

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Tuesday, May 18, 1971

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, would you call the adjourned debate of the Honourable the Minister of Finance and the amendment moved by the Honourable the Leader of the Opposition.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to draw the attention of the honourable members to the gallery where we have 30 students of the St. John's Cathedral Boys School. These students are under the direction of Mr. G. Litster and Mr. R. Tomkinson. This school is located in the constituency of the Honourable Minister of Municipal Affairs. I should also like to point out that these students are from all across Canada as well as from places abroad. On behalf of all the honourable members, I'd like to welcome you here today.

BUDGET DEBATE

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance and the amendment thereto by the Honourable Leader of the Opposition. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, we have now had presented to this House the Budget of the Minister of Finance and response of the Leader of the Opposition, both of which in my opinion are slightly highly political documents. It's not surprising that the Leader of the Opposition should seize upon the opportunity to reply to the Budget Speech in a political manner, for as the Minister of Mines likes to remind members of the opposition, that's their responsibility. However, this is the first time that I can remember in this House that a Minister of Finance has taken advantage of his position to use the Budget Speech to deliver an unbecoming and inflammatory political harangue.

It is the tradition in Parliament that budget speeches contain a financial reporting for the past year and an economic forecast for the forthcoming year and no more. The Liberal Party must express its regrets that the Minister of Finance has found it necessary to depart from this tradition of Parliament and use his Budget Speech as an opportunity to rant and rail and create paper dragons and strawmen which he and his colleague, the Minister of Mines, can then, like children, delight in tearing down if that gives them satisfaction, notwithstanding that the province's business must suffer in the process. While their unfortunate misuse of office must give us all some concern, Mr. Speaker, I suppose that is their prerogative.

Nor can one take much satisfaction from yesterday's response by the Honourable Leader of the Opposition, for although we recognize, as the Minister of Mines delights in reminding us and pointing out, that his function is mainly to criticize. We had hoped that in the Budget Speech response he would put aside some of the traditional niceties of scoring debating points and concentrate instead on offering a more reasoned and less partisan commentary on this government's fiscal analysis. In this we were disappointed. However, while the Liberal Party does not disagree with the essence of what the Honourable Leader of the Opposition said in his response, we would hope that our observations on the Budget Speech of the Minister of Finance will be more to the point and less to the press gallery.

Let me begin by expressing amazement and scepticism at the style of the Honourable Minister of Finance's speech. He goes to great length to catalogue all of the failure of the government in society as though he was totally detached from the decision-making process himself. He tends to forget that he's no longer in the Opposition so I must remind him that he's in the government. It's no longer acceptable for him to do nothing more than to cry in the night about the failure of senior and other governments. The intensity of his condemnation of our society of mere mortals, a society which has the misguided tendency in his eyes to want more bathtubs and more automobiles and other badges of free choice when really the NDP government should have all the money because it knows best what the people should do. And it really wants to live everyone's life for them. He suggests that he not -- well, he doesn't suggest but I suggest that he had not really be a Minister of Finance, he should be a Minister of a church. -- (Interjection) -- He should be a Minister operating with the consciences of men and women and not concern himself with the lowly problems of financing a provincial government.

After three years of NDP government, Mr. Speaker, at a time when it is essential, the

(MR. G. JOHNSTON cont'd.) Minister's own forecast of our capital investment in this province, that the government make a clear statement that the private investment will be respected and encouraged. The Budget does not allay this feeling but rather it heightens the fears of the private investor. The Minister makes it quite clear that the private profit motive is no longer valid in the eyes of his government, and that there will be increasing government takeover of what was historically a private economy that built this great province.

Inconsistency is rampant throughout the government statement. The speech makes a classical NDP attack on foreign investment in the province, and this at a time when Manitoba is starved for development capital and must show an atmosphere and an attitude which will make foreign capital feel welcome under our rule. The "Minister of Mumbles" is at it again. I hope he takes part in the debate, Mr. Speaker, I really do. As I say, this is at a time when Manitoba is looking for investment and development capital and we should at least be showing an attitude and an atmosphere which will make foreign capital feel welcome under our terms.

The Honourable Minister of Finance takes great pains to attack what he terms the madness of our society which has imported too much foreign capital, and yet a little later in his speech he takes great pride in pointing out that the Government of Manitoba has signed an agreement for the development of Ruttan Lake. Surely he must be aware that the financing of the resources and the capital development of Ruttan Lake is based on the input of foreign capital. Surely he must find it difficult to mouth the standard anti-foreign capital slogans which will place his waffle associates -- which will placate his waffle associates and then congratulate his government on having concluded a resource development agreement with the same foreign capital of which he speaks so disdainfully. Surely thinking Manitobans must ask themselves if the Government of Manitoba deplores in its hand-wringing style the foreign takeover of our economy, why then did it permit the Ruttan Lake development by foreign capital? Why does it not impose such a stinging mineral tax on foreign owned resource development that the companies would be forced to sell their holdings in the province?

Well, Mr. Speaker, the answer is fairly clear. The NDP in Manitoba is compelled through its federal and financial backers to continue to make these ominous threats against foreign investment, but is forced by the realities of the 20th century world to induce the same capital to invest in this province. It is indeed a sorry sight. And what sort of a deal is this government capable of making with the foreign capital we so urgently need? Why is it certain that it doesn't repeat the mistakes of the past? Why? For previous governments in this province had insisted that mining companies build at their own expense the schools, the hospitals, the roads, the sewer and water plants and all the other local improvements? No, Mr. Speaker, the NDP government exalts in the fact that it has agreed to spend public money on these facilities rather than let the mining companies spend its own money.

The NDP calls this a precedent. It certainly is, but not a very good one. We'll be happy when this government takes the most unusual step of letting the public into its confidence by tabling these very interesting agreements in the Legislature so that we can see how skillful they were in improving on past economic arrangements.

It may comfort the Minister of Finance soothingly to tell the people of Manitoba that government policies in this province have reduced unemployment, but in every town and village in this province everyone knows better, Mr. Speaker. If there has been an alleged reduction in unemployment in this province on a statistical basis, it's because so many thousands of Manitoba residents have left, looking for work. They don't show on the unemployment statistics of the province and so the Minister of Finance -- (Interjection) -- DBS figures, the same as your government uses on occasion. -- (Interjection) -- That's right, Mr. Speaker, we've had the admission, it all depends on how you read them. So on the basis of the reasoning of the Minister of Finance that if we could somehow export our 18,000 unemployed from the province then we would have complete employment in this province and have no problems, and no doubt he would loudly proclaim this as a government program to reduce unemployment.

The government's hysterical and ill-tempered attack on private enterprise has finally produced the inevitable results. Private capital is avoiding Manitoba, and the only way in which the Minister can make capital spending figures for this province look even respectable is by the massive injections of public money rather than the private money of the economy. He speaks of massive programs and public ownership of housing calculated at about 33 million. Mr. Speaker, the Liberal Party has long supported government programs guaranteed to give

(MR. G. JOHNSTON cont'd.) the opportunity of home ownership to all incomes and groups in this province and in this country, but the Liberal Party will never support the idea that so infatuates this government, that namely the government and public should own all of the houses, that the government should be the landlord and the rent collector, the big brother of society. You'll never find our party opposing programs which make home ownership available to all Manitobans, but you will find us opposed to programs which permit government to own and control the private homes of the people of this province.

I would ordinarily comment on the red herring the Minister of Finance has sought to drag across the budget debate by attempting to blame all of Manitoba's ills on the Federal Government, but I believe the Honourable Leader of the Opposition has pretty well dealt with this fallacy. As the Leader of the Liberal Party has frequently stated, it's easy to recognize the problems of Canadian federalism that require solutions before Manitoba will be given its fair place in the confederation sun, but this government of Manitoba, rather than tackling the real issues of Canadian constitutional reforms, pleases itself by choosing to blame the party in power in Ottawa for all of our ills. This technique is typical and the NDP knows it's safe in so doing, because it will never be in the position of having to criticise an NDP government in Ottawa because there never will be such a government, Mr. Speaker, and they know it. -- (Interjection) -- Precarious as you are, yes for the moment.

However, it must be said that we're -- Mr. Speaker, if the cackling on the other side will desist for a few moments I will carry on. I'm sure the former House Leader will join me in calling for some decorum as he is so wont to do on other occasions. However, it must be said that we are all the poorer in this province because this government spends most of its time in trying to decide who to blame for the problems of Manitoba rather than trying to solve the problems.

Mr. Speaker, I have said that the Minister of Finance delivered an incredible, political harangue instead of a Budget Speech. This government's slavish adherence to dogma is nowhere more apparent than when it deals with the subject of tax reforms. Nowhere will you notice that the government speech deals with the subject of provincial tax reforms, a subject over which it has sole and absolute control; rather it deals with federal tax reforms, because it knows that it can say anything it likes without having to be responsible for any implementation of progress or a program.

The Liberal Party, and more recently its new leader, has long enunciated an immediately required program of tax reforms, and Mr. Speaker, I would like to urge the following points upon my friends opposite. For instance, an abolition of estate taxes to bring us into a line with Saskatchewan, Alberta, and a few weeks ago the Province of Ontario. I don't hear too much chatter about that one, Mr. Speaker, because they're afraid of what's going to happen to this province if this is allowed to continue.

Second, a transferring of the cost of education, the complete cost of education, health, welfare and the administration of justice from the municipal to the provincial level.

Three, the granting of a greater taxing capacity to our cities to enable them to carry out their constitutional responsibilities and give them the resource base with which to do it. -- (Interjection) -- Mr. Speaker, I certainly hope the Member for Thompson joins in this debate because he has so many interesting ideas, and I think he should especially put them on the record.

These and many other reforms are within the competence of the provincial government, but the zeal of the reformer seems to wane once he is in office. The Honourable Minister of Finance chooses instead to ignore provincial tax reforms and concentrate his comments on federal tax reform package. -- (Interjection) -- Yes. I'm referring rather closely to my notes. -- (Interjection) -- Well, Mr. Speaker, I hope all the members who are taking such interest in my comments will respond at the proper time.

And here again our friend the Minister of Finance who should be concerned, should be concerned with how to maximize our resources and marshal them and wisely have them collected and spent, but he appeals to class distinction and on the inflammation of one group in society against others. Terms like the corporate elite, implications that the Fat Cats are getting a free ride on the backs of the downtrodden masses, really belong to the pseeches based on class hatred or other forms of hate literature, but have no place in a Budget Speech. It's a source of considerable disappointment that the Budget Speech amounts to a confession of total failure of NDP ideological experimentation in Manitoba. After two years your Minister confesses, and I quote, "our inability to provide meaningful opportunity for our youth." In the normal rhetoric

(MR. G. JOHNSTON cont'd.)of the NDP cabinet ministers, the Finance Minister attempts to inflame the people by railing against the allegedly powerful, wealthy and elite, yet his own figures, Mr. Speaker, tell us that there are only 7 1/2 percent of the taxpayers in this province who have incomes of \$10,000 or above in a year. Only one percent of the people of Manitoba have incomes over \$20,000 per year. Of course, Mr. Speaker, many are NDP cabinet ministers and appointments made by themselves.

The Minister claims it is the aim of his government to alleviate their problems for the people in the province who live below the poverty line. Wonderful platitude, Mr. Speaker. Where, then, are the programs in this Budget to bring relief to the one third of the people of this province who live below the poverty line? Where are they? Where are the programs that will bring equality of opportunity to the people who live in Northern Manitoba? Where is this government's compassion for the aged and the ill, the students, those who can't find work when they leave school? Mr. Speaker, this government after two years in office haven't produced one new program. The best they have been able to do is enlarge on existing programs.

Where is the government's compassion for the aged, the ill? Rather there are words; there are more studies initiated; there is more conversation, and of course there are more boards, more tribunals, commissions, hearings, civil servants - but the Minister of Finance suggested, Mr. Speaker, that federal programs are responsible for the serious slowdown in the economy of this province. What hogwash. What hogwash, to use the words of the Minister of Labour. Poppycock. Guff is another one he uses. I challenge the Minister of Finance to show us specifically how in this case this has come about. I challenge him to show specific examples of the jobs that weren't created because the money wasn't there; the plants that weren't opened because the money wasn't there; or any shred of evidence on which he can base his claim, for it's well known the federal anti-inflationary program did not affect the western economy. It was aimed at the inflationary trends in Central Canada and on the West Coast. -- (Interjections) --

Mr. Speaker, I ask the Minister of Finance, and I hope some of his colleagues will be able to explain, how the anti-inflationary programs hurt a province that lives by export and export alone. The laughing from my friends opposite, the Socialists, they are laughing jobs out of this province, Mr. Speaker, when they say that our workers, our miners and our farmers and our foresters, have to sell on the world market and the Federal Government inflationary program was designed to make our products competitive on that market - and they laugh. I wonder if they will laugh at their international union leaders. I wonder if they will laugh at them when their men are falling out of work. No they won't; they won't. Well, I'm glad to see the Minister, the sometime Attorney-General, is happy to see someone dissent occasionally, I'm glad to see that he has an open mind for the moment.

Mr. Speaker, despite the mutterings and the complaints from the front bench, when we stand on this Legislature we speak for this province. We don't speak for anyone anywhere else. This is our primary responsibility. It's a cruel government that would put several hundred people out of work. It's a cruel government, I repeat this, that will put people out of work in an industry without a fair hearing, and I refer now to the auto insurance industry, and I know you gentlemen opposite, when you examine your conscience, as much as you feel you thought you were right, you know damn well that you hurt a lot of families in this province. Yes. The Minister of Municipal Affairs says good. Good. At least he's honest. At least he's honest. If this government's lack of skill in negotiating with the federal authorities has not permitted us to have our fair share of the national prosperity, I suggest to you, Mr. Speaker, and I give you an example, in the past year this government has only been able to attract through negotiation and agreements, \$5 million of federal money under economic incentive programs, yet we look across our country at Newfoundland, and what have they got? Twenty times as large, \$100 million - \$100 million, and you say you are negotiating for our people? If you would spend your time, if you would spend your time on the affairs of the province instead of your paranoiac concern with what you think is wrong with certain people in this province, you would be a better government for it.

Mr. Speaker, I don't take any pride in having to point out that when it comes to the subject of this government's posture on the federal tax reform plan, it's the laughing stock of Canada. It's the only province that takes this attitude. Why? Because they're hooked on their 1933 dogma. That's why. They are not looking at the realities of today. I take no pleasure in saying this but we must face the facts. This government alone, certainly among the prairies and certainly among other provincial governments, halfway embraces the idea of a full capital

(MR. G. JOHNSTON cont'd.) gains tax, a full estate tax, and a full corporate tax on small business. Yes, let's hear the cheers for that one, Mr. Speaker. All of which can mean, in a slow growth province like Manitoba, the crushing destruction of small businessmen and our farmers, who have been the foundation of this economy. This -- (Interjection) -- Yes, poppycock, Mr. Speaker. Poppycock. It's not related to the dogma that they used to be fighting on the barricades with.

They don't realize that the province has changed. They don't realize that we're in the Twentieth Century. They're fighting the battles of the Depression. This program of planned confiscation appeals to our friends opposite even though the vast majority of leading economists and tax authorities, and indeed it appears even the Federal Government itself, has finally seen the folly of this plan. -- (Interjection) -- I'll be critical of anyone I feel I should be, in the best interests of this province. I must agree with my friend the Leader of the Opposition when he says that this is a sign of intellectual bankruptcy on the part of my friends opposite, and can only suggest that fiscal needs of Manitobans must be taken care of by even more handouts from Ottawa. This is where the real difference between the Liberal Party of Manitoba and the NDP can be seen. It is our view that, given the tools, given the economic restructuring that we have spoken of, Manitoba needs no other help in developing opportunities for our people. We do not want more handouts or more cost-sharing or more equalization grants. We want indeed, in fact we must have a federal economic system which permits Manitoba to attract the capital and industrial growth required to give us our own economy and not to be dependent upon handouts from the richer provinces of Canada. In making this demand from the rest of Canada we must and we will be successful. We will simply be wasting our time if we follow the NDP lead of demanding more money for the rest of Canada to cover up a dismal failure of this government in building a sound economic base in this province.

Mr. Speaker, perhaps the Minister of Finance is pleased with himself. He has earned the hoots and applause, certainly, of his enthusiastic colleagues because he has carefully set up a number of straw men and then he's very manfully taken after and demolished them; the bogey man in Ottawa; the haunting spectre of the rich and powerful elite who suck the life blood out of our community; the exploiters of people. All the hackneyed shop-worn phrases are being trotted out to frighten the little children. A Budget Speech filled with a 1930 style NDP-CCF hyperbole and hatred.

What of the Budget itself? Perhaps the Minister will ultimately reveal in what way the budget is an expansionary budget other than in creating more jobs for the friends of the NDP. Perhaps he will show how this expansionary budget of his has created one single job in the private sector, just one, Mr. Speaker, just one job, one honest-to-God productive job based on the wealth of this province. We can certainly see the civil service jobs they will create. Perhaps you will ultimately explain to us how it will stimulate private spending. It's self-evident how much public spending he has created. And on the social side, Mr. Speaker, perhaps he will carefully explain to us how his social democracy and his third budget will help the elderly citizens, the unemployed youth, and the many other sectors of our community who do not have equality of opportunity.

My friends opposite, Mr. Speaker, have prated about this for years. They've been there now for two years and what have they offered? Nothing. Nothing. And on the social side, perhaps he will carefully explain to us how his social democracy and his third budget will help others who haven't had the equal opportunity.

May I also say at this time, Mr. Speaker, or comment on the lack of information contained in the budget and the estimates which preceded it. I have carefully compared this budget with the economic documents and forecasts laid down in budgets of other provinces, and I'm sorry to say that, as in everything else that has been done, the government has withheld a great deal of information. The government has withheld more information than it has given. It may be said, I suppose, that there has been a precedent by the former government who operated in somewhat the same way. I'm sure that this will be quoted to us when the Minister or one of his friends makes a rebuttal. But surely in the complexities of our budget of nearly over half a billion dollars, we have more detailed explanations than what we have been offered today.

But, regardless of the dearth of information about the spending and revenue expectations of this government, some things become self-evident. The Minister of Finance tells us that there are no new taxes. Anyone who recently received their new driver's licence and insurance bill, Mr. Speaker, will probably dispute that. Anybody who has a trailer in this province will

(MR. G. JOHNSTON cont'd.) probably dispute that. Anybody who goes fishing will probably dispute that; hunting -- (Interjections) -- It's a great point to laugh at, Mr. Speaker, but with a straight face the Minister of Finance said there's no increase. No need to worry, there's no increase. During the year we've seen more increases in fees and licences than at any other time. The government proposes a new form of taxation in '71 through its commercial operation in the gambling business. We presume that the long-run plan for this government is to go into enough businesses so that so much profit will be made that taxation will eventually become unnecessary, Mr. Speaker. We will look forward to the first profit and loss report we hope we'll receive from the government's operation of the forestry complex at The Pas, and we hope that we'll have a good look at the profit statement for the Lord Selkirk steamship line on Lake Winnipeg this summer.

As far as the figures in this budget go, Mr. Speaker, our analysis tells us that there is not a realistic accounting. There is an evidence to suggest that the government has conveniently overstated its revenue and coincidentally understated its expenditures, in a contrived effort to make it look as though this was a balanced budget. Perhaps this lack of candor or glossing over can be finessed throughout the year or perhaps even a little longer. However, the moment of truth cannot be put off indefinitely and, when the deficit finally surfaces, I suppose it will, because the Minister of Finance has been saying "Right," despite I'm sure of many manful efforts on the part of himself and his jugglers to bury it as long as possible.

Manitobans can only expect a massive tax increase to finance the government's fiscal folly. Yesterday we heard the Leader of the Opposition give us examples where he thought the revenue was overstated, and I concur with his assessment. This government began the year with an approximately \$20 million deficit inasmuch as it has transferred \$20 million of federal grant revenue from the past year into the current year. Thus, unless the federal-provincial fiscal negotiations produce another windfall, next year we will start with a \$20 million deficit.

The comments made by the Leader of the Opposition yesterday with respect to the projected increase of \$12 million in individual income tax, are not only appropriate, Mr. Speaker, it's a reasonable deduction. There is no reason with unemployment so high, with the brain drain so intense, and with economic slowdown generally, to expect that people will earn more money and thereby pay more tax in 1972. Mr. Speaker, the thought itself as expressed by the Minister in this regard, well, to use the expression of the First Minister when he is temporarily confused, it boggles the imagination.

MR. SPEAKER: The honourable member has five minutes.

MR. G. JOHNSTON: As well, the Minister projects, the Minister has projected an 11 percent rise in profits on the sale of liquor in this province. Mr. Speaker, the previous year the rise was only 4 percent, even though we had a massive influx of tourists who came here for the Centennial year. I would ask the Minister on what data does he base his expectations that the liquor profit increase will be more than double the previous year, unless of course, Mr. Speaker, he believes that the continued existence of his policies will drive more people to drink more than ever.

MR. ENNS: On the other hand, if we adopt the Minister of Transportation's policies we won't have any of those revenues. Homebrew . . .

MR. G. JOHNSTON: There's no reason for confidence in the Minister's expense report for the year. He doesn't provide for what we can see for any losses that will be suffered, as can be expected in the first year of operation of the Auto Insurance Corporation. He does not provide for the losses that will be suffered in the first year of the new state-owned Mining Explorations Corporation. He does not provide for any operating losses that will be suffered in the first year of operation of the CFI complex at The Pas. He doesn't provide for any write-offs that may be suffered in the Farm Credit Corporation which we are told is holding 50 percent of its loans to farmers in arrears where some adjustments may have to be made. As well, prudent budgeting will have made it necessary for the Ministers to show a write-off of anywhere from 30 to 90 million dollars in the province's investment in the CFI complex at The Pas. Indeed the government's own agent, Mr. Hal Grimson, applied to the court to close the Bertrand plant admitting that there's going to be a \$10 million loss there alone. The budget fails to take into account that the government will be spending money on new programs, perhaps in community clinics, Medicare improvements; and we are convinced that the budget does not allow sufficient money for this government to honour its pledge to people of the City of Winnipeg to guarantee a softening in their tax rises resulting from the uni-city plan. There are literally

(MR. G. JOHNSTON cont'd.) dozens of similar exceptions to the expense sheet of the budget all of which add up to the fact that it is difficult to have any confidence in the figures presented to us.

Mr. Speaker, the Minister of Finance fails to understand what is required of him at this time. The tax position of this province is not competitive. We are the only western province which continues to collect estate taxes. We already have the highest individual and corporate income taxes and I know my friends are going to say they've lowered the Medicare premium, and I give them credit, but still this is looked at -- our alcohol and tobacco and mining taxes are among the highest. At the same time job opportunities are scarce in this province. We are paying tens of millions to educate our young people only to see them leave or to force them to leave through our inadequate policies.

The Government of Manitoba is predicting a four percent slowdown in capital spending in Manitoba this year. Inflation is increasing in Manitoba faster than the national average, yet our Manitoba wages remain 9 to 10 percent below the national average. Our population growth is a half percent per year, far below the Canadian average, and only our investment increases arise from more government spending rather than from more private spending.

The Minister will be familiar with his figures I'm sure, Mr. Speaker, which indicate that housing starts last year were 24 percent down from '69. Fishing is down 40 percent. Dwelling starts were 45 percent reduced, constituting the largest drop in a decade, Mr. Speaker, and retail trade in spite of a five percent inflation is only increased by 1.7 percent, the lowest rise in a decade.

The province can be one of the most productive and economically successful provinces in Canada but we are not realizing our potential; and we will not realize it until the government takes some forceful and meaningful action in the economic arena. On any analysis of the data presented to us so far the indication is that our economy is sick and a sickness induced by the blindness of this government to the realities of the situation.

I have said before that I take no pleasure in being required to levy this kind of criticism at the government for we are satisfied that we do not have to say these things in order to gain support. The hard pressed people of Manitoba know well what sort of an economic blessing they have had from this government. I say these things in an effort to alert the government as to what it is doing in this province and to urge it to call its members - the members of the House regardless of their affiliations into a debate and a serious debate over the steps that should be taken to stimulate the economy and increase our rates of growth. Speaking on behalf of our party, Mr. Speaker, I assure the Minister of Finance that we're willing, we're ready to help in any positive way we can to develop the programs which will increase our productivity; increase the job opportunities and the income levels of our people, and to increase the real revenues available to our governments to enable them to carry out social reforms. However

MR. SPEAKER: Order. The honourable member's time has run out. By leave?
(Agreed) The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: May I suggest that the government, this government is misguided in its attempt to stimulate the economy by spending more and more and more. It is the better part of wisdom to put more funds into the private sector and to allow it to spend the money rather than to take more money out of circulation and have it spent by government. The Honourable Minister proposes to borrow 300 million and add that to the public debt this year. This is over \$1,000 per family in the province, and I'm sure that each family in Manitoba will not be happy that they have gone further into debt to please the ideological whims of a government that has no idea where it is going in an economic manner.

I am satisfied also that when all the information is in it will become clear that this government has put into jeopardy another \$400.00 for each Manitoba family in the way that the government has handled the distribution of funds at the CFI complex at The Pas. I don't hear any shouting about that one, Mr. Speaker. As more and more information on this gross example of governmental incompetence becomes available, it becomes less and less difficult for us to understand why the government refuses to table the information to tell us what it has done with over \$100 million dollars of public funds on this project -- and for that matter it's quite easy to understand why some of our friends in the Conservative Party are in no hurry to press the government to make available the full story on this event.

Mr. Speaker, the Minister of Finance suggests an increase in government spending of

(MR. G. JOHNSTON cont'd.) over 15 percent from the previous year. Mr. Speaker, the wealthiest province in Canada, Ontario, only increased its spending by 10 percent. The same wealthiest province, Ontario, has put a freeze on the civil service both in wage escalation and an increase in size. This government has increased the civil service this year a hundred percent over its normal increase, and that performance can be expected to be repeated next year when the mass of civil servants can be expected to start running the auto insurance industry.

Only 13 years ago, Mr. Speaker, we were able to run this province on \$58 million. Today under the NDP, under our friends opposite, the free spenders of all time, we will see 1,000 percent increase in that budget and I hope your taxpayers are laughing as hard as you are. I hope they are. I hope they're laughing the way you folks are.

I am not suggesting that over the last decade increases are not in order, Mr. Speaker, but I am suggesting that in this government particularly we have a great deal of overspending. May I therefore suggest that the government reconsider the madness which will lead to massive deficits and dramatic tax increases in the next year. In the light of our circumstances may I suggest the following:

- (1) A freeze should be placed immediately on civil service expansion.
- (2) This government should announce its own wage guidelines which will be an example to the unions of the business community.

Mr. Speaker, I can't help but make the aside that when Ottawa suggested this, my friends opposite hooted loud and long about how ridiculous that was, how ridiculous that was. But you'll notice they won't attempt it themselves, they won't attempt it themselves. -- (Interjection) -- I didn't say price control. I didn't say price control. No. I would challenge the gentlemen opposite on the front bench to announce their own wage guidelines; to announce them so that other people can take some guidance from them. -- (Interjection) -- All right, go ahead. Go ahead and make your ideas known. -- (Interjection) -- Yes I am.

- (3) That this government should appoint an auditor-general who would be responsible to the Legislature and would give the same sort of careful scrutiny to the government's spending as the auditor-general does in Ottawa.

I wonder if my friends would go for that idea. Perhaps they wouldn't like a watchdog. Perhaps they wouldn't like a watchdog. Perhaps a half a billion -- in excess of a half a billion yearly of expenditures doesn't require someone who is independent of the front bench. Would they care to challenge that idea?

- (4) This House should review each government board, tribunal, commission and agency, to determine which are redundant and which services overlap, with a view to making changes and reductions in the number of boards and staff which are carrying out government programs.

- (5) A freeze must be placed on the buildings of our new schools and educational buildings in areas where such buildings already exist and are adequate, until such time as existing buildings are 100 percent in use over a 12-month school year.

- (6) The funds freed as a result of the reduction in the government spending should be used to create incentive to tax techniques or fiscal grants, to encourage decentralized regional industrial development in the rural and northern areas of Manitoba.

- (7) As well funds should be diverted from existing programs to increase the budgets of the Department of Industry and Commerce to enable it to effectively carry out its function of creating new jobs and new growth in Manitoba, and to the Department of Tourism to enable it to expand the tourist industry, which will in turn bring in an added tax revenue for the consumption of meals, gas, liquor and other retail sales.

- (8) The government should change its position on the federal White Paper on tax reform to make certain that the new tax system contains incentives for regional development, the stimulation of small business and resource development, and to protect the family farm against being taken over by the state to satisfy a state tax requirements.

I do not suggest that this is a complete list but I suggest to you, Mr. Speaker, that it's something for the government to seriously think about. In this House from the government side we hear only proposals for social spending -- no proposals for how to get the tax base to supply those spendings -- and I suggest to you, Mr. Speaker, that this government should seriously consider giving some application of the talents that they can command and marshal to the economic growth of this province, and through the tax revenue we gain, then the programs that we all want can be brought in and financed.

So, Mr. Speaker, I move, seconded by the Member for Assiniboia, that the motion be

(MR. G. JOHNSTON cont'd.) . . . further amended by adding the following words: "That this House further regrets that this government's taxing policies and spending policies have failed to produce a significant number of new jobs by which we would retain the large numbers of young people who are leaving this province daily.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: I wonder if the honourable member would permit a question? I thought possibly it should come before you put his motion. I was wondering if I heard correctly the statement by the honourable member that there is a reduction in the population of Manitoba this year. And if I heard . . .

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

MR. G. JOHNSTON: There is a reduction in the unemployed because they leave to go to work, but there's a small net gain in the total population.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, this is the third occasion that the Minister of Finance has had an opportunity to present a budget before this House and it's rather interesting to watch the metamorphosis that has been taking place in his budget speeches. The first one delivered on September 18th in 1969 contained all of those youthful promises of spring and everything was in full blossom. The Minister had that optimism and courage to forecast all of those wonderful things that were going to happen to the Canadian economy, and particularly the Manitoba economy under his direction. I'd like to read just a couple of paragraphs from that optimistic outlook that he undertook in 1969. "Considerable emphasis will be placed upon resource development and the creation of a sound infrastructure." Well that infrastructure is dissipating. "By the latter I mean the provisions of the basic services and facilities necessary to support economic development. These are the things that will make economic development a reality. We're satisfied that given sound policies and programs for the development of our basic resources and our infrastructure capital will flow readily through many channels to realize the opportunities that are here. This aspect of our future we face with great confidence." This was the Minister of Finance in 1969 when everything was in full bloom.

Well, Sir, then we come to the second budget which was delivered on April 30th of 1970. By this time the honourable gentlemen opposite had awakened from this dream and had suddenly placed their feet on the cold floor of reality, and they began to realize that all was not going to be as easy as they had anticipated and, indeed, as their ideology would have led them to believe it would be. Here's what the Minister said on April 30th, 1970. "Balanced regional development is expensive as well as necessary." He's beginning to recognize some of the problems. "Roads to the frontiers are never cheap to build." The Minister of Highways knows that. -- (Interjection) -- And here is the Minister of Highways interjecting again. "Special education" -- (Interjection) -- well I will deal with my honourable friend the Attorney-General a little bit later on in my remarks. "Roads to the frontiers are never cheap to build. Special education and effective training provisions do not come at bargain basement prices. Decentralized but effective health and social services takes substantial money. Therefore we must not move with haste." -- They're slowed down already -- "but with care and planning." Well, Sir, the bloom has begun to wilt and wither and the blossoms of hope that the government had planted now began to fade away.

Now we come to the third budget; the blossoms are gone; and what does he do? In his effort to justify the kind of budget that he brings into this House, he embarks on that age-old class war which has been so characteristic of the Socialists ever since the year of one. -- (Interjection) -- I should like to make clear at the outset that I don't intend to quarrel with the stated intention or the desire on the part of this government to improve the quality of life for the people of this province. Sir, I'll accept their statement that they're sincerely attempting to do this, misguided though they may be, but I do reject the Minister's mischievous and impudent falsehood, and it is a deliberate falsehood that I, as a member of the Conservative Party or anybody else associated with me, have ever been a spokesman for the privileged or the few and the elite. And that I or any other member of the party that I have the honour to represent, are not concerned about the betterment of the quality of life for people in this country. They have preached this adulterated nonsense for so long that they are now victims of their own propaganda - Dr. Goebbels taught them well. They actually have reached the stage now where they believe all of that. Now, Sir, there are differences of opinion as to how best

(MR. JORGENSEN cont'd.) we can achieve the kind of society that we all aspire to, and these differences, in my view, were a proper subject for debate and I'm prepared to debate those differences, but the holier than thou attitude displayed by the Minister in introducing his budget on Thursday night was not only repulsive in its concept but sickening in its presentation.

I, Sir, reject Socialism as a means of achieving the objectives of a better quality of life for mankind. I reject it in all of its manifestations and there's enough evidence now to prove that it cannot and will not work if the honourable gentlemen care to look for it. But because I reject Socialism as a means of achieving a better life for mankind, that does not mean that I or the others who agree with me are less concerned about our fellowmen, or less desirous about improving their quality of life. Ordinary human concern for human distress does not manifest itself in the form of a gun pointed at the wallets and the earnings of the average citizen.

Sir, a definition of a Socialist I heard a while back seems to suit the occasion very adequately. One friend was talking to a Socialist friend and he said, "If you had \$2 million what would you do with it?" He says, "Well, I don't have \$2 million but if somebody were to give me \$2 million, I'd give one million away to the poor and I'd keep the other million for myself." That's Socialism; we share things. I said, "What would you do if you had two houses?" He said, "Well, I don't have two houses, but if somebody was to give me two houses, I'd keep one and give the other one away to the poor." So then he said, "Well, what would you do if you had two pair of pants?" He said, "Well, I'd keep them both because I've got two pair of pants." They're prepared to give away everything that isn't theirs, and they're very generous with other people's money. If they're so obsessed with the idea of Socialism, why don't they look at the best example of Socialism that we've got in the country and that's our Indian reserves.

My honourable friends opposite, they speak very eloquently on behalf of the native populations of this country, but I suppose it's just a coincidence that they have been speaking more eloquently since the Indians got the vote. But apparently they fail to recognize that the inequities and the lack of opportunity that they see on our reservations are the results of 100 years of Socialism imposed on them by the Federal Government, and I don't care whether Socialism was imposed by a Conservative or a Liberal government, it's still Socialism - Socialism in all of its evil manifestations. The taking away of liberty and the promising of security, I suppose, is the ultimate. No, Sir, it's not quite the ultimate in socialism. The real ultimate in Socialism can be found in our prisons. You follow it right through to its ultimate conclusions. Here is the -- (Interjections) -- You know, Sir, one would have thought that the Attorney-General having got himself into as much trouble as he has during the course of this session, having misguided his department as much as he has, having deceived the House, would be content and would be happy to shut up and keep himself out of trouble. -- (Interjections) -- You know, my honourable friend the Attorney-General, his one problem is that he likes the good things in life, and he believes that he is one of them.

I'd like to quote a few statements from the Minister of Finance during the course of his remarks. He said this: "The essence of this social democratic government is to promote the quality of the human condition." But, Sir, not by expanding his opportunities but by narrowing them; by picking the pocket of his hard-earned cash and redirecting it to do the things that they think he should be spending it on. The objective, Sir, seems to be to make us all wards of the government so that we'll be compelled to rely on their largess. And the Minister went on to say: "This objective to seek greater equality for all Manitobans is the common theme of all this government's policies."

But, Sir, what's the real objective? The real objective is to take away from the individual the right, the inalienable right for him to make his own decisions on those matters that he should be left alone to make. He continues: "It is evident in our redirected health and social development programs," and we can see that all right. We can see that evidence piling up in the form of increased health bills that we're being asked to pay. And then he goes on to say: "In our revitalized goals for rural and northern development" - Well, they have some revitalized goals for rural development all right, \$100.00 per farmer, home brew which is the frame style of the Minister of Highways, and indoor plumbing. The Minister, Sam the Plumber, will go down in history -- (Interjections) - except -- I think what really should be put on the record though, insofar as their policies for the farmer are concerned; their support for Bill C-176, C-239 and 244, several policies that are designed to introduce the principle of supply-management.

(MR. JORGENSEN cont'd.)

Although the government attempts to make a pretence of opposing those bills, their thinly-disguised opposition suggests only that the Federal Government doesn't go far enough. In other words, Sir, they were to be running the affairs of this country; they wouldn't only do what the Federal Government is doing now in half measures, they would go all the way. Let us see clearly demonstrated that in those areas where they have a responsibility to act - that is, in creating a climate for rural development - they've been notably silent. The building of the Pembina River dam, for example, a very low priority for them. Much higher on their list of priorities is building hostels for hippies. They're centralizing all the government services to be sure that local businessmen cannot obtain a share of government business in maintaining the cars and trucks or providing them with the fuel. What's -- (Interjection) -- Well, the Minister of Highways continues to interject from his seat, and sometimes we are happy to have those interjections, Sir, because they throw some light on the thinking of the government. The Minister is about as subtle as a sailor with a weekend pass, and when he speaks -- (Interjection) -- and when he speaks, of course, there's no questioning or no doubt about what he means; and despite all of the protestations of the Attorney-General and the First Minister and the Minister of Mines and Resources, it took the Minister of Highways to tell us the truth about the affairs of the Department of the Attorney-General.

. . . . Continued on next page

(MR. JORGENSEN cont'd)

And then, Sir, following the speech of the Leader of the Opposition, one of the things that interested this House very much was the instantaneous response of the Minister of Mines and Resources. He sat during the course of the Leader of the Opposition's remarks, he sat in almost a livid state and -- well, my honourable friend says, what would you do? Well, I'll tell you what I would do. If I was the Minister of Mines and Resources I'd take my own advice, the advice for example that he gave to the House on February 14, 1967. I'll quote them for you. He says: "But what I do object to and what I object to strongly" -- and he's speaking of the Leader of the Opposition who was then the Minister of Industry and Commerce -- "is the inability to have confidence in the democratic process."

The Minister of Mines talks a great deal about the democratic process. His words say he believes in it, his actions deny that. His actions say otherwise, because what he seems to suggest, Mr. Speaker, is that if this province is to make progress, the Opposition must abdicate its responsibility to the electorate and to not criticize the government, but to attempt to create an illusion that everything's rosy, and this is what the Minister is asking us to do. He feels that democracy in the economic progress of this particular province is dependent upon half the members of this House, or nearly half the members of this House, silencing themselves as to how they feel about what is going on.

Mr. Speaker, I think that this is the basic flaw in this government's thinking. We have confidence, Mr. Speaker, and I for one have confidence in the democratic process. I say that if there is a strong province and if there is a strong economy, that a responsible Opposition can criticize the government as much as it sees fit and the province will continue to be strong. Its economy will continue to be strong. It will have a bright economic future. Well, this isn't the kind of evidence, this isn't the kind of evidence that we got from the Minister of Mines and Resources last night. He rose in a livid fury, objecting to some criticism that had been levelled at him by the Leader of the Opposition. Also, I wonder what the Minister of Mines and Resources must be thinking about the Minister of Finance's budget, the budget that is going to raise the level of expenditures in this country by some \$69 million and yet no evidence that there's going to be an increase in taxes. This is what the Minister of Mines and Resources would have said had he been sitting on this side of the House and listening to that kind of a budget. "We've often seen, Mr. Speaker," and I'm quoting him on Page 1327 of Hansard of April 16, 1969. He said this: "We've often seen, Mr. Speaker, a magician stand on the stage and have a hat with a rabbit in it, and then do some tricks with the hat and the rabbit disappears; but, Mr. Speaker, we all know that the rabbit is some place and that there really is a rabbit. What he has done is made it appear that there is not a rabbit, but we know where it is. We know that it's there, and we don't know where it is," and I say, Mr. Speaker, that the government is doing the same kind of magician's trick; everybody who is earning a living and finding that their taxation is going up and knows that there are taxes, they have just been told by this government, and it's apparently accepted by some sources, that there are no taxes. Well, Sir -- (Interjection) -- Yes, I must say and it's too bad that the Minister doesn't believe his own words. -- (Interjection) -- Well, since the Attorney-General has been continuously interjecting, I think maybe I should deal for a moment with the Minister.

The other day, Sir, I placed on the record a letter from Mr. Arthur Meighen, or Mr. Frank Meighen, rather, a lawyer in -- (Interjection) -- I'm glad, Sir, that the Attorney-General caught the relationship because it's pertinent to what I am about to say. At that time, Mr. Meighen denied that it was a practice under the 20 years that he was a Crown prosecutor, that there was ever any interference on the part of the Attorney-General. -- (Interjection) -- Well, here's a man that said he doesn't know very much and this gentleman has spent 20 years as a Crown prosecutor, and yet this little pipsqueak has the audacity, has the audacity, Sir, to say that a man of Mr. Meighen's stature doesn't really know what he's talking about, but I'd like to -- and I'd like to . . .

MR. SPEAKER: Order.

MR. JORGENSEN: And I'd like to give the House some indication of the kind of mentality that was demonstrated by the Attorney-General in his reply to Mr. Meighen. He says -- (Interjection) -- yes, I'm going to read a great portion of it because it is pretty good, Sir. Well, you know, the Attorney-General -- (Interjection) -- I think, Sir, that we should, after listening to the Attorney-General, that we should nickname him Moses because every time he opens up his mouth, a bull rushes.

(MR. JORGENSEN cont'd)

Here is the text of Mr. Mackling's letter. He says: "It's not surprising to me that it is Mr. Frank Meighen, Q.C., who has criticized my remarks which in turn were critical of some members of the Western Bar Association as represented by the old establishment of the legal profession in southwestern Manitoba. I'm confident that not all the members of the Western Bar Association share the same view as Mr. Meighen, who long has been associated with old line party establishment that has dominated the southwestern Manitoba region of the Bar originally. Mr. Meighen prides himself in his long association as protector of the establishment in southwestern Manitoba has been thus revealed as the real instigator of a nonsensical charge respecting the recent Brandon case." I want the Attorney-General to prove that statement. You'll notice the silence now, Sir. I want the Attorney-General to prove that statement, that Mr. Meighen was the instigator, and if he can't prove it then he'd better apologize to Mr. Meighen and to this House, and if that is the kind of evidence that the Minister presents when defending his client or the kind of evidence that the Minister presents in defending his estimates, then, Sir, we can't believe very much of what he says.

Well now, here is the former Speaker of this House. He knows full well that there's a wide-ranging debate on the budget; that there is no limitation on the number of things or the amount of things that you want to . . . but that, Sir, is an indication of the narrowmindedness of honourable gentlemen opposite. And, Sir, that's a very good reason why he's no longer Speaker.

"Although I have no personal knowledge of the case itself, I readily assume full responsibility for the directions given by my staff to the Crown Attorney in the Brandon area. I have full confidence that the Director of Prosecutions, whose decision was manifest in the letter he wrote and that I signed, was not only proper but in accordance with practice of long standing whereby senior Crown Attorneys give advice from time to time to junior Crown Attorneys." And yet Mr. Meighen has said, the only time this practice has been started was under the present Attorney-General, "My criticism of some members of the Western Bar Association was that not only were the charges levelled against me wholly unjustified, but moreover, that they did not even have the common courtesy of sending me a copy of the charges they were making against me." Did the Minister send a copy of his letter to Mr. Meighen? Ah, now he's hiding behind his instructions, Sir. He knows full well he did not send a copy of the letter to Mr. Meighen. You did not send a letter to Mr. Meighen.

And he says here: "One of the fundamental precepts of English common law and equity is that a person accused of error or wrong-doing is given a reasonable notice of the charges against him" He accuses Mr. Meighen of doing something that he himself is guilty of -- (Interjection) -- Well, the Minister says that that's garbage. Well, we'll be able to get the evidence of that later on. "Mr. Meighen, who now appears as the driving force in this unjustifiable criticism, did not have the common decency to send me a copy of his letter in which he made his irresponsible charges." And then he goes on to make this assumption. These letters are based on false presumptions, Sir, as is most of his remarks to this House when he was attempting to defend his actions.

He said: "I must assume that it was Mr. Meighen's letter which Mr. Gordon Johnston, MLA for Portage, read from the Legislature, a letter which Mr. Johnston mutilated in order to avoid exposing the author." And I want the Minister to prove that as well. -- (Interjection)-- Well, I can tell you that it was not. Did you ask Mr. Meighen? Did my honourable friend ask Mr. Meighen if it was he that produced that letter? -- (Interjection) -- Oh, now we hear the pearls of wisdom from the Minister of Highways. We don't have to prove anything, they say. Well, Sir, I ask you, that is the kind of an attitude that we've had displayed by honourable gentlemen opposite ever since they took the reins of power. They don't have to prove anything. They can do as they please, that's their attitude. "Mr. Meighen" -- and he goes on to say this: "Mr. Meighen is a man long accustomed to the exercise of political power in southwestern Manitoba. Obviously here is a man who held great political power in his region and his imputations of motivation and so-called interference may well reflect firsthand knowledge of such motivations exercised by him in the past."

He accuses this gentleman of being associated with a political party. Yes, he says. In 14 years, Sir, in 14 years that I have been associated with the Conservative Party, I have yet to see Frank Meighen at any political gathering. I have yet to know of Frank Meighen ever taking part in any political undertaking. Fourteen years, I have yet to see it. And this

(MR. JORGENSON cont'd) Minister, whom we are expected to trust in this House, has the stupid audacity to accuse him of being associated in politics without knowing, Sir, without knowing and without making any effort to find out if the remarks that he made were true or not. And I say to him categorically that they are not true and he owes Mr. Meighen an apology as well as he owes this House. And I would say, Sir, if the kind of garbage that we see in this letter is similar to the stuff that he's been feeding this House, then it's no wonder that we can't trust a word that the Minister says. "My remarks," he goes on to say, "irritating as they may be to Mr. Meighen, reflect my complete and utter disgust for the crass political motivations manifest in the unwarranted and unjustifiable criticism that he made of a routine matter in my department." It was the Attorney-General that brought this on himself and he hasn't got the brains to let well enough alone. As if he isn't in enough trouble that he continues to ask for more by writing letters, such a stupid letter like this. -- (Interjection) -- Well, I happen to know that the statements that are contained in this letter are not true. --(Interjection) -- Well, I'm going to ask the Attorney-General to prove those statements; to submit the proof to this House the statements that are contained in this letter and if he can't prove them then he owes the House an apology. -- (Interjection) -- What charges? Here is the -- We don't have to, you know. We don't have to make charges, Sir. All we have to do is to list -- the Minister of Highways sits in the House all day long with that radio glued to his ear listening to his rave notices on the by-lines. He is so obsessed with what people say about him, what his friends say about him on the by-line program, that he hasn't got time to pay any attention to what his department is supposed to be doing and then -- well, we can't forget the Minister of Highways' letters either.

Now there, Sir, is a letter writer. Sir, I wish I'd have brought that letter to Mrs. Boxer down here because that, Sir, had to be one of the classics and it should be recorded. As a matter of fact, I think when his estimates come we'll do that, because a letter like that should be recorded for posterity, enshrined on the pages of Hansard for future generations to gaze upon fondly. Here is the Minister attempting to extricate himself from locking a group of defenseless women out of this House. -- (Interjection) -- The Member for Lakeside, Sir, I hope you don't charge this against his time and I hope you'll give him an opportunity to speak as well -- but the Minister of Highways, in locking out a group of defenseless women out of this Chamber had to say something and so this letter was the product of his ever-imaginative and fertile mind.

Well, Sir, I'd like to make a few remarks about the budget, since this is the subject matter of the debate that we're engaging on right now. I want to say -- and I see my honourable friend the Member for Crescentwood is in his seat, and I want to say to him that after the convention held in Ottawa recently, and although I must say that I disagreed very much with his philosophy of life, his political philosophy, and what he believes to be the ultimate in quality of life in this country and how it can be achieved, I do respect the fact that he at least, amongst all those gentlemen opposite, is intellectually honest because he tells the people of this country what Socialism means and what it is, and what he believes it to be. That's more than I can say for my friends opposite. They try to convince people of this province that Socialism isn't something. What they're doing, what these gentlemen are doing are backing into the beer parlor trying to make people believe that they're just coming out. They try to convince people that Socialism is something that it isn't, but at least my honourable friend, the Member for Crescentwood, is intellectually honest. He isn't attempting to deceive anybody. And by implication, of course, you know that the other gentlemen are. What they don't seem to realize is that the course that they're following can lead to nothing but disaster. They go about the country trying to convince people of this province that it is the multi-national corporations, that it is the businessman and it is everybody else that causes the problems in the economy and raises the costs and causes inflation.

Let's just have one example; just one example, and I'm going to read a news article or part of a news article written by a friend of the honourable gentlemen opposite, Mr. Werier. It was on February 13th, 1970, and he goes on to point out the amount of taxes that is involved in -- well, he uses a rather extreme example, it's a case of booze, rye and scotch, but I don't think that they're unreasonable examples. "Here is a mark-up," he goes on to say, "on a bottle of \$5.50 rye. \$1.84 of that goes to the Federal Government and \$2.76 goes to the provincial treasury. On a bottle of Scotch, \$1.94 goes to the Federal Government and \$3.32 goes to the Provincial Government." That's one item. I read an article some time ago where

(MR. JORGENSEN cont'd) a farmer had written in and complained that his share of a loaf of bread was so low. He was only getting about three cents out of a 24-cent loaf of bread. And the person he had written to had caused an investigation to be made to determine why it was that the price of a loaf of bread was 24 cents. And when his investigation was complete, he discovered that 12 cents out of that 24 cents was government taxes one way or another, state — this was an American example — state, county and federal. Half the price of a loaf of bread is tax. He found that there were 158 separate taxes on one loaf of bread and, Sir, when we start to wonder why costs go up, why there is inflation, then I think we should start looking at ourselves as government, because in our desire to think that we can solve the problems of mankind by spending our way out of them, we are misleading people into believing that governments are the answers to their problems.

Sir, I want to conclude, I want to conclude my remarks by quoting something that I picked out of the Carillon News, which is a good rural newspaper. I think it's very, very appropriate for this occasion. It's a little limerick. It says: "Father, must I work to eat?" "Oh, no, my lucky son, we're living now on Easy Street. We've left it up to Ed to see that we are fed. Now don't get exorcised, nobody has to give a darn, we've all been subsidized." "But if Ed treats us all so well and feeds us milk and honey, please tell me, Daddy, where oh where is he going to get the money?" "Don't worry, son, there ain't no hitch in this New Democratic plan; he simply soaks the filthy rich and helps the common man." "But Daddy, won't there come a time, if we take all our cash, when they'll be left without a dime and things will go to smash?" "My faith in you is shrinking, son, you nosy little brat. You do too much thinking, boy, to be New Democrat."

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, I'm sure that after the exhibition of the honourable twaddling member for Morris, that any contribution that I may make would be anti-climactic, because I don't presume to be as flowery as my honourable friend. I have never entered into a competition to see whether or not I could win an Oscar at Hollywood, and I'm sure that my honourable friend the Member for Morris views Academy Award Night with envy and, like the gentleman that refused the award, I'm sure that my honourable friend from Morris would be glad to accept it. The only difficulty that my honourable friend may have, despite his prowess as an actor, that in this House we listen rather than observe the gestations of one such as the twaddler from Morris.

What we're discussing this evening and in this House, is the Budget Address of the Minister of Finance, and also why have we a New Democratic Government in Manitoba today. And I would suggest, Mr. Speaker, the reason that we have a New Democratic Government in Manitoba today has been proven by the idiotic statements we just listened to from the Honourable Member from Morris.

Now, I don't intend to deal too long with him. I do want to make an observation or two from the address from on high, I believe written by the disciple called "Izzy" and delivered by his disciple from Portage la Prairie, but I do think that it would be proper for me to endeavour to straighten out my friend from Morris insofar as past history is concerned and ten years of backward legislation by the Conservative Party in Manitoba. I wonder if my honourable friend ever heard of the decay of the Port of Churchill under the auspices of the previous Conservative Government of Manitoba who didn't give a tinker's dam for northern Manitoba and in particular the Port of Churchill. I wonder if my honourable friend has ever taken the time out to read, by I believe the author by the name of Jones, of the conditions that prevailed at the Port of Churchill under the progressive administration of the Conservative Party of Manitoba where it was found and factually established -- (Interjection) -- There is my honourable friend the Member for Lakeside refusing once again to realize the facts of life and I know for a fact, Mr. Speaker, that one of the members of the Cabinet of the former administration was prepared to tender a resignation because of the ineptness of the Conservative Party of Manitoba in respect of the Port of Churchill. My honourable friend knows it. Yes, I had a pipeline, but the pipeline got through to me and we realized the plight of Churchill, but it didn't get through to my honourable friends when they were in government and, as I said a moment ago, they didn't care a continental; and yet time after time since we became government, they have indicated a concern for the Port of Churchill.

A few other happenings during this Progressive Conservative regime in Manitoba: The sell-out. The sell-out of the facilities of the Greater Winnipeg Gas Company to a private

(MR. PAULLEY cont'd) company instead of the utility being the same as the Hydro facility for the benefit of the people of Manitoba; and we're paying the price today, Mr. Speaker, for the ineptness of the Conservative administration over those ten years. They weren't here, or if they were their minds were closed. They did not realize the potential of this great province. Talk of abortions, by Jiminy Christmas, it was no greater abortion that has taken place in the last number of years than took place in respect of Manitoba under a Conservative regime. The sell-out, the sell-out of 40,000 square miles of territory at The Pas and to send entrepreneurs in Sicily and Switzerland. My honourable friend a moment ago was worried about the position of the farmers of Manitoba. What about the sell-out insofar as an organization called Friendly Family Farms which helped to lead to the particular situation we're faced with today insofar as the poultry industry is concerned.

What about Damascus Steel? It was also sold out by the Conservative Government in Manitoba. -- (Interjection) -- Whatever happened to them? They folded their tents like the Arabs under the direction of the previous Conservative administration because they had no alternative. What about the treatment that was accorded over ten years to our senior citizens in Manitoba, where any time there was an increase in their basic pension it was gobbled up by the treasury of the former Conservative administration. -- (Interjection) -- And yet, Mr. Speaker, and yet, Mr. Speaker, my honourable friend from Souris-Killarney has the gall, the presumptuous gall to criticize this administration because of the cost of the welfare increases, because of the fact that we have a humane approach in the field of industry.

What about the fight for years that we had with that government that was on this side a few years ago, in respect of Medicare? Rejection after rejection of our propositions that we do enter into a Medicare scheme for the benefit of the people, and when we did, what a price Manitobans had to pay for entering into that particular scheme. And what do we get today? What do we get today from the Leader of the Conservative Party, the Leader of the Opposition? A story of doom and gloom for the future of this province, and I can appreciate the position of the Leader of the Opposition this year, and also the Lord on High of the Liberal Party because both of them predicted that we would have to increase taxes, we would have to increase the sales tax, and how disappointed they were. How disappointed, Mr. Speaker, they were, when the Honourable the Minister of Finance brought down his balanced budget with a surplus without tax increase. There were no tears shed that night, except the tears of bitter disappointment because they couldn't take to the airways and the idiot boxes to say we predicted this didn't we, and what are they doing now, Mr. Speaker? Preaching doom and gloom and their answer is, ah - but wait till 1972. Oh, What's going to happen to us in 1972? Well, I want to say to my honourable friend from Souris-Lansdowne he'd better enjoy the next couple of years because they will be his last and I guess he should be thankful for one thing that the previous administration did, was to enact legislation so that he can get a pension, and that will be a constant reminder to him month after month after month in his retirement that he did sit at one time in this Legislature. -- (Interjection) -- That's right, I did. I did. -- (Interjection) -- Why, certainly.

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

MR. McKELLAR: Mr. Speaker, would the honourable member inform the House as to whether he signed up with the Pension Plan?

MR. PAULLEY: I'm not the fool like some of my honourable friends may think I am. After all, you know, charity begins at home, but Mr. Speaker, I want to say to my honourable friend, yes, I'm a member of the MLAs Retirement Fund or Pension Fund, but I want to say to my honourable friends that the scheme that was introduced into this House for the Pension Fund to Cabinet Ministers was tossed out. Now that I'm a Cabinet Minister maybe we shouldn't have voted against it at that particular time and accepted, but if we had accepted the proposition of my honourable friend at that particular time for the Pension Fund, which really was a benevolent fund for Cabinet Ministers and possibly Speakers, I don't know if the Speaker was involved in that or not, but anyway that was the case. And what did the previous administration do when they're criticizing us because of what's going to happen in 1972, when in effect, when in effect the previous administration laid the groundwork for the events of Manitoba as we are doing here.

What happened to Bissett under the Department of Mines and Natural Resources in the Conservative regime? Folded up, collapsed, employees left holding the bag as the result of the ineffective operation of the Department of Mines and Natural Resources of the previous

(MR. PAULLEY cont'd) administration. -- (Interjection) -- No, we didn't reopen the mine; no, we didn't, because had a nickel been spent at that time, it would have effectively assisted in the situation, Mr. Speaker, and it would cost a five-dollar bill by comparison to do the same job today. That was the effect that that administration had on the Province of Manitoba, and I could go on and on -- (Interjection) -- because I was here and I saw the ineptness. Then my honourable friend, Johnny-come-lately, into the provincial arena after he was kicked out from the federal arena, stands up with his arms waving into the ozone and criticizes us because we are now doing something for the Province of Manitoba.

And the as I listen to my honourable friend the Member for Portage La The best thing we ever did for the Province of Manitoba was go to the electorate and get rid of you as a governing party, and Manitoba, Mr. Speaker, and I say, Mr. Speaker, that Manitoba will ever be grateful that they could start into the second century of their existence with hope in the future rather than dismay because of the past. This is what we did. But I liked the contribution of my honourable friend, the Member for Portage. I only wish he had written it all himself. I only wish, Mr. Speaker, that my honourable friend the Member for Portage had written all his speech. He delivered it well. It might - it might have been that on occasion when there were some interjections that he didn't get the message from on high where his lord and master was presiding and giving his beneficial hand down from the gods -- (Interjection) -- Well, he should have gone before he had heard what he had written, delivered in the -- (Interjection) -- The whole import that I got from my honourable friend the Member for Portage la Prairie, was a desire on behalf of the Liberal Party to go back to the days even prior to 1958, to go back to the days of two percent Bracken - you know, two percent wage tax Bracken - this is the import that my honourable friend speaks tonight; wants to go back to the days when the Liberal Party in Manitoba and its leader as illustrated by Kuch in the Winnipeg Free Press stood on the top of a building going down the Red River and on being asked, "What are you going to do about the flood?" his reply was, "What flood?" He didn't even know that it was going on. He wants to go back to the days of Bobby Bend, who was the shortest lived leader in the whole of the political movement, as far as I am aware, in Manitoba. Retrenchment, retrenchment, retrenchment, retrenchment.

My honourable friend, the House Leader of the Liberal Party here suggests that we should establish guidelines in Manitoba for wages. Well, Mr. Speaker, I think that it's very proper for a representative of the Liberal Party to talk about guidelines. They got the guidelines, Mr. Speaker, from Ottawa, a six percent wage guideline; also they got directives from the leader of the Liberal Party in Ottawa that a six percent unemployment rate was acceptable, and what happened? This province, Mr. Chairman, this province is one of the few provinces that's been able, despite the urging and the directions of the federal Liberal Party, to hold its unemployment rate down below six percent, with this government that we've got. Thanks to the policies of this government my honourable friend, Mr. Speaker, from Portage la Prairie, suggests government spending reductions, and it's only because that this government had the foresight, only because this government had the initiative to put public funds into housing, public funds, yours and mine -- (Interjection) -- public funds, I said, yours and mine, because Canada gets their funds from the same pockets as we do, the taxpayers. But why shouldn't we, Mr. Speaker, we can take the credit - despite, despite the fact that the federal administration kept cutting, cutting back, and if my honourable friend is concerned, let him talk to Trudeau, let him talk to the Cabinet at Ottawa and say to them, "Here is a province that is desirous of making amends for the ineffective approach in housing of the previous Conservative government in Manitoba and help us out rather than hinder us, and that is the approach.

Why do we have to go into that housing schemes in Manitoba; because the previous administration didn't give a continental for the living conditions of Manitoba -- (Interjection) -- Take it easy? Yes. Yes, I'll take it easy, Mr. Speaker, and I have been taking it easy ever since I came into this House in 1953, but the easy job was eventually to get rid of you people from this side of the House, and by gosh you know, Mr. Speaker, it did take, it did take a little bit longer than I anticipated, but by Jiminy Christman I'm so happy the event did take place eventually.

My honourable friend the Member for Portage la Prairie said that we should have a freeze on school construction. Is my honourable friend suggesting, as even some Conservatives such as the former Speaker, the Member for Swan River, that we should go back to the little red school house, the one-room teacher? Is this what my honourable friend wants? Is my

(MR. PAULLEY cont'd) honourable friend the Member for Portage la Prairie now prepared to bring about this whole legend of the Liberals and the Conservatives that is being talked about today, and they're going to start with their basic program of being the little red school house. Oh boy - oh - boy, Mr. Speaker, how true this is, and how like the both of them, the philosophies of both of them. Oh yes, my honourable friend the Member for Lakeside says that the colour should suit him. He'd look good in any colour providing he didn't stand up and talk. I don't care what colour he wears. The only time that he really bothers me is the time, is at the time when he speaks, and one of these days he is going to give us a little bit of intelligent contribution to a debate.

My honourable friend the Member for Portage la Prairie, delivering the message from on high, pointed out to us the expansion in the civil service. He didn't even have the courtesy to say that what was the reason for some of the increase in the civil service, because we're providing increased services to the people of Manitoba, and by comparison, and by comparison Mr. Speaker, the ineptness of the previous administration, even the Liberals to give them some credit, may have had to increase some of the civil servants because of the bankrupt policies of the previous administration.

Mr. Speaker, the amendment proposed by the Honourable Member for Portage la Prairie: "This House regrets that this government's taxing policies and spending policies have failed to produce a significant number of new jobs." Where was my honourable friend the other day when as Minister of Labour I was able to announce to this House that despite the trend under the federal Liberal administration of increasing unemployment that I was able to announce 5,000 new jobs in Manitoba in one month and the reduction in our unemployment rate of over a half of one percentage point. Where was my honourable friend? And Mr. Speaker, another point too in this amendment to the amendment, "and failed to produce a significant number of new jobs, by which we would retain the large numbers of young people who are leaving this province daily." My colleague the Minister of Finance asked a question of the Honourable the Member for Portage la Prairie; is it not true that the population count in the Province of Manitoba increased over the last year, and the answer of the my honourable friend, which will now be recorded in Hansard, "Yes, but very, very few." And yet, and yet the message from on high, and I presume, too, Mr. Speaker, the sub-amendment according to Izzy says just the opposite, "the large numbers of people who are leaving this province daily." Utter nonsense. It is not true and I'm sure -- (Interjection) -- Pardon? They're staying. We're making provision for them and we're providing for a better future than they ever had in the Province of Manitoba under any previous administration and we will continue it, and my honourable friend just mentioned the word "CRYPT". I suggest, Mr. Speaker, that we only have CRYPT because of the cryptic policies adopted by the previous administration all across the west -- all across this Dominion of ours. It is a blot, it is a blot on our democratic process that such organizations are necessary but they've only been created by the lackadaisical policies of Liberal and Conservative regimes federally and provincially and let us go from coast to coast, Mr. Speaker, and look at the various -- I'm not looking for applause --

A MEMBER: You're not getting any.

MR. PAULLEY: It don't matter. It doesn't matter to me. I'm not like my honourable friend from Morris or possibly my honourable friend for Portage la Prairie. I don't stand up here to try and win accolades or Oscars. I do speak, Mr. Chairman, of my knowledge, I don't have to have messages from on high and a script with every 'i' dotted and every 't' crossed. -- (Interjection) -- Yes, I know I should. I want to say to my honourable friend the Member for Portage la Prairie, he does better without a script that he has to keep close watch on because I've heard him and his display tonight, I would suggest, Mr. Speaker, was dismal and out of context with my honourable friend, because I say to him he has delivered some good speeches, some factual speeches, not the nonsense that he gave us tonight - but it wasn't his that he gave us tonight. And then, of course, my honourable friend there, my little friend from Morris who loves to mimic a great Canadian by the name of John Diefenbaker and I want to say -- (Interjection) -- Yes, yes, I am big-hearted enough, I believe, Mr. Speaker, that I would even acknowledge greatness but I hate phony mimickism and that's what we have, and phony, phony, phony.

So, Mr. Speaker, I say in all respect that, despite the utterances of members opposite, that the people of Manitoba have confidence in this government, that the people of Manitoba are thankful that they have a government that has concern for people and will carry its

(MR. PAULLEY cont'd) pledge forward to make the second century of this great province of ours one worthwhile for all of the people of this great province of ours. And I suggest to my honourable friends that instead of condemnation they should join us and join the others in being thankful that at last we're going forward in Manitoba.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member for Souris-Killarney, that debate be adjourned.

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

MR. SPEAKER: The hour being 10:00 p.m., the House is now adjourned until 2:30 tomorrow afternoon (Wednesday).