

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, April 3, 1973

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 30 executive members of the Springfield New Democratic Party. They are the guests of the Honourable Minister of Health and Social Development. On behalf of all the Honourable Members I welcome you here today.

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

MR. CHERNIACK: Mr. Speaker, I am pleased that I have an opportunity to continue my calm address in the presence of some members of our Party. I hope that lest I be embarrassed by their failure to applaud that you will caution them to make sure that they do not applaud since it is against the rules.

Mr. Speaker, I spoke earlier today briefly and voiced some words of criticism of some of the actions of some of the members across the way and I also spoke then about the speech made by the Member for Sturgeon Creek and I wanted somehow to separate what I said about his speech from what I said about other forms of criticism, in that I am critical of the content of what he said and I wanted to point out that he attacked our figures on growth; he then reviewed the rising revenue as is indicated not only by what has been reported but also by the Estimates of Revenue, which he enumerated, went through, and in indicating the substantial increases in revenue then he obviously proved our point that the economy has been buoyant enough to produce that kind of revenue that he himself seemed to question prior thereto. He then spoke about the Guidelines and who wrote them and I would rather suggest that he should read them regardless of who wrote them to get a better appreciation of the kinds of material, the kinds of subjects we would like to discuss. We would like to discuss with members opposite and we would like to discuss with the people of Manitoba. That would be a lot more healthy than the screaming that he did this afternoon about that.

He accused our Premier of outdated politics, of saying here is something and here is more and here is more and he called him a Santa Claus. To me the Premier was not a Santa Claus, he was carrying forward in the budget the exact program that we had delineated when we ran for office, when we were elected, and which we carry through year by year and this is a progression of the work we did in the nature that we wish to do it. So he was rabble rousing; he was fear mongering and that to me is a criticism. He was fear mongering; he was reading about Yugoslavia, he was talking about control of individuals; he was trying to cast a pall of dread throughout Manitoba of what this government might do.

You know, Mr. Speaker, the simplest, most elementary lessons that a person can learn when he starts studying the history of socialism is that the sharpest fighting, the sharpest disagreement has lain all along back from 1917 between the socialists and the communists. And it is only ignorance, only ignorance which permits a person to try to cover up and distort an entire program by labelling it "red", which he tried to do and that's his right to do and that's why I'm critical of him. The Member for Swan River cautioned me before I spoke that I should remain calm and I should deliver my speech. Now he's the one who's --(Interjection)-- All right. I just want to finish with the Member for Sturgeon Creek by -- he read from the newspaper a report of what was said in the Budget Address. I assume he was so overwhelmed during the Budget Address itself that he didn't quite remember what was said, so I want to read him a short paragraph from the Budget Address so that he will get his facts straight as to what was said on the question of the GNP. And I read from page 3: "The most recent revised estimate of the value of gross output of Manitoba goods and services in 1972 indicates a total of approximately \$4.5 billion - up by an estimated 435 million or about 10.8 percent over 1971. This was the largest growth rate since 1962 and exceeded the 10.6 percent increase in Canada's gross national product last year. By the end of 1973 it is expected that our gross provincial product will approach \$5 billion. So in the four years from the end of 1969 the end of 1973 total income from our province's economic development will have grown by around \$1.5 billion, or over 40 percent. This means, in aggregate, an increase of \$1 million in output and income for every day since the end of 1969. This is as much growth as was recorded in the nine previous years." Mr. Speaker, I would welcome the interruption by the Member for Swan River providing the time allotted to me will be extended by the time of the interruption.

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(MR. CHERNIACK cont'd)

Mr. Speaker, I want to deal more with the Leader of the Opposition and his address, because, Mr. Speaker, it seems to me that as the Member for Sturgeon Creek has suffered somewhat in the standard of his content as I believe he did today, so has the Leader of the Opposition improved in the content this year as compared to previous years. And I commend him. I think it was a much better reply; I think it was a more responsible reply than he has given in the past or that some of his members, who really should listen more to him and may learn something from him. But --(Applause)-- Well we have some agreement. We've made progress over the last few hours. But at the same time let me point out a few defects in the presentation by the Honourable the Leader of the Opposition.

If you recall last year he tried specific criticism, brought in examples and tables and to his dismay he found that this tactic failed miserably because almost every one of his illustrations was wrong and he was compelled to say so later on in the debate. Well then realizing that his record in simple arithmetic was not too good he decided this year that he would be safer with broad generalities and this we received - abstract assertions which were better than last year's style. But more important than that, Mr. Speaker, he has acknowledged that simplistic economic performance indicators don't mean much unless they are translated into tangible benefits, and for all Manitobans. For those of us who remember the speeches he made when he was Minister of Industry and Commerce we have to recognize that this year has been a major breakthrough. He acknowledged that there are still large numbers of Manitobans who haven't yet been able to take full advantage of these economic benefits. But unfortunately while he has been educated to some extent about the real world his speech indicates that he has a great deal to learn. His statements were inconsistent, contradictory. You may recall that he spoke about his program in such a way -- well in any event to me it indicated that he tried to be both progressive and conservative and failed rather miserably. I presume we can say that his progressive policy is one where he advocated conservatism when he should have been progressive and where a degree of conservatism may have been appropriate he proved to be regressive and even bordered on the reactionary.

Well let's look at some of the things he said. He conceded that the economic performance in this province was quite good. Then he said that the aggregate statistics cited in the budget, the statistics which actually reveal new records in almost every category, that they didn't necessarily reveal some persistent underlying problem such as unemployment among native people, general unemployment in rural areas and unfair income distribution. He even cited Dr. Weldon and he cited Dr. Barber to back up what he had to say and he even quoted me in the previous budget that we delivered where I had said that broad economic indicators cannot be and were never intended to be a true guide to social progress in a country. What a revelation for him and what a revelation for us to realize that he understood finally what we have been telling him over the years. Now he criticizes this government for not including enough of this sort of qualitative economic analysis in this year's budget. I commend him for his concern and I expect next year that our Minister of Finance will be giving him probably more information for his benefit.

The Member for Portage la Prairie today he just gave us figures, statistics, raw figures, crude figures. I think he must realize that statistical figures should be used as a basis for something on which you build your argument. He had no argument, he had statistics almost ad nauseum indicating that various things had taken place in the last number of years, talked about the civil service and then explained himself the fact that there was an understandable reason for the fact that the civil service had risen; talked about unemployment, Mr. Speaker, unemployment is one where he did go off the figures really because if you relate the unemployment in Manitoba as compared with unemployment in Canada it's rather significant and rather important that you look at the differences.

Let me indicate that in 1970 unemployment in Canada was 5.9 percent; it was 4.5 percent in Manitoba. In 1971 it was 6.4 percent over all Canada; it was 4.9 percent in Manitoba. In Canada in 1972 unemployment was 6.4 percent, in Manitoba it was 4.6 percent. So he seemed to indicate that the unemployment figures in Manitoba were something completely unacceptable. He did not say that in the context of what is happening throughout Canada - and that was a mistake. The fact is that they are not acceptable. The unemployment --(Interjection)-- Let me finish my sentence. Let me finish my sentence. The unemployment figures in Manitoba are not acceptable; we've said so all along. But in relation to the rest of Canada they are clearly an indication

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(MR. CHERNIACK cont'd) that programs we have had have really done something to reduce the amount of unemployment that takes place. Mr. Speaker, I'll welcome interruptions from the honourable member, I trust that the time taken will result in extension of my time.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Since the Member for St. Johns graciously accepted the question, would he not agree that the 10,000 unemployed in 1969 which has risen to 18,000 unemployed today, is nothing for a government to be bragging about?

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

MR. CHERNIACK: I'm sorry that the Member for Portage la Prairie didn't hear what I said. I pleaded with him to let me finish my sentence and I said exactly that. I said it is not acceptable. But I guess he was so busy wording his question that he wasn't listening to what I said. So I can assure him I replied to his answer before he asked it.

Mr. Speaker, let me go on -- oh he spoke about direct debt and if he looks again in the budget address itself there are tables at the back which indicate a summarized statement of direct public debt and which indicate the funds that can be considered as a set-off against them and the very bottom line, which is all I will summarize, shows the following, as of March 31st of various years. 1968 the net was \$88.5 million; 1969 \$76.5 million; 1970 \$54.5 million; 1971 \$27 million. I think as of last week or a couple of weeks ago, I don't know, the Finance Minister may know better than I, I think it was down to almost zip, and it will rise again because this is a fluctuating situation, but certainly it is nothing like the picture that the Member for Portage la Prairie tried to present to us.

Let me however, get back to the Leader of the Opposition, and I'd like to ask him when he gets around to it, to look at page 4 of the 1973 budget and read the second paragraph, which states - "Of course in the past, our government has been the first to emphasize that substantial growth in total output and income, may have little tangible meaning for many people unless this growth is transformed into real income benefits, not only in the general terms already described but also in terms of the overall distribution of these benefits among our citizens."

That doesn't sound to me like a statement that we are trying to hide anything. It doesn't sound to me like a statement that I can recall in any of the budgets presented by the Leader's party when they were in government. I'm glad that he has now learned that the blind pursuit of growth for growth's sake - and I wish the Leader of the Liberal Party would catch on to that too, and he has some steps to go before he catches up to the backward steps that the Leader of the Opposition has attained - that growth for growth's sake as such, isn't always the answer. If he wants to learn more, there's more to be learned. Because, Mr. Speaker, in the Guidelines, which no doubt are being studied carefully by members opposite, there are clear indications of the exact kind of information that the Leader of the Opposition claimed ought to be supplied, and this was printed, in print, well before he came along with his brilliant novel idea that this kind of information should be made available. We are the ones that did it in the past; we have done it again, and I will only refer to page references . . .

MR. BOROWSKI: Mr. Speaker, I wonder if there could be less meetings going on, we're having difficulty hearing over here.

MR. SPEAKER: Order, please. The point is well taken. The Honourable Member for St. Johns.

MR. CHERNIACK: I want to thank the honourable member. There are passages in Guidelines to which I want to draw your attention, Mr. Speaker, but I won't bother to read them because of time and because there are not too many members I think opposite that are really interested in hearing them; they can read them as they come.

On page 3 of the Guidelines in the preface, the first two paragraphs make a clear acceptance of the fact that we are not happy with the state of the economy. Everything is relative and we are happy with the relative state of the economy bearing in mind the situation that exists all over Canada and on this continent, but there is still much to be done, and here is the recognition that we know it and we say it. We don't wait to be told. Again on pages 9 and 10 there is a clear-cut recognition of the need to have a very broad view of what are the factors and what is the perspective in which we should operate. And they are clearly spelled out much better I believe than the Leader of the Opposition tried to do.

On page 10 there is more, and again I refer particularly to page 33 of the Guidelines where the very information that the Leader of the Opposition suggested should be made available

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(MR. CHERNIACK cont'd) is indeed available. It is in the Guidelines, all he has to do is read it. And the Member for Portage la Prairie could also realize that we talk there about unemployment - the growth of unemployment, the unacceptable factor, the fact that the actual number reached a peak of 25,000 in January 1972, but the January 1972 average was about 1,000 less than the 1971 level of 19,000. So that there is a recognition in the Guidelines of the state of the economy and all I would suggest is that it be read and it will be found; that the information that he requested really is available. What was not available in the Budget Address is available in the Guidelines; much better and much more fully set out than the sterile report called Targets for Economic Development which his party produced at one time.

Now there was mention made by him of the Indian and Metis unemployment. He was quite right, that there is unemployment and underemployment amongst the Indian and Metis and our government has never denied it. We've said it, he quoted Dr. Weldon, Dr. Barber to support him and it's true. And he knows full well that the Statistics Canada does not include the figures, that they're just not available to us; but he also should know that this problem of the unavailability of these figures exists in every other province in Canada where there are significant native populations. So to suggest that we're hiding it because we don't specifically say so is absolutely ridiculous.

But more important than that is the fact that we are working to correct - well firstly we're working with Statistics Canada to have that information included in their figure. More important than that is that we have brought in and are bringing in new training and job creation programs, special work activities and the Northern Manpower Corp - and I believe the Minister for Northern Affairs referred to it. So that unlike the members of the opposition who are now playing politics with the employment problems of native people, our government is doing something about the situation. (Applause)

You may recall, Mr. Speaker, how rather ludicrous it was that the Leader of the Opposition was referring to school dropout rates and somehow or other picked on dates when the dropouts took place in times of the previous Liberal Government's responsibility; at times of the previous Conservative Government's responsibility; at times of the Federal Liberal Government's responsibility, whose responsibility of course it really is to deal with the Indians on the reserve. The examples he brought were all an attack on his own administration and that preceded it. So that when we are doing things and he is talking about it, what we really have to do is get together and agree that things have to be done. We have to work with the Federal Government to deny them the opportunity to get out of their responsibilities which they have and which we must constantly bring before them.

Last year the Federal Government pulled out a portion of their special job creating capital works program, pulled out that portion that would have taken into account our large number of Indian and Metis unemployed and underemployed in the northern areas in Manitoba. So I believe that in last year particularly we went it alone and we did fairly well with what we had to work with.

The problem that the Leader of the Opposition has in arithmetic, which he had last year, which continues to be a problem for him, is that he doesn't quite seem to be able to avoid numbers and really he'd be better off dealing with generalities. He dealt with the question of the national revenue equalization formula. It's a complicated formula, I grant that. But that doesn't mean that it couldn't be understood and yet he was mistaken. As a matter of fact, Mr. Speaker, he was wrong in figures that he produced on the equalization formula. As a matter of fact it appears he was wrong in all the figures that he used dealing with the formula; just not one or two. They were all wrong. But that isn't to say that they weren't right once. They were right at one time but they were so out of date that they no longer had a relationship to the correct figure. I will see to it that he will have a complete copy of the correct figures which will indicate to him where he erred.

What the correct figures show is that Manitoba's equalization entitlement has gone up but so have the other provinces entitlements in recent years. And the Leader of the Liberal Party - who unfortunately I understand is ill at this time - he too fell into the trap of misinterpreting the figures - based I presume on his lack of knowledge and then drawing conclusions which were wrong. Our province's --(Interjection)-- pardon? Well, Mr. Speaker, I'll see to it that the Member for Portage la Prairie also gets a copy of the correct figures because the figures have been revised from time to time by the Federal Government and there is quite a difference. The

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(MR. CHERNIACK cont'd) fact is that our province's per capita entitlement is \$99 and remains the lowest of any province receiving equalization payments. The fact is that the increase in our entitlement between 72/73 and 73/74 was the second lowest of any province receiving equalization. Now the Leader of the Liberal Party was wrong because he didn't know this; and now I tell it to him for whatever use he wants to put to the information I'm giving him.

The reason why our payments have gone up, Mr. Speaker, and why those of other provinces have gone up as well, is that total provincial revenues have increased across Canada with the largest increases accruing in Ontario as usual; and as a result the Federal Government's payments to equalization recipients have increased accordingly. Very little of the increase is attributable to widening deficiencies in our tax basis compared to those of the richer provinces, although there have been very marginal widening of the gap in some cases. So it would be of course, a mark of considerably improved economic strength if our province received no equalization payments; but until such time as that occurs, unconditional equalization assistance does make it possible for us to keep our own tax levels down.

The Leader of the Opposition believes that higher equalization payments mean a poor economic position, and I think the Leader of the Liberal Party also thinks so. He might be interested to know that last year, 1972-73, the government received over \$5 million in equalization adjustments for 1967-68 and 1968-69, years in which the former government was in power because Ottawa underpaid Manitoba during those years. So by the Leader of the Opposition's reasoning, this must have meant we weren't as well off then as he thought we were, or now probably he will accept my explanation that what we receive in equalization payments depends far more on what happens in the more wealthy provinces than what happens in our own.

On taxation we have some inconsistencies by the Leader of the Opposition. On the one hand he acknowledged that what our government has been saying all along, namely that the distribution of our economies wealth is unfair. He even cited the Barber Report, finding that a large portion of our families still have incomes below the commonly accepted poverty line. But paradoxically in the face of this information, he criticized our policies of trying to reduce taxes for lower income people and of trying to provide cheaper services to redistribute economic benefits.

There is a table in the Budget on real property levies to which I would like to refer. On the education levy, it's in the tables, they're here to read, where the levies on real property in percentage have been reduced substantially from 1968 through to 1973. In 1968 44 percent of the moneys needed for education in the public school system, 44 percent was raised by real property levy. In 1973, after this Budget, 21 percent will be raised. Well let's bear in mind that there's a difference between 44 percent and 21 percent. Let's not ignore that. Let's not ignore the fact that overall local government levies have increased for the provincial proportion from 43 percent in 1958-59 to 48 percent 68-69 to 52 percent in this year, and that's an increase in the overall educational property tax.

Let us remember that when the Leader of the Conservative Party says that our policy of trying to relate taxation to ability-to-pay constituted a punitive attack on those with ability-to-pay, he was justifying that party's program of across-the-board tax cuts, and of course, he was justifying that party's program, the Liberal Party's program of across-the-board tax cuts. That is the answer that the two old line parties have to dealing with the economic problems of today: Across-the-board tax cuts, both of them on record favoring that in preference to what we have done on this side. And that's exactly what they have in mind.

When the Leader of the Opposition said that .7 percent of Manitoba taxfilers have yearly incomes of \$25,000 or more, those are the ones that have the ability to pay in his opinion, he did not indicate that the .7 percent of Manitobans with income over \$25,000 receive almost 6 percent of the total income reported for tax. That he didn't bring out. Nor did he bring out that a full 25 percent of the taxfilers in Manitoba - that's taxfilers, not people who are so low in income, they don't even file tax returns - those with the lowest income who file tax returns, 25 percent did not earn as much as the top .7 percent of taxfilers in Manitoba. That's kind of significant I think, maybe he doesn't think so but I think that that is rather significant. With less than one percent of the taxpayers at the top of the income scale earning more income than the 25 percent at the bottom, I find it odd that the Leader of the Opposition can expect anyone to accept his arguments. Obviously he hasn't learned as much as we might have hoped because these are the same arguments as his party put forward when they first introduced Medicare

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(MR. CHERNIACK cont'd) premiums. They said they're not really taxes, even though everyone has to pay them, they were compulsory. Besides, they said, if we were to increase income taxes there just isn't enough income at the high level, even if we took it all, to help offset the cost of the lost revenues. They said it, and we proved how wrong they were. We haven't taken it all. In fact, total taxes for the rich are in many cases lower now than they were in '69 even though my honourable friend finds this hard to accept. He called it a disingenuous use of examples and barren Socialist sloganeering. --(Interjection)-- Yes, but in spite of that, whatever you call it, we have reduced health premiums from \$204.00, that the Member for Birtle-Russell supported, from \$204.00 per family we've reduced it to zero starting June 1. Need I tell the Member for Sturgeon Creek that we have . . .

POINT OF ORDER

MR. ALLARD: Mr. Speaker . . .

MR. CHERNIACK: Well let me finish.

MR. ALLARD: On a point of order.

MR. SPEAKER: Order please. The Honourable Member for Rupertsland.

MR. ALLARD: The point of order, Mr. Speaker, is that it was well understood that there would be no participation by anyone but the members on the floor, not in the gallery.

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

MR. CHERNIACK: Mr. Speaker, I just wanted to remind the Member for Sturgeon Creek that we have made a very massive shift in taxation. And it is a fact, we took it out of the pocket of the general taxpayer of Manitoba and we redirected it into the pockets of those who are in the greatest need, and into the pockets of those, the little men, we put it into the pockets of the little men who are in a position where every cent they get back in tax reductions they spend to help buoy the economy. (Applause) Thank you.

The Leader of the Opposition is now saying that Manitobans are almost the highest taxed in Canada. There's a breakthrough gentlemen on this side. He used to say we are the highest, now we are almost the highest. There's a breakthrough, we've got to recognize that. But he was wrong before and he's still wrong. He concedes that our personal taxes are lower for most people than in Quebec, Ontario, Saskatchewan, Alberta, British Columbia, but he says we are not the lowest, because the Maritimes have lower income taxes and no health insurance premium. And of course, this is exactly what the Premier said in his Budget Speech.

He said, "Manitoba's personal taxes for most people are among the lowest in Canada." He didn't say they were lower than in the Maritimes. In fact, he explained that the Maritimes never charged premiums, because Ottawa picked up a larger share of the total health costs than for most other provinces. When the Leader of the Opposition said, as he did, that our province was the fifth to eliminate premiums after the Maritimes, he was wrong, and we said so at the time he made the statement. We were the first to eliminate Medicare premiums. The Maritimes never had premiums. But the Premier didn't mention that, the Minister of Finance slipped up when he was giving his budget address. He didn't mention that sales taxes of 7 and 8 percent in the Maritimes helped pay for health care, while Manitoba's sales tax is 5 percent. He didn't mention that, and neither did the Leader of the Opposition. I know that my Premier knew that but I doubt very much if the Leader of the Opposition did know that, so I'm telling you. --(Interjection)-- Yes I suggest that he did and didn't say it.

So I'd like to point out, Mr. Speaker, that although our personal income tax rate at 42 1/2 percent of Federal tax is the highest in Canada outside of Quebec, this is no different from the years when the Conservatives were in power. I wonder how many members are aware of Statistics Canada Reports. This is from the report publication Principle, Taxes and Rates, 68-201 for 1972-73 dealing with personal income tax alone. Members opposite have talked about it so let's hear it:

1972 - Manitoba was the highest - one percent gap above the next one.

1971 - Manitoba was highest - one percent gap.

1970 - Manitoba was highest. We said so, we said we're proud that the reason we are is that we are helping people with their Medicare premiums.

1969 - that was the year of the old government, we were the second highest. New Brunswick was 38, we were 33. What happened in 1968? Where did Manitoba stand? Yes, the highest in Canada, in personal income tax.

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A MEMBER: Oh, no, not in personal income tax, oh, no.

MR. CHERNIACK: 1967 - where was Manitoba? The highest in personal income tax by a 5 percent gap. What about 1966? Where was Manitoba? The highest - 5 percent gap. 1965 Manitoba was the second highest, there was a five percent gap. And Manitoba is giving a better tax deal to Manitobans than ever before and the income taxes including Medicare and otherwise substantially lower. Mr. Speaker, take it from me 1962 Manitoba was the highest, 1963 Manitoba was the highest, 1964 Manitoba was the highest - who's been talking all this time about Manitoba being the highest income taxing province, when from 1962 right through to 1973, Manitoba has been the highest with the exception of a couple of cases when it was the second highest. And do you know why Manitoba was the highest during some part of the Conservative government's operation? There was a reason. Don't be ashamed gentlemen, don't be ashamed of the fact that your government was the highest income taxing province in Manitoba. You were then taxing partly to offset health costs, hospital costs. Those of you who have been here as long as I have, and some have, know very well the debate that took place between the Liberals and Conservatives on that issue and I . . .

MR. SPEAKER: Time is up.

MR. CHERNIACK: Completely?

MR. SPEAKER: Totally. The Honourable Member for Birtle-Russell. Time is up. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. Mr. Speaker, I've sat here for several days and listened to the debate on the Budget, and I must confess, Mr. Speaker, that I think that in the interests of the people of Manitoba, I think a policy could be instituted which would probably save the taxpayers of this province considerable time and expenditure of effort on the part of the MLAs if all the speeches which are written and read into this House are just tabled with the Clerk and taken as if read. I think it would save a lot of time, and in that way just by filing your speech we could get on and expedite the business of the House.

Having listened to the Member for St. John, Mr. Speaker, and he made reference to myself on a couple of occasions, I feel it is incumbent on me to answer him at this time. I realize that in doing so I will probably stray a little bit from some of the things that I intended to say. But one of the things that intrigued me, Mr. Speaker, was the reference that the Member for St. Johns made to the fact that in 1917 there was an effort made then to distinguish the difference between the socialists and the communists. And for 55 years people have been trying to distinguish between socialists and communists, and to this day, Mr. Speaker, I think there are very few people who can really distinguish the difference.

It is also interesting to note, Mr. Speaker, that where the original debate started was the country of Russia which goes under the name of the Union of Soviet Socialist Republic, and it's interesting, Mr. Speaker, that it would be the Member for St. Johns that would bring forward that problem. If the Member for St. Johns is so concerned, I'm sure that the people of Manitoba are just as much concerned, because I find this every day when I travel through my constituency, that people are referring to socialists and communists and they want to know the difference, and I can't tell them, Mr. Speaker, I can't tell them. In fact most people are beginning to ask themselves questions, if there is a difference between communism, socialism and the New Democratic Party. There doesn't seem to be that much difference, really, honestly, Mr. Speaker, there doesn't seem to be that much difference. When people read the workings of some of the great communistic writers of the day, whether they be 70 years ago or 50 years ago or 10 years ago, and they compare them with the Regina Manifesto of the Dirty Thirties and they compare them with the Manitoba Manifesto of the Seventies and the Guidelines that were brought forward in this House yesterday, I think you can find, Mr. Speaker, that there is a consistency there that will shake a lot of the people of Manitoba and make them realize that what they are facing today is the same situation that existed 55 or more years ago in other countries in this world.

Mr. Speaker, the Member for St. Johns made particular reference to several members on this side of the House, and in the first part of his speech he was very very critical of some of the attitudes that was taken by members on this side. I was rather amused, Mr. Speaker, because this was the Party, led by the First Minister who invited the people of Manitoba to make representation to his Party; they were the Party of open government, they invited criticism, and when they get criticism from this side of the House, who screams the loudest, who screams

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(MR. GRAHAM cont'd) the loudest, Mr. Speaker? I heard the Member for St. Johns in no uncertain terms criticize members of this side of the House for voicing the criticism that that same party invited. And, Mr. Speaker, it reminds me of what is going on in the union of socialistic republic in Russia today, (applause) where they, speaker after speaker, Mr. Speaker, when they speak all stand up and they praise the government; they praise them one after the other, and there is no opposition, Mr. Speaker. Sort of a mutual admiration society. And if you dare to criticize the government you are condemned. Mr. Speaker, I don't believe that Manitoba deserves that type of government yet. Any government, Mr. Speaker, in my opinion deserves criticism, and Mr. Speaker, the Member for Flin Flon says constructive, so I will offer you a little bit of constructive criticism. And I intend, Mr. Speaker, to offer the government a little bit of constructive criticism.

Just the other day, Mr. Speaker, in fact it was on my way into the Legislature on Monday morning - I do operate a farm and I have difficulty, Mr. Speaker, on the Saturday and Sunday trying to do my farm business so I can come in here on Monday morning. But on my way in, Mr. Speaker, I stopped to talk to an implement dealer where I intended to buy a piece of tillage equipment to operate my farm. I had phoned him last week, told him I wanted this particular piece of equipment and he said, drop in and we'll fix up the deal. So I dropped in there Monday morning to sign the papers, Mr. Speaker, and he informed me that I was very fortunate that I was dealing with an honest implement dealer, because we had made a mutual agreement over the telephone and I had dropped in Monday morning to finalize the deal. And he said I was very fortunate because the price of farm equipment had gone up 4 1/2 percent effective the 1st of April. And I asked him why, and he told me that it was another tax that was put on the farmers of Manitoba by the present government. He said that the changes that had been made in the Farm Equipment or the Farm Machinery Act, changing the warranty system made it incumbent on the company that he represented to increase the price to farmers when the regulation came into effect, to increase the price to farmers by 4 1/2 percent.

So, Mr. Speaker, being an honest implement dealer and because I had talked to him on the phone previously, he told me that I would not have to pay that additional amount because the piece of paper that we signed Monday morning was only the formal agreement that had been made verbally over the telephone previously. But just the same, Mr. Speaker, we are now facing in Manitoba a dual form of taxation. We're facing the legitimate taxation which is imposed by legislation, and we're also facing the punitive form of taxation which is put on us by regulation. So we have a dual form of taxation in this province, Mr. Speaker, and the only reason that I can comprehend for this is the necessity of government to raise additional amounts of money. And, Mr. Speaker, I must say this, that the budget that the First Minister presented to this House in his capacity as Provincial Treasurer, distributed to the people of Manitoba, according to his figures, approximately \$78 million. He said, "This is money that we have raised and we are now going to give it back to you after straining it through the government coffers." Every time you strain it, Mr. Speaker, there is something taken out.

Mr. Speaker, the whole thing in taxation is that if you don't take it from the person in the first place, he never feels it, but if you take it from him and you give him a portion of it back, he remembers. And I think the people of Manitoba fully realize that when this government took office, at that time there was approximately \$370 million a year taken from the taxpayers of Manitoba as their contribution towards government of this province. And today that figure is almost doubled, very nearly doubled, Mr. Speaker. How much of it is going back to the taxpayers of the province? And that is the question that is facing most of the taxpayers in this province, and that, Mr. Speaker, really is the nub of the whole debate on the budget for the coming year. How much of the additional money that government is taking from the people out of the taxpayer's pocket is going to be returned to the taxpayer in additional services or in straight political handouts?

Mr. Speaker, the First Minister asks what the point is on the farm machinery.

MR. SCHREYER: . . . the amendments to the Farm Implement Act.

MR. GRAHAM: There is tax, it's another tax . . .

MR. SCHREYER: A 4.5 percent . . .

MR. GRAHAM: Let's face the fact, Mr. Speaker, that today Mr. Average Farmer, and for argument's sake I'm going to call him John Jones, is -- what is he? 56, 57 years of age. Within this decade, Mr. Speaker, Mr. Average Farmer of Manitoba is going to retire. Within

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(MR. GRAHAM cont'd) another 10 years he's going to be retired, so that legislation that is put on the books of Manitoba dealing with the farm industry of Manitoba is crucial at this particular time, because the average farmer in Manitoba is going to retire in another eight or nine years, and whatever happens between now and the time of his retirement is going to vitally effect him.

We have, for argument's sake, Mr. John Jones has a section of land. He has a section of land, he has 50 cows, he has a half section of pasture and he has an assortment of equipment, none of it is really new because he's gone through a period of depressed farm prices, and for argument's sake let's say that his section of land is worth fifteen thousand a quarter. He's got 50 cows and the price of livestock today, a bred cow is well in excess of \$500; the price is going down today but still, for argument's sake, his herd of 50 cows should be worth \$25,000.00. His section of grain land should be worth \$60,000; his half section of pasture land should be worth \$10,000; his hay equipment is not new, he hasn't been able to replace any of it for several years, it should be worth \$3,500; his mix mill and his augers and grinders should be worth \$2,000 -- they're \$10,000 new but they're all old, he can't afford any new stuff. His combine, a new combine today is \$18,000, \$20,000, but the one he's got is so old it's only valued at \$5,500.00. His farm tractor -- a new farm tractor today is \$16,000 but his is only worth 4,500. And all the odds and sods that he has in farm equipment is another \$2,500; his farm truck is added another \$2,000.00. It adds up to \$115,000.00. He's 57 years old, Mr. Speaker, and he's facing a problem. He knows that in another seven or eight years he's going to retire, and what's he going to do?

He's got a son who would maybe like to farm, maybe he wouldn't. The boy today doesn't really know. What is the government's plan for agriculture for the future? The son doesn't know. There's no clear-cut agricultural policy put forward so he's a little bit hesitant about whether he wants to tell his father that he wants to carry on the farm or not. But he's a little bit hesitant, he doesn't know what he wants to do, so he goes to his father and he says, "Pop, he says, "what future is there for me in farming?" And his father, being a rather selfish individual, he says, "Well, I'm not really concerned about you, I'm more concerned about myself." He says, "In another eight years I want to retire, and," he says, "what options are open to me? I'm not too worried about you. What options are open to me?"

"Now we've heard the NDP government in British Columbia have brought out a land use program; Saskatchewan has put forward a bill on land use. They put it to a committee and still haven't received final reading, but whatever we have we do find there's a remarkable consistency in the NDP government; they follow the doctrinaire approach, and it's just a matter of time until this government here comes out with their comprehensive know-all type of land use study.

"So we want to see what this government is going to offer. Is the government going to buy my farm? Well, I've got another eight years, I'm going to retire. Is the government going to buy my farm?" So we don't know until the government puts forward their program how much is he going to get for it. He says, "Well, I could sell it to the government, but we're not too sure yet what their plan is. Or I could give it to my son, or maybe I could sell it to my son; or," he said, "failing any of these," he said, "the ultimate is that I got to carry on, to heck with my son, I'll just plug along until I reach retirement or until I die, and then possibly my son will take it. Or in the meantime I could go broke, too."

So let's look at the first option that's open to him. Supposing he wants to sell it to government. What type of evaluation would government put on his land? --(Interjection)-- Oh no. If the government does buy the farm from him, will his son be able to purchase it from the government? Because under the Saskatchewan plan that is proposed he could, after ten years, purchase it. Or can he rent it? At what rate? Under the Saskatchewan plan he has to pay five percent of the land value that is assessed, plus taxes, plus crop insurance, and that, Mr. Speaker, would run up to a considerable amount. So he's not too sure about that option, and he says, "Well, maybe I can sell it to my son."

Now when he does this, he has to take into consideration his own personal situation. If he sells it to his son he has to make sure that the purchase price is going to ensure that he himself is going to have sufficient money to live on. He also has to take into account the fact of his son's ability to pay, and this is a thing that this government has stressed repeatedly, ability to pay. He also has to take into account the inflation factor that has been foisted on the people

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(MR. GRAHAM cont'd)of Manitoba by government spending that is inherent in the budget that we're discussing tonight. And he also has to take into consideration the intentions of this government with regard to succession duties, gift tax and all the rest of it. So far, the intentions of the government with succession duties leaves much to be desired. Their intentions as regards gift tax leave more to be desired as far as Mr. Average Farmer of Manitoba is concerned.

. . . . continued on next page

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(MR. GRAHAM cont'd.)

Let's look at Option No. 3 that is open to him. He says, "Well, I'm a little bit leery about selling my farm to government because I'm not too sure whether they're going to be able to allow my son to carry on. And I'm not too sure whether I can afford to sell it to my son." He says, "To heck with it; I'll just give it to my son and let him worry about it." He's got another eight years to go until retirement and surely he can find some form of government program that will give him a little bit of benefit for the other eight years until he gets on to retirement.

But what happens if he gives his farm to his son? He is completely discouraged, he's going to just say, "To heck with it; I'll give it to him," but the minute he tries to do that government steps in and says, "Ah-ah, if you're going to give your farm to your son you're only allowed a \$2,000 exemption. You're going to pay us gift tax on the balance. Your farm and equipment was originally \$115,000; you're going to pay gift tax on \$113,000. How much is that gift tax going to amount to? Mr. Speaker, I called a member of the Department of Finance, and I was informed by one of the officers in that department, gift tax on \$113,000 at the present time in Manitoba would amount to \$27,050. Even if the farmer is so fed up he said "I'll give it to my son", they're still going to tax him for \$27,050.00 --(Interjection)-- It's not only money, it's the intention of this government, and the intention of this government is to penalize everybody in this province, including the person who wants to give everything away and get out. He can't even give it away and get out of this province without being penalized. --(Interjection)--

Mr. Speaker, there's another option that is open to him, and he says, "I'll forget about government, I'll forget about my son," and he says, "I'll carry on until I die. I'll plug along the best way I know how, I don't have to worry," he says, "I'll try my best; I'm getting older, but I'll carry on because the government has brought forward this stay option, this stay option that'll keep everybody on the farm and I don't have to worry. He says, "Even at 57 years old," he says, "I can take an agricultural retraining course." And they have them. In fact, I know of a case where a man 62 years old took the retraining course last winter.

MR. JORGENSEN: And became a relative of the government.

MR. GRAHAM: There's also a training program for agricultural employees. So he doesn't have to worry; everybody's going to be trained by government. And he says, "I don't have to worry; there's students coming out of university and out of college today that can take a student farming employment program and they can learn to count the number of flowers in a rape field; they can learn to calculate how many flowers in a rape field will produce one pound of honey and they can also pull weeds at the same time and they can be of benefit to the agricultural society."

And that's the farmer's choice. But then how about the son? The farmer's written off his son. He said, "I'm going to work until I die and to heck with my son; he doesn't have to worry, he can go to work. And if he can't work he can draw unemployment, and if he can't draw unemployment he can take a Manpower retraining course. Or if he's really energetic he can go to college and through bursaries and welfare assistance he can get his university training. Or if he's really fed up with everything, he can go on straight welfare and he hasn't got a worry in the world," So he isn't too worried about his son. But the whole thing, Mr. Speaker, points out one very valuable thing, that much as politicians want to talk about the stay option, much as government wants to talk about the stay option, it doesn't work. It doesn't wash, Mr. Speaker; there's no way that it can work. And Mr. John Jones, the average farmer of Manitoba, has a few words of wisdom to say to the Minister of Agriculture. He says that the Minister of Agriculture talks with forked tongue, and he said he'd like to take the fork out of the Minister's tongue and apply it to a more appropriate part of his anatomy.

Mr. Speaker, we've heard the First Minister talk about the quality of the human condition in the Province of Manitoba, and he wants to talk about some of the inequalities that exist, but he doesn't do anything about removing the inequalities. He doesn't remove any of the inequalities, and so Mr. John Jones, the average farmer of Manitoba, says, "I have no alternative. I have to vote to remove the government."

Mr. Speaker, that is just one of the things that I wanted to talk about. Another thing that I wanted to talk about, and I'm afraid I haven't got enough time, but a few years ago, Mr. Speaker, in fact it was in 1970, the Member for Rupertsland brought in a bill into this House,

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(MR. GRAHAM cont'd.) Bill 75, which dealt basically with the operation of the various beer parlors in the Province of Manitoba, and he brought forth a bill which intended to provide the working man of Manitoba with an opportunity to have hard liquor served in a regular beer parlor without all the frills of the cocktail lounge, and I want to, Mr. Speaker, read to you some of the words of the Attorney-General in debate on that bill, and I'm referring to Page 3288 of Hansard on the 25th of June, 1970, and these are the words of the Attorney-General: "I think the intent of the amendment made in Law Amendments Committee was to provide for a very simple drink, no sophistication, no elaborate preparation" and so on, and if it's possible to maintain that system then I don't think that the much more elaborate and sophisticated atmosphere, decor and so on of the cocktail lounge should be endangered too greatly. But to what degree it will be affected I can only speculate. I am hopeful that the principle that is involved in the amendment will be adhered to and that was to provide, as I understand it, to many people who cannot afford or don't want a very expensive, elaborate drink, but would prefer a drink of hard liquor rather than beer or wine, an opportunity to buy that simple drink at a moderate price. And I'm hopeful that the Commission will be able to lay down guidelines which will have the effect of maintaining that principle. I hope that that will come about because it is allowed to be carried further. Then the principle that's involved of providing a simple and moderately priced drink will be gradually eroded away. Maybe the people who will be faced with the guidelines that the Commission will lay down might think that they are a little stringent, but I'm hopeful that they will accept the fact that the principle behind this amendment, as I understand it, is to provide a simple drink of hard liquor at moderate prices".

And, Mr. Speaker, I picked up my paper last weekend, a national paper, The Canadian Magazine, and I refer to an article. It says: "The man who killed the beer parlor." Mr. Speaker, the article that is printed there is the direct contravention of anything that the Attorney-General said, and I want to read from this, Mr. Speaker: "The man responsible for the unmentioned death of the beer parlor is Frank Sims, Chairman of the Manitoba Liquor Commission. He is a ruddy-faced 48-year-old who used to be a newspaper reporter and who admits his drinking habits were once a little on the sloppy side. "I was like everyone else at Press Club parties," says Sims, "I drank to get stoned and I got stoned. I decided about ten years ago to get more sophisticated in my drinking habits."

MR. SPEAKER: The Honourable First Minister on a point of order.

MR. SCHREYER: Well, my point of order would be, Mr. Speaker, as to whether or not it is normally acceptable under the rules to quote from a newspaper without on the one hand indicating whether or not one subscribes to what is being quoted; and No. 2, without being able to indicate whether or not the person being paraphrased, in fact did give any such indication is a reflection on the fourth estate as well, but that's perhaps another point.

MR. JORGENSEN: That has got to be the most ridiculous point of order I've ever heard.

A MEMBER: That's right.

MR. JORGENSEN: And the NDP know it too. If the particular item that my honourable friend is reading from is contained in a newspaper, he is entitled to read it whether or not my honourable friend the Leader of the Government agrees with it. The fact is it's contained in this paper and he asks if he's subscribed to it. My God, he bought it, didn't he? He doesn't have to subscribe to it, he can put it on the record if he chooses.

MR. SPEAKER: Order, please. I'm sorry, my microphone was off. It's not off now and I'm going to -- order, please -- I'm going to indicate that on the point of order I am aware that you may not use an article which is someone else's opinion and describe it as your own opinion. You may read it. You may read it, but you have to indicate whether you want to indicate the same opinion or not. You cannot use it to just buttress your own particular debate in the matter. The Honourable First Minister.

MR. SCHREYER: In reply further to the point of order, the Honourable Member for Morris perhaps knows the particular citation of Beauchesne that I am referring to. I don't recall the particular citation number; perhaps the Clerk could assist you, Sir, in finding it, but I do recall this, that there was a very similar circumstance back in February of 1956 in the House of Commons, when at that point in time the Member of Parliament for Rouyn-Noranda was quoting from the Toronto Daily Star, from the Toronto Daily Star, attempting to put on the record something which, when challenged, he indicated he was not necessarily subscribing to,

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(MR. SCHREYER cont'd.) and Mr. Speaker Lamoureux indicated that it was not permissible under the rules to attempt to get on the record of the House something which the rules would not otherwise permit but attempting to do so by means of a reading from a newspaper. That was in the case of the Munsinger affair, Sir, but perhaps that's irrelevant. But the point is that one cannot attempt to put on the record by means of reading from a newspaper opinion, something which would not be otherwise permissible under the rules.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, on the same point of order. Mr. Speaker, every day in this Chamber members resort to various means of assistance to, in their work, in their research work, develop their speeches. This afternoon we had the Member from Sturgeon Creek reading to you from some magazine or some publication, describing certain situations in Yugoslavia. Members opposite have read to us from Das Kapital and a few other notable works. I am only suggesting to you, Mr. Speaker, it would be a totally preposterous suggestion to entertain, that what is otherwise public knowledge and does not infringe upon the privileges of any members in this House, or indeed is not in any way considered to be as perhaps slanderous or libelous material, because -- and as such, perhaps pending court action, and such could perhaps be considered sub judice in some cases, but certainly the re-reading of material that is brought into the homes of every Canadian citizen, every Manitoban citizen, can hardly be raised as a point of order in this Chamber.

MR. SPEAKER: Order, please. I do believe that we should consider the matter in its true light. If there is a reflection on someone who has not the ability to defend himself, that is what may not be used, whether it's directly or indirectly and I think that is the point of order that was raised. Now whether the newspaper will be sued for slander or not, that's another matter. In this House it may not be used. That's one of our rules. The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, this whole matter revolves around the responsibility of government and the whole concept of responsible government. My honourable friends opposite appointed this man as the chairman of the Liquor Control Commission. They take the responsibility for whatever he does or whatever is printed about him.

MR. SPEAKER: Order, please. Order, please. Order, please. Would the honourable member sit down. Order, please. Unfortunately sometimes, as occurs, the honourable member thinks because he has had experience in another place besides this place - (Interjection)-- the honourable member must have the same courtesy that is extended to him.

I would ask that all members contain themselves. The Honourable Member for Birtle-Russell. The Honourable Member for Birtle-Russell has four more minutes.

MR. GRAHAM: Mr. Speaker. Mr. Speaker, I hope that the last ten minutes will not be deducted from my speech. Mr. Speaker, may I continue to read from this article that appeared in a national paper. "The year that hotels - beer parlours were allowed to apply for special licences . . ."

MR. SPEAKER: Order, please. The Honourable First Minister on a point of order.

MR. SCHREYER: Yes, Mr. Speaker, I apologize for not being able to recall the citation number offhand, but I do know this, Sir, from precedent, that any comment or statement which is not in itself permissible under the rules of the House for a member to utter when speaking, cannot be put on the record of the House by means of reading it from a newspaper account. That, Sir, I recall from precedent. The Member for Morris is aware of that same precedent and it surprises me he would suggest that there is no rule.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: The only thing, Sir, that is incumbent upon the member who reads from an article, is that he takes the responsibility, and my honourable friend is taking the responsibility for reading from that particular article.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, if I may, and the point raised by the Honourable Member for Morris is not valid. If we take a look at Beauchesne 4th Edition, citation 157, dealing with the practice of reading from newspaper articles, may I quote, Mr. Speaker? Subsection (1) of 157 on page 132, for the information of members, says "that the practice of reading extracts from newspapers to support an argument in debate has been followed in the British House since 1840 when Speaker Peel, with the acquiescence of the House, allowed a member to proceed to

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(MR. PAULLEY cont'd.) read passages from a newspaper." And then the citation, Mr. Speaker, goes on further.

In sub-paragraph (3) "It is out of order to read extracts in a debate if they" and then there's a whole list of references but I come down to (j) which says: "reflect upon the conduct of persons in authority, May's Rules of Procedure 316." So therefore Mr. Speaker, if one takes a close look at Beuchesne 157 and takes it in its complete context, and comes to the 3rd paragraph and (j) on the 3rd, "If a newspaper article reflects upon the conduct of persons in authority". I think that it's clear in Beuchesne that what the honourable member has been saying, Mr. Speaker, is clearly out of order and I think and I suggest to my friend that he do not pursue his endeavours in this case.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: On the same point of order, and what the House Leader just read. Certainly I would not consider the person referred to in the article as a person in authority. He's a civil servant - he's under our jurisdiction.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: In all due respect, I think that the Honourable Member for Rhineland has established a point - that regardless of whether he is a civil servant or not, he is a person in authority because his position was filled by an Order-in-Council and thereby became, as a result of that, a person in authority, and my honourable friend from Rhineland might not agree with the particular individual but I am sure, on reflection, he would agree that he was appointed into a position of responsibility and of authority.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, some very harsh words have been said in the last few moments and so far as I am concerned, it's been very invigorating and very interesting by the fact that there hasn't been a lawyer involved, Sir. We're just ordinary men trying to come to a conclusion and the Honourable Minister of Labour has brought up a point, and I appreciate his opinion, but here we come to sub-paragraph (j) and a person in authority. That person in authority, in my humble opinion, would be a person in this House, not beyond -- well, it's a matter of opinion, and Mr. Speaker, I feel that in view of everything that has been said, that you will agree with me that there has been, over the months and over the years, quotations from newspapers, magazines, and what have you, that have been accepted, and people have been commented upon that have been in the employ of the government by that media. Sir, I would hope you would in your thoughts let this matter go, let the Honourable Member for Birtle-Russell have his say and let's get on with the business of this province.

MR. SPEAKER: Order, please. I am glad the honourable members took time to debate this point of order because I couldn't find the citation myself, but now I have and I shall quote it, and it is 157 but it's a little farther down and it states -- No. 6, that's right -- "The quoting of a newspaper in debate was ruled out of order by Deputy Speaker who said the rule is quite clear that quoting of a newspaper, an author or a book which reflects upon the debate before the House, either directly or indirectly, is entirely out of order because members are here to give their own opinion and not to quote the opinion of others. Members may quote an article or a book in stating facts but a commentary on any proceeding or any discussion in the House with the object of swinging an opinion to one side or the other is out of order." And there the matter is. We'll carry on. The Honourable Member for Birtle-Russell has four minutes left.

MR. GRAHAM: Mr. Speaker, in this article I want to quote again: "That year hotel beer parlors were allowed to apply for special licence to sell liquor and wine under controlled conditions. 'We told them that for the privilege of selling hard liquor you owe your customers an obligation,' says Sims. 'We want wall-to-wall carpeting, armchairs at every table and ceramic tile in the washrooms, and we want them to promote the sale of food. We control the price of a drink, sixty cents for an ounce of hard liquor to start with.'" It's been raised now to sixty-five cents.

Mr. Speaker, I referred you previously to the words of the Attorney-General who is responsible - he's the minister responsible for the Liquor Commission, and the words that he put forward in debate in this House on Bill 75, and I refer you again, Mr. Speaker, to the article that was quoted there and I suggest to you, Mr. Speaker, that the words in the newspaper article as attributed to the Chairman of the Liquor Commission are in direct contravention to the Act that was passed in this House and the Attorney-General, the Minister responsible, has

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(MR. GRAHAM cont'd.) done nothing. Mr. Speaker, I leave it to you, to members of this Chamber, and members of the public at large, to judge, to judge the actions of this government, to judge the actions of this government in respect to the laws that they themselves brought forward in this House and how they have contravened the very Act that they themselves have provided for the people of Manitoba.

MR. SPEAKER: The Honourable Member for St. Matthews. Order, please. The Honourable Member's time is up. The Honourable Attorney-General.

POINT OF ORDER

MR. MACKLING: I would like to draw to the attention of the House that the honourable member concluded his comments with saying that - just a moment - misquoting, saying that this was legislation of this government and he had earlier, earlier confirmed that it was an amendment introduced by the Honourable Member from Rupertsland, so he's wrong.

MR. SPEAKER: Order, please. Order, please. Let me indicate to all honourable members, when one member is on a point of order, no other member may beller or holler for a point of order as well. Only one can be heard at one time. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, on the same point of order, let me point out that the Amendment that was quoted in the Hansard was the amendment introduced by the Attorney-General.

MR. SPEAKER: The Honourable Member for St. Matthews. Order, please. The Honourable Member for Swan River state his point of order.

MR. BILTON: Mr. Speaker, may I ask the question, is the Honourable the Attorney-General taking part in the Budget Debate by . . . ?

MR. SPEAKER: That's not a point of order. The Honourable Member for St. Matthews. The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, did I hear you say in your remarks that the Honourable Member for Birtle-Russell had terminated his time?

MR. SPEAKER: Yes.

MR. McKENZIE: Mr. Speaker, how did he speak again?

MR. SPEAKER: He asked for a point of order. The Honourable Member for St. Matthews.

BUDGET DEBATE (cont'd)

MR. WALLY JOHANNSON (St. Matthews): Mr. Speaker, when I was first elected to this House in 1969 I -- well, the electors of St. Matthews will determine that -- and the electors of Charleswood will determine whether you are back, and I think more of our members will be back than yours, I'm afraid.

Mr. Speaker, when I was first elected here in 1969 I really entered this House in some awe, and perhaps I shouldn't have because I had taught Canadian history for ten years and I knew something about the workings of Legislative Assemblies, but nevertheless I came here with a tremendous respect for the institution and a good deal of respect for the members, and frankly, the display that I have just witnessed has really, really reduced my respect for some of the members. It hasn't reduced my respect for the institution because I will retain that always, but the Honourable Member for St. Johns just finished admonishing some of the members opposite for attacking people rather than debating issues and what did the Honourable Member for Birtle-Russell do? The first thing he does is he starts Red-baiting --(Interjection)-- I am dealing with the substance of what he said. I'm not attacking him, I am dealing with what he said.

The honourable member got up there and the first thing he was into was Red-baiting. He started into a rather obscure discourse on how he couldn't distinguish the difference between Socialists and Communists. Now that may well be, that may well be, but if he can't, that simply illustrates the denseness of this particular head. You know, Mr. Speaker, I've been involved in politics for about 15 years and in the early days when I was a member of the CCF we always ran into this Red baiting, into this accusation that we were Communists, and I thought that we were entering into a bit more enlightened period, and I particularly thought that in the Legislative Assembly we wouldn't get into stupid accusations like this. You know, I have always been amazed at the way the Tories react to any history that we recall to them. The Honourable Member for St. Johns just finished recounting to them the fact that they had the highest taxes,

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(MR. JOHANNSON cont'd.) personal income taxes in this country during their period in office, and I really don't understand why they react so violently. They continually refer to the past as if this is something we should forget, and from a Tory I can't understand that because the essence of Conservatism is surely a respect for the past, a feeling that we have things to learn from the past, that there are important heritages we get from the past; and yet the Tories seem to write off the past and I can never understand this, Mr. Speaker. And when I hear the Member for Birtle-Russell talk, then I begin to understand why they don't like hearing about the past, because they don't understand it.

I could very easily give him a brief lecture about the differences between the NDP Party in this province and the Communist Party in Russia. Well, I would say very briefly that the New Democratic Party in this province is based on the independent -- its background from the Independent Labour Party, the various ILP groups from the Social Gospel Movement in Canada, particularly in Western Canada, and from Church Christian Socialism. A very great deal -- the NDP owes a very great deal to Christian Socialism. Our father, really, was J. S. Woodsworth, and Woodsworth was of course a minister. He came out of the Social Gospel Movement of Western Canada and this is our background. And anybody, anybody who has read anything about Canadian history knows this.

When the Honourable Member for Birtle-Russell starts bringing up the Communist bogey I really begin to despair. You know I always thought that there was a fair amount of rational discussion in Legislatures, but when we get to this I really start to despair and, you know, in many ways the Honourable Member for Birtle-Russell and the Member for Pembina would have found Stalin a very congenial fellow. In 1936, Joe Stalin brought in a new Constitution for the Soviet Union, and one of the big points in that Constitution was the principle that he who does not work does not eat. He who does not work does not eat. No welfare under Joe Stalin. The Member for Pembina would have loved that and the Member for Birtle-Russell. No welfare under Joe Stalin; he who did not work did not eat. The Member for Birtle-Russell also doesn't like strikes and under Stalin there was a Draconian labour law. There were no labour unions; there was the sod of a labour movement but it was a tool to enforce virtual slavery on the workers in the factories. The Honourable Member for Birtle-Russell would have loved that. They would have made very good commissars, I think, for Joe Stalin.

You know, my impression is that the Honourable Member for Birtle-Russell must really be running scared in his constituency. He must really be afraid that he's going to be defeated in this election, if he has to get down into the sewer like this.

Mr. Speaker, I really wanted to start by saying that in the Autopac debate when we passed that final vote, which passed the bill, I was very proud and I was very proud because this party had stood firm against a tremendous pressure and I felt that that was one of our great moments as a government. We fought - we withstood a tremendous campaign against us by entrenched interests, the insurance industry, aided by their allies on the Opposition benches, and we passed the bill and I felt very proud at that moment. The next most proud moment, I think, of the four years I've been here, was the moment when the Premier announced this week we were abolishing the Medicare premiums --(Interjection)-- I'm talking about my proud moments. In 1969, in 1969 we cut Medicare premium by 88 percent, not the hospital premium but the Medicare premium by 88 percent, and the reason we didn't go farther was because we didn't have enough elbow room in terms of revenues. Now, because of the performance, the financial performance of the government, we were, we had the fiscal capacity to totally abolish Medicare premiums and that, I think was really one of our great achievements - we abolished the most inequitable tax that we had, a heritage of course from the Tory government, and we provided badly needed additional spending power to the working people, the pensioners of this province.

I want to get down now to an examination of the Liberal Party. I have been observing the Liberal Party with a great deal of interest over the past while, since the Honourable Member for Wolseley became leader, and it's been a curious kind of, curious kind of development and as a history teacher, I have really found it fascinating - and a curious leader, yes. The Liberal Party just recently held a convention at Brandon. Now in the New Democratic Party when we have a Convention, the Convention debates resolutions, adopts them and those become party policy, and they eventually become government programs, eventually in the main yes, eventually they become government programs.

Now we had a whole series - there were a whole series of resolutions, I understand,

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(MR. JOHANNSON cont'd.) presented to the Brandon Convention of the Liberal Party but the Convention didn't have the power to adopt these as party policy. I understand that there is a small hand-picked committee which is now touring the province to get public reaction on these various policies.

Now that was one series of policies that we were presented with by the Convention of the Liberal Party. Now, a few days later, the Honourable Leader of the Liberal Party gets up in the House and he presents a whole long list of policies which he is - 46 pages, 47 of policies which he is proposing, or at least we think he's proposing them. The Honourable Member for Morris, I think described it beautifully as the laundry list, so these are presented to us and some of them, a good number of them weren't mentioned among the policies debated at Brandon.

Then there's another problem that emerges - one of the policies that apparently there was some agreement on at Brandon was that there should be public hearings on all major decisions, so this means that things put forward at Brandon and everything put forward to the Honourable Member the other day, are all subject to public hearings and as the Mines Minister, oh except the Pembina Dam - that's not subject to public hearings according to the Mines Minister and the Mines Minister I think again described it very well and said that the Honourable Liberal leader would decide what was policy by applause meters.

However, there's a further problem, and that is that the Liberal Leader stated to news people at Brandon that really it didn't matter what the Convention decided, because he and his candidates were going to determine policy in effect, the list of policies proposed at Brandon was a grab bag from which they would grab at will the policies that they thought were good - good election planks. --(Interjection)--

That further complicates matters. Now, finally we have one problem that I think complicates this just totally and that is that apparently there was some agreement at Brandon and there is some agreement among the members of the Liberal candidate team that they should have a free vote if they are elected to the Legislature, so it really doesn't matter what the public hearings decide, whether the applause meters are positive, that doesn't matter because in the crutch on every issue, on the budget, on the Throne Speech, on their bills, on every measure that they present to the Legislature there'll be a free vote, each individual will vote according to his conscience. --(Interjection)-- Yes, they have to get elected first, so that may - that's the final complication. Mr. Speaker, Mr. Speaker, this is a form of regression, regression is something that is dealt with in abnormal psychology and this is a form of regression within the Liberal Party.

In Manitoba in 1922 the United Farmers of Manitoba elected the majority of members to the Legislature and in 1921 across the west, the Progressive Party elected a large number of members to parliament and that, these people, the United Farmers of Manitoba and the Progressives, believed in non-partisan politics and they believed in occupational representation. They rejected the party system, they were opposed to party discipline like the Liberal Party is now apparently; they were opposed to Cabinet solidarity; the Cabinet form of government, because this restricted each member's interest. It restricted each member's responsibility to his constituents. They believed that they represented an occupational group and they believed that they were responsible to their constituents. In effect, the Legislature became an office of record for constituency opinion. It really wasn't the Legislature as we know it today, which decides on the laws that will govern the province and which questions the spending of the government, as the Honourable Member for Morris so often tells us, which is in his view the prime responsibility of the Legislature.

So the Legislature under the Progressives, under the United Farmers of Manitoba, became just an office of record for constituency opinion. and it was little more than a glorified municipal office. But, Mr. Speaker, at least the Progressives were responsible to their constituents - at least they were responsible to their constituents. Under new Liberalism, under the New Liberal Party, the members of the Legislature will be responsible to no one.

MR. G. JOHNSTON: Would the member permit a question?

MR. JOHANNSON: Certainly.

MR. SPEAKER: The Honourable Member for Portage.

MR. G. JOHNSTON: The member is holding forth on the merits or demerits of party solidarity. I would ask him the question: last year, when his Premier brought in a resolution with respect to aid to separate schools, how come his party didn't support his leader at that time?

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

MR. JOHANNSON: The issue last year of course was a free vote. It was not a party matter. This is not a difficult question. Our group - no, no, I believe in party discipline. I believe in responsible government, you don't. That is at least if we accept the garbage that we are getting from the Honourable Leader of the Liberal Party. I'm not sure whether his backbenchers really believe it. We have accepted a free vote on issues of conscience and some things have been presented to this legislature on a basis of a free vote, including liquor matters and the matters of establishing a committee to consider, no, no, - no, no. I voted according to my conscience as you voted according to yours, and I don't question that you did that, but that was a free vote, not a party matter.

Now apparently the New Liberals are going to only be responsible to their consciences - they are not responsible to anyone else. You know, Mr. Speaker, this is something you could describe as mindless cyclical error. You know, one is supposed to learn from mistakes of the past. The Progressive movement was a movement that failed. It was a mistake within the Canadian Parliamentary system. It couldn't work. But the Liberal Party doesn't seem to read history, doesn't seem to learn from history. In fact, not only do they repeat the mistakes of the past, they copy them, but they magnify the errors of the past.

You know, there is a good deal of irrationality within the Liberal Party at present. The Leader of the Liberal Party is campaigning across the province on his billboards, Stop Look and Listen, and A New Deal for Confederation. And you know, Mr. Speaker, in the Legislature we have dealt with his argument on re-negotiation for Confederation a number of times. However, usually he's not here when we're dealing with it. As soon as he makes a speech, he gets up and leaves. He's not interested in listening to anyone else. He obviously doesn't seem to read debates, because he doesn't know what's going on except when he is speaking and then he doesn't know either.

Yes I think perhaps I regret the fact that he is ill right now but probably it's contributing to his popularity, he's silent for several days. I am attacking his policies. Now he's continuing on his billboards to push this new deal for the west line, which I don't know who's paying for them, but they are costing a great deal. He continues to push this even though his argument has been destroyed in the Legislature. The whole theory that underlies his re-negotiation of Confederation is the complex theory of Confederation and this compact theory is historical and constitutional nonsense. In fact, a definitive refutation of this was written by Norman McLeod Rodgers who was a Liberal Cabinet Minister under Mackenzie King. The predecessors of the Leader of the Liberal Party, Premier Bracken, Premier Garson, were the men who fought most vigorously and to my mind most correctly against this doctrine, because the doctrine was bad for Manitoba. The whole argument is that if you make constitutional amendment, if you permit it only by all provinces agreeing, in effect you give a veto power to the wealthy provinces and they of course they are the people who will oppose any change, any development for the betterment of the poorer provinces. And of course traditionally Manitoba has been one of the poorer provinces. So the argument is bad for Manitoba.

But Mr. Speaker, it doesn't matter what we say in the Legislature, it doesn't matter that his argument is destroyed here, because his billboards are still up, he's still peddling the same nonsense throughout the province. Now, I have a respect for the people of this province and I would have respect even if they defeated this government, which I don't think they will do, but I have a respect for the democratic process and I really think that the people of Manitoba are not going to be fooled. They're not going to accept repetitious nonsense as good arguments.

The Leader of the Liberal Party is a strange man. I was told that he was very clever before he came into this House, and perhaps I was naive but I accepted this opinion, this opinion. Yes, he works for a living as most of us have, but, you know, I really haven't -- that opinion hasn't been confirmed by his performance in this House. The Honourable Leader doesn't answer arguments, he avoids arguments. --(Interjection)-- Well, I won't comment on that; he's ill. --(Interjection)-- Yes, I am disappointed in him. His speeches are unbelievable. When I read them I really shudder. Mr. Speaker, my member is heckling me here. They're fantastic internal inconsistencies. The Mines Minister has dealt with them, the Member for Morris has dealt with them very ably. They're fantastic internal inconsistencies and I'm convinced that the reason for this is the fact that the man has no principles. There is nothing he believes in except perhaps, except perhaps political power. That he believes in. And he will adopt any policy, no

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(MR. JOHANNSON cont'd.) matter how ludicrous or stupid, as long as he thinks people will support him. --(Interjection)-- No, I am not a hatchet man, I am attacking, I am attacking things that he has said in this House, and that is quite legitimate.

The man has . . . inconsistencies galore in his speeches, and when a person has internal inconsistencies he's diagnosed as a schizophrenic. You know, Mr. Speaker, the member and his group really remind me - and I made this comparison before, - so much of Lord Cardigan leading the Charge of the Light Brigade. --(Interjection)-- Lord Cardigan wasn't a Liberal, he was a hidebound reactionary Tory. Lord Cardigan wasn't very bright, but in the Charge of the Light Brigade Lord Cardigan found his moment in history. It was the moment for which he was supremely well fitted. The man had matchless courage; he had the heart of a lion - but he had no brains. And, Mr. Speaker, Mr. Speaker, I would recommend to the Member for Swan River a reading of Cecil Woodham Smith's, *The Reason Why*; it's an historical account of the Charge of the Light Brigade.

Lord Cardigan behaved magnificently and he led a magnificent charge; he led a magnificent charge; he led a magnificent charge, but Mr. Speaker, he led a charge, he led a charge like the Honourable Leader of the Liberal Party is leading the Liberal Party charging. He led a charge down a valley which had cannons to the left, cannons to the right, and cannons at the end of the valley. He led the finest fighting light cavalry unit in Europe into a death trap. And Mr. Speaker, Mr. Speaker, the Light Brigade was destroyed, totally destroyed, and do you know what happened, do you know what happened to Lord Cardigan? During this charge, during this charge, one of his subordinates crossed in front of him which was one of the supreme faux pas in terms of military etiquette. His subordinate crossed in front of them, and Lord Cardigan was so outraged that he thought of nothing else during the charge but this insult to him personally. He went through the cannon, he didn't find any enemies to fight immediately, so he left and went back to his yacht -- he lived on a yacht during the campaign -- and he went back to his yacht fuming with personal indignation while his light brigade was destroyed.

MR. BILTON: Mr. Speaker, on a point of order.

MR. SPEAKER: Will the Honourable Member for Swan River state his point of order.

MR. BILTON: These points of history are very interesting, but what has it got to do, Sir, with the Budget Debate for the Province of Manitoba?

MR. SPEAKER: During the Budget Debate that's not a point of order. The Honourable Member for St. Matthews.

MR. JOHANNSON: Mr. Speaker, the point I was about to make was that the Leader of the Liberal Party, like Lord Cardigan, is leading the Liberal Party to destruction, to political oblivion. So, Mr. Speaker, I look forward next fall when we reconvene to a House which has even fewer, if any, Liberals on that side of the House.

MR. SPEAKER: Order, please. The honourable member will be able to continue to finish his time Thursday. The hour being 10:00 o'clock, the House is now adjourned and stands adjourned until 2:30 Thursday afternoon.