the sake of criticism in their attacks on those who differ with them. Their criticism has taken on this tone, Madam Speaker, because the Liberals still have no idea what they would do with the reins of government if by some accident they should hold them once again. How can a group which relies for its policy formation solely upon discovering the most expedient means of dealing with a problem on a workaday basis be taken seriously by anyone? I do not, Madam Speaker, in these remarks, cast any reflection on any individual member of the Liberal party or on their integrity or honesty, but just on their complete lack of political philosophy.

Madam Speaker, when the Conservatives took office in 1958 they gave promise of introducing some progressive legislation. Indeed some progressive legislation dealing with highways, education and other matters was introduced. True, it was introduced in a piecemeal fashion. No overall plan for the development of the province to which the various pieces of legislation could be related was devised, but most of the legislation had the obvious virtue of being an improvement upon what we had before. This, Madam Speaker, is the explanation I give when I am attacked for being harder on the Liberals than on the Conservative Government. Let me assure you, Madam, and this House, however, that since the Special Session last August there is little likelihood that I will ever again be accused of being soft on the

MR. PAULLEY (Cont'd.)... Conservatives. At the Special Session it became apparent that the Conservatives had bankrupted their fund of ideas and the legislation proposed for this session only serves to confirm this impression. I must say that I have had to come to the conclusion that what the Conservatives have done since 1958 is to institute such reforms in the administration of this province as would be obvious to any intelligent observer of the Manitoba scene, and I say to you that now the obvious has been done, the Conservatives don't know what to do next. Confronted with this situation it appears that they intend to stand pat, to stick their heads in the sand like the proverbial ostrich and to ignore the problems which confront this province. It is much easier to them to avoid a problem than to implement a difficult solution. I say, Madam Speaker, that our problems are not insoluble and during my remarks I intend to present a number of ideas which would help us get our economy moving so that necessary social reforms may be implemented. During this session our group will be presenting a number of resolutions which will spell out the problems of this province and will present solutions to them as well. And if perchance the government should see fit to adopt our ideas, as it has often done in the past, the lot of Manitobans would be vastly improved.

We have been informed by the Throne Speech that the principal business of this session will be to resume consideration of measures designed -- and here I quote from the Throne Speech--"to effect a massive reallocation of costs and responsibilities designed to alleviate the burden of local taxes in favour of the local taxpayer." The government is referring to its so-called rebate on school taxes. The government proposes to refund directly to the homeowner 50 percent of school taxes paid up to a maximum of \$50 rebate. This the government claims will cause 64 percent of Manitoba's school tax bills to be cut in half while the remainder are substantially reduced. Leaving aside all considerations of the means chosen to effect the saving, the saving is, on the surface, an impressive one. But I submit, Madam Speaker, that the saving is not as great as it appears to be on the surface nor is it as great as the government would have us believe. For while the homeowner does receive a rebate on his school tax, the cost of essential services to the homeowner has been increased by the imposition of new taxes. This new five percent tax on domestic fuel will cost the average homeowner who normally pays between \$150 and \$180 a year in fuel bills an additional \$7.50 to \$9.00 per year. The new five percent tax on telephone bills will cost the average homeowner a minimum of \$2.40; the new five percent tax on Hydro will cost the average homeowner, based on an average monthly bill of \$6.00, approximately \$3.60. The taxes on these three services taken together directly reduce the effective gain of the maximum possible rebate of \$50.00 to between \$34.00 and \$36.00 -- and that, Madam Speaker, is without taking into consideration the added costs of gasoline, automobile licensing and so on. Moreover the \$34.00 to \$36.00 represents the maximum effective saving on the maximum possible rebate. However, many people in this province do not pay enough in school taxes to be entitled to the maximum rebate of \$50.00. We thus encounter the law of diminishing returns, for the costs of heat, light and telephone are relatively standard. Thus a man paying \$40.00 in school tax would only be a maximum of \$6.00 or \$7.00 ahead under the proposal. And, Madam Speaker, it is possible that among the lowest income groups, the people who need relief from taxation the most, it will be found that the amount payable in new taxes will far exceed the amount of their tax rebate, and it is obvious that the tenant and the renters will not receive any rebate at all.

Undoubtedly the government was partly motivated to levy new taxes only on essential services and unnecessary but common habits such as imbibing and smoking by the belief that they would be not open to the charge of further restricting the miserably slow economic development in this province. I suggest that this is an example of poor reasoning processes. But a worse example, I submit, is the other factor which led them to impose these ridiculous and in some cases reprehensible methods of increasing revenue. I suggest that this government wish to avoid alienating its friends in the business world. I suggest that the taxes on light, heat, telephones and automobile licences all have the following advantages for the government: First, light, heat and power, and only to a slightly lesser extent licences and gasoline for automobiles, are all such essential services in the Twentieth Century that it is certain people would continue to demand them at whatever the cost. Thus there is little

(MR. PAULLEY cont'd.) possibility of people relinquishing the services and reducing the income gained from them. Suppliers of fuel oil will not have their income reduced-- the other services are provided by the Crown -- and thus the possibility of alienating businesses by the new taxes is doubly remote. To formulate policy on such a basis is unworthy of any government.

We of the New Democratic Party have always been of the opinion that essential services should always be supplied at the lowest possible cost thus placing them within the reach of every citizen of the province. It is for this reason that we have consistently advocated public ownership of power, telephone and natural gas. Through public ownership they can be supplied to everyone virtually at cost, but this free enterprise government seems to have lost sight of the real reasons for public ownership and is acting in an identical manner to that of the worst Nineteenth Century monopolists. Secure, Madam Speaker, in the knowledge that people cannot do without these services or go elsewhere for them, the government has arbitrarily raised the cost of receiving these services.

What is the history through the years here in Manitoba? The previous Roblin administration in this Legislature of Manitoba, Madam Speaker, brought about, much to its credit, the public ownership of the telephones. The Campbell administration, the Liberal regimes preceding this Roblin administration, introduced and obtained practically full public ownership of our light and power in the Province of Manitoba, and even to use the other party, the Social Credit Government of Bennett in British Columbia, has taken over the public ownership of the power there. For what purpose? To give service at cost to their people. Now we have this government here in Manitoba using it as a method to impose restrictive, impressive taxation on the people of our province.

But the folly of the government's tax policy, and I'm giving their schemes undue honour by employing the term "policy", does not stop here. While they have increased the cost of essential services, they have reduced the amount of revenue available to the government through the surtax on income -- reduction of 16 percent -- and I must emphasize that this reduction applies only to the surtax and not to the entire income tax as the government would have the people believe. Income tax, I suggest, is one of the most equitable means of taxation yet devised, but the government of this province has decided to reject the principle of basing taxes on the ability to pay and have effectively raised the cost of living of those least able to support any increase, those of the low income group.

Let us deal for a moment about the savings the government claims will accrue to the people of Manitoba through the reduction of the surcharge. The saving to the people is identical to the net loss in revenue to the government, which is about \$900,000. On the other hand, the new taxes are costing the people of Manitoba \$22 million. That is an increase in the tax burden of about \$21.1 million. Not only is it an increase, it is an increase which is imposed not on the basis of ability to pay, but on the basis of who is least able to protest. The Michener Commission recommended that the province find new sources of tax revenue it is true, but the recommendation was predicated upon the government taking over services from municipalities. This has not been done.

During the election campaign of 1962, my party advocated that property taxes pay for property services and nothing more. Services to people such as education, and health and welfare, should be borne by the provincial government. The Honourable the First Minister ridiculed this policy in the strongest possible terms, and yet the wisdom of the New Democratic position has subsequently been confirmed by the Murray Fisher report and the Michener report. Confronted with such a weight of informed opinion, the Premier has been forced to bow. He is afraid to admit his criticisms of the New Democratic Party were invalid and he is forced to retain policies which continue to cover public expenses, with the crazy-quilt pattern which passes for a system of taxation in this province.

On the other hand, he must make some concessions to the recommendations of the Fisher and Michener report. He has chosen the \$50.00 school tax rebate which is nothing more than a device to circumvent the recommendations of both commissions while giving the appearance of acting upon their advice. In so doing, he has only compounded the difficulties confronting the homeowners. I call upon the government to admit that they were in error and to ease, not increase the burden on our citizens. I ask them to confess that they have been

(MR. PAULLEY, cont'd.)..... caught in an attempt to hoodwink Manitobans, which I expect is too much to ask.

I have referred several times to the hardships imposed on the low income groups by the government's new taxes. When I speak of low income groups in Manitoba I speak, to my eternal regret, not of a small minority but of well over one-third of our population. A recent ARDA report has estimated that 25 percent of Manitoba farm families and 48 percent of rural non-farm families are living at the poverty level. Little enough has been done to relieve the plight of these people and what little that has been done is effectively nullified by the new taxes imposed by the Roblin administration.

I submit that taxes are not the solution to the problem of discovering increased sources of revenue to support the better educational, health and welfare services required by this province. I submit that increased productivity is the area in which the government should explore in its search for funds. The government claims that the number of persons employed in manufacturing in 1964 increased by over 2,000, but, Madam Speaker, they neglect to mention however that at the end of the year 1963 there were far fewer jobs in manufacturing available to people in this province than there were at the end of 1959. All that the increase over the last year has done is to take up the slack and not add to our future well-being at all.

The Premier himself, speaking in his submission to the Thompson enquiry on TCA, stated that the position of Manitoba's economy is deplorable, and I'm sorry that it's necessary for all of us to agree with him that the situation of Manitoba in respect of Manitoba's economy is deplorable. Personal incomes in Manitoba increased by a lesser percentage than in any other province in Canada between the years 1956 and 1964. What's happened, I ask this House, this forward-looking government that held such promise to us a few years ago? The province, Madam Speaker, is simply not attracting or developing significant new industries, and unless the government does something about it the situation will only get worse. And may I say, Madam Speaker, that not only is this government not attracting new industries but it is losing them, and losing much needed revenue at the same time. I need only refer to the announcement the other week that Sovereign Life are going to transfer their headquarters out of Winnipeg to the City of Toronto. And this, Madam Speaker, is happening at a time when we are going to be more faced with problems than ever before, for in the next five years Manitoba will experience the largest influx of young people into the labour force than she has experienced in any other five year period.

..... Continued on next page.

(MR. PAULLEY cont'd)

Mechanization and automation are bound to find increasingly wider application in existing industries over the next few years and jobs must be found for those who are displaced by automation. Private enterprise has demonstrated that it is either unwilling or unable to develop the abundant resources of this province. I say that this -- to coin a phrase of the Premier's -- "deplorable situation" is sufficient justification for the government to step in and become the vital and dynamic force it should be in the economy of our province.

We in this province must begin planning now to ensure our future economic development, Madam Speaker, to ensure that the 200-odd delegates from our high schools that were here to watch this Assembly this afternoon will have an opportunity of gainful employment and a fuller life. We are charged here, Madam Speaker, with a responsibility of seeing that these young men and women that were here have this future before them, and I suggest that the policies which we have at the present time are negating many of the advancements in science and industry toward this end.

I say that it is not enough for the Premier to mouth support for the concept of planning as he did at a luncheon meeting of the Western Retail Lumbermen's Association and then to throw up his hands at Ottawa's lack of co-operation. This report would indicate that our Premier says to the lumbermen, "economic growth effort too small." Of course it is. I admire his forthrightness and I admire his honesty, but I certainly, certainly cannot agree with any suggestion that he has put forward to change this situation, and I say to the First Minister, do no rely on co-operation from Ottawa. Do not use this as an excuse. Do not use this as an excuse, which is indicated that he did to the Lumbermen's Association, for the lack of our growth.

I quote from this report, and the Premier is alleged to have said: "The provincial effort to guide the economic growth of the province is not enough, unless the Federal Government has a policy which helps that effect." I say to the First Minister, it is true that at the present time there is a minority government in Ottawa of a different face or color than his, but it wasn't true a few years ago, two or three years ago, and Manitoba was not advancing under a Conservative administration at Ottawa any more than it is under the present Liberal minority. The onus is on you, Mr. Premier, and your Cabinet, to show your initiative or some initiative in directing the future course of this province. Relying on COMEF Report -- ridiculous! The COMEF Report in itself was O.K. but the onus does not end as far as this government is concerned with that report. But I say to the Premier that as long as the free enterprising Liberals or the virtually indistinguishable Conservatives are in Ottawa in office, there is no hope of federal policy he desires. I say to the Premier that we have had enough of his defeatist attitude. There is much that we can do in this province until such time as we are blessed with a Federal Government composed of New Democrats.

The Winnipeg Tribune of December 24th of last year quotes the Honourable the Minister of Industry and Commerce as saying, in comment on the COMEF Report which advocates planning, and I quote, "the Provincial Government has an open mind about setting up a Crown corporation to speed the development of industry in Manitoba." Well, I say to the Minister of Industry and Commerce if you have an open mind, now's the time to use it before the narrow opening may close. Don't leave your collective mind so open that it is vacant and devoid of all ideas. Let's get moving and get the province moving with us. The age of laissez-faire government is past.

The government must become the dynamic agent for the development of the province's resources. The government of Manitoba must make available the social capital necessary for the creation of a large industrial base with much more investment in manpower training. Thus far this has not been done, and I do not expect Conservatives or Liberals to do so. The government should invest more in the development of new products that could be processed in Manitoba. The government might, Madam Speaker, for instance, establish a research establishment which would make the services of trained technologists available to industry at cost. In doing so the province would render invaluable assistance to small industries which cannot afford their own research worker and at the same time help to stem the drain of this province's best scientific minds.

The government of Manitoba should take such fiscal measures with respect to certain

(MR. PAULLEY cont'd) raw materials such as nickel to encourage the processing of materials in this province. A graduated scheme of royalty fees favouring products processed in Manitoba is but one of a number of possible solutions. The government of Manitoba must itself ultimately accept the responsibility of developing the province by establishing Crown corporations in promising industries. Some examples would be a high-grade steel plant which would be a large consumer of nickel and which would find a ready market for its products since high-grade steel is being used more and more in all civil, structural and general mechanical engineering. A pulp and paper mill in northern Manitoba which has been talked about for years would be an advantage.

I note, Madam Speaker, that just recently the Honourable the Minister of Industry and Commerce has dragged out of the mothballs a proposal for a pulp and paper mill at The Pas. I recall back in 1954 when I had the first opportunity of sitting in this House, the proposal was then before the government -- the former government. I recall the present Minister of Industry and Commerce with the Arthur D. Little Report of 1958-59 stood up in his chair opposite there and told us of the large expansion that was going to take place in northern timber development with a pulp and paper mill at The Pas. The Honourable the Minister of Welfare, the representative from that area joined, but I say to the Minister of Welfare, the representative from The Pas, Madam Speaker, is he content that there's been nothing done about it? Is he content that just simply from time to time the Minister of Industry and Commerce or the Premier on northern tours say, well just bear with us long enough and we'll give you a pulp and paper mill at The Pas? I suggest that the people at The Pas have had enough pulp from those opposite -- and indeed as they did get it from those to my right -- and assist in electing a government which, if need be for the development of the area there, will create and build a paper mill itself.

MR. MOLGAT: Remember Saskatchewan.

MR. PAULLEY: Yes, I remember Saskatchewan. My honourable friend talks about Saskatchewan. What's happening in Saskatchewan? -- (interjection) -- I'll tell you. I have no hesitation in telling you. The Liberal administration was able to announce a reduction in taxes in its first meeting of their Legislature. Why? Because the economy of Saskatchewan was so firmly based as a result of the CCF Government in Saskatchewan that now, now because of the development of the industries in Saskatchewan by the CCF Government, they have a shortage of employees in order to man the factories which were built to a large degree by the CCF Party in the Province of Saskatchewan. And just as this outfit to my right accuse that outfit over there of using their surpluses to their advantage, so it's now happening in Saskatchewan. I'm sure though the Hanley by-election has already indicated to Thatcher; brother, you sneaked in a few weeks ago but, mister, you're going to go out with a heck of a thump in the not-too-distant future.

MR. MOLGAT: Tell us about the Crown corporations.

MR. PAULLEY: Yes, the Crown corporations. All are making money, or they were, but I don't know how long though -- if I may be permitted -- how long at least one Crown corporation in Saskatchewan will last under the Thatcher regime, and I refer to the Saskatchewan Power Development, because what is happening in that industry, boy oh boy, presages the possibility of it being turned back into private enterprise to the detriment of the people of Saskatchewan. And I say to my friends in the Liberal ranks, don't brag or don't blow about the Liberal regime in Saskatchewan. -- (Interjection) -- You are. Your leader has. All right then, I'm glad to hear from the Honourable Member from Portage la Prairie, Madam Speaker, who indicates that they are not bragging about the Liberal regime in Saskatchewan. And I say to him, and I say to any Liberal in Manitoba, I wouldn't brag about them either.

The economy -- if I may get back to my prepared notes -- the economy is not the only area in which this government has failed to take effective action. Nothing has been done despite numerous promises in the area of consumer credit. The government has given us assurances by two words in the Throne Speech that it will act upon this matter at this Session. I hope that it is not just another promise to be conveniently forgotten, and I say to the honourable gentlemen opposite, my group does not intend to allow them to forget about consumer credit during this session.

The government boasts of its assistance to education, while at the same time steadily

(MR. PAULLEY cont'd) decreasing the percentage of revenue supplied to school boards by the province and while university students are being forced to absorb rises in educational costs by an increase of fees. The government has failed to act in the field of pensions, again passing the buck to Ottawa.

There are other examples, Madam Speaker, of dereliction of duty too numerous to mention, but I must refer to one more because it is simply insupportable. I refer to the field of Medicare. Medicare has been demonstrated to be effective in Saskatchewan and it will remain so providing the Liberals don't scuttle it. Recently the papers have been full of statements by officials of the Saskatchewan Medical Association which indicates that the doctors are now basically satisfied by the manner in which the plan operates, and that they are working to ensure its success. The Hall Commission Report too has stated the need for a government-sponsored universal pre-paid plan of medical insurance. Despite these facts, Madam Speaker, the government of Manitoba has failed to act. Not only has it failed to act, it was prepared to allow the Manitoba Medical Service to increase its fees for some of the groups of their subscribers and impose deterrent charges upon them. I submit, Madam Speaker, that if the New Democratic Party, the Labour Unions, the Manitoba Farm Unions and other groups had not strongly protested, we would now have a system of deterrent fees in the Province of Manitoba under M. M. S.

I implore the gentlemen opposite to wake up and give some direction and leadership to this province, and I say to the Liberals, possibly you can impress the inept Liberal Cabinet at Ottawa to forget about the Rivards and Stonehills and start legislating for the well-being of Canadians. I say get to work or get out of those seats and go to the public. There are some of us left in this province and dominion who would know what to do if we were sitting to the right of you, Madam Speaker.

Now, Madam Speaker, I propose an amendment to the amendment as proposed by the Honourable the Leader of the Opposition, which reads as follows: That the amendment be amended by inserting after the word "mismanagement" in the second line thereof the words "and discriminatory inconsistency", and by adding the following after the word "purchases" in the second line thereof the words "and for its failure to co-ordinate and make more judicious its land acquisition practices". Further, by adding after the word "Manitobans" in the last line the following, "and for its taxation rebate and municipal grant policy which will serve to undermine the position of local governments and subject them to undue criticisms". The motion then will read in its entirety, if adopted -- the amendment rather -- "that this government has lost the confidence of the people of Manitoba by reason of the gross mismanagement and discriminatory inconsistency of land purchases and for its failure to co-ordinate and make more judicious its land acquisition practices and its irresponsibility in financial matters, resulting in an ever-growing tax load on Manitobans, and for its taxation rebate and municipal grant policy which will serve to undermine the position of local governments and subject them to undue criticism." My seconder, Madam Speaker, is the Honourable Member for Inkster.

Madam Speaker presented the motion.

MR. JAMES BILTON (Swan River): Madam Speaker, I beg to move, seconded by the Honourable Member for Wellington, that the debate be adjourned.

Madam Speaker put the question and after a voice vote declared the motion carried.

MR. ROBLIN: Madam Speaker, I beg to move, seconded by the Honourable Minister of Industry and Commerce, that the House do now adjourn.

Madam Speaker presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Thursday afternoon.