

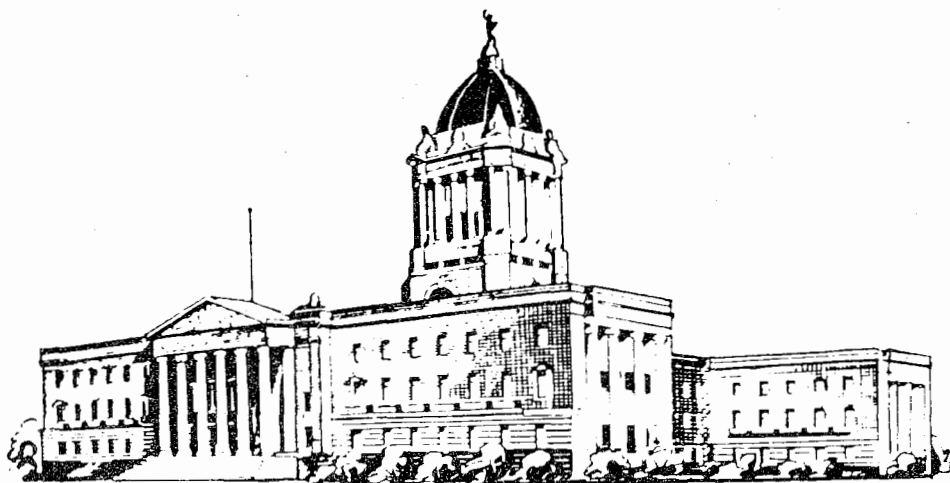


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XX No. 47 2:30 p.m., Monday, April 2nd, 1973.

Fifth Session, 29th Legislature.

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Monday, April 2, 1973

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable First Minister.

TABLING OF REPORTS

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, I should like to lay on the table of the House Volume One of three volumes of Guidelines for the Seventies.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills. The Honourable Member for Ste. Rose.

MR. A. R. (Pete) ADAM (Ste. Rose) introduced Bill No. 31, an Act to incorporate Dauphin Golf and Country Club.

MR. SPEAKER: Oral questions. The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, my first question is to the First Minister, and it comes really as -- frankly I was surprised, I thought there would have been a statement on the Western Canadian Premiers conference, but in lieu of that I wonder if he can indicate to the House whether during this conference in the past weekend did the Premiers discuss the possibility of price and wage control in Canada and its implications for western Canada?

MR. SCHREYER: Mr. Speaker, if I may be allowed just one observation in response to the honourable member's observation, I would say that I did consider the advisability of making a formal statement on motions, but given the fact that we did agree to a communique which was issued, and which really does summarize the results of our discussions and deliberations, I thought it would be redundant to make what would be essentially the same summary, and I leave it to my honourable friend to pose whatever questions he feels are relevant or necessary, and I will try to answer. So then, Sir, in response to his specific question, the answer is that we did not stray from the agenda to discuss at the Winnipeg meeting last weekend the question of wage and income price control policy. I am not suggesting that it is not something that we will not be discussing at Victoria or at Calgary.

MR. SPIVAK: Well, to the First Minister. I wonder if he can indicate whether the question of the problems of high taxation in certain areas of western Canada were discussed by the Premiers?

MR. SCHREYER: Mr. Speaker, if the rules permit I would ask my honourable friend to elaborate.

MR. SPIVAK: Mr. Speaker, by way of high taxation, without getting into detailed debate, I am referring to the fact that there are certain areas in western Canada that do have high taxation, and the problem of equalization payments, the problem of adjustments that have to be made on the Federal tax system to make allowances for the costs borne by areas that are sparsely populated by comparison to other areas in Canada, and I wondered whether in fact there was any discussion by the premiers on this subject.

MR. SCHREYER: Mr. Speaker, recognizing the fact that some provinces have higher taxes in certain fields than others, and that the other provinces have higher taxes in other fields, that it is something which there is no sort of universal pattern. In any case, Sir, it should be borne in mind that taxation problems are not as much of a regional character as national, and therefore are more fitting for discussion at Dominion-Provincial conferences and conferences of the premiers of all provinces. The primary focus of attention at the Winnipeg conference of western premiers was on matters pertaining to transportation rate anomalies resource development problems, and related matters which are of a regional nature.

MR. SPIVAK: Well, I wonder if the First Minister can indicate whether the problems of the small businessmen in western Canada were in fact part of the discussion, the problems not with respect to freight rates, but generally, for small business to be able to operate in western Canada were discussed by the premiers?

MR. SCHREYER: Mr. Speaker, insofar as taxation poses a problem to small business operations, that would be a matter of national conference deliberation, not regional, because

ORAL QUESTION PERIOD

(MR. SCHREYER cont'd) it is not limited to being regional in scope, but insofar as transportation freight rate anomalies impinge on the ability of small business to operate successfully in western Canada the answer is "yes", that was discussed.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. JEAN ALLARD (Rupertsland): I have a question on the same subject for the First Minister. Was the question, when the problem of transportation, the subject of transportation came up, did the role of Churchill -- was the role of Churchill discussed as a function of the needs of western Canada and the question of insurance for shipping as well?

MR. SCHREYER: Yes, Mr. Speaker, the answer is "yes", we did certainly discuss matters or measures that would be helpful towards the greater utilization of the Port of Churchill, particularly for more extensive grain shipments from that port, and it was discussed in conjunction with a similar attitude relative to the Port of Prince Rupert insofar as it bears on Alberta and western Saskatchewan grain movements are concerned, and there was a mutuality of conclusions about it. We'll be well prepared by the time of the July conference with the Government of Canada.

MR. ALLARD: An added question, Mr. Speaker. Was the specific question of insurance as a shared responsibility brought up?

MR. SCHREYER: Mr. Speaker, the question of insurance is one that will have to be dealt with the Government of Canada. The sequence now is such that between now and the 18th of June we will be preparing the specific enumerated submission to be forwarded to Ottawa in advance of meeting with the federal officials in July. The matter of extended season insurance is one that we will have to deal with Ottawa on, and not with the other western provinces.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I'd like to address a question to the First Minister. Can he advise if at the premiers' meeting discussion was initiated with regards to division of water rights that might affect potentially Manitoba's hydro electric development?

MR. SCHREYER: Mr. Speaker, the honourable member is aware that the meeting in Winnipeg was in the forenoon of Friday, a three-prairie province meeting and the rest of the conference was involving the four western provinces. We did not deal with matters of a purely Saskatchewan-Manitoba concern.

MR. CRAIK: Mr. Speaker, I believe it involves Alberta as well.

MR. SPEAKER: Question please. The Honourable First Minister.

MR. SCHREYER: I presume that what my honourable friend is referring to -- if he's referring to the water apportionment agreement, that is an agreement that involves all three prairie provinces, there is a formula that is stipulated in that agreement; it was studied and negotiated over a period of time and signed approximately four years ago. And I don't know what my honourable friend's specific question is, but that's the history of the water apportionment agreement.

MR. CRAIK: Mr. Speaker, a supplementary. Might I ask the First Minister then, were discussions initiated on a potential western provinces energy alliance or energy agreement.

MR. SCHREYER: Yes, Mr. Speaker, I did raise the matter in a specific and deliberate way and obtained a consensus from my fellow premiers that it was something on which there ought to be more work done for the benefit of future generations, and so in ensuing weeks and months there will be a closer liaison and co-ordination one hopes than in years gone by -- the process is gaining momentum.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOESPH P. BOROWSKI (Thompson): Mr. Speaker, I have a question for the First Minister. I wonder if he could indicate whether there's been any consultation between the City of Winnipeg and the Provincial Government who supplies a large sum of money for the repair of the streets, for the public works, etc. Has the City consulted the Provincial Government about the contracting out which they're talking about now?

MR. SCHREYER: Mr. Speaker, I will have to refer that to my colleague, the Minister of Urban Affairs, and perhaps in a sense to the Minister of Mines and Resources who was previous Minister of Urban Affairs, because so far as my office is concerned I did not receive any direct communication in that respect but I cannot say that there wasn't any. I would ask the Minister perhaps if he could indicate more precisely.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Minister of Urban Affairs.

HON. BEN HANUSCHAK (Minister of Urban Affairs) (Burrows): No, Mr. Speaker, there's been no communication with my office.

MR. BOROWSKI: Further to the Minister who just answered, Mr. Speaker, I'm wondering if in view of the fact that large sums of money are yearly given to the City for these very works that they are planning to contract out, will the Minister consider getting in touch with the City and with the distinct possibility if this should happen there will be an escalated cost, is the Provincial Government's prepared to pick up that extra cost?

MR. HANUSCHAK: Mr. Speaker, they're within our estimates; there is provision for assistance for the City of Winnipeg and all factors have been taken into account in arriving at that figure.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the First Minister. I wonder if the First Minister could tell us if at the Premiers Conference, if provincial competition for world markets was considered or discussed?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I'm sorry, I didn't get the full question. The Honourable Member for Arthur's asking whether -- if a competition for markets was discussed relative to agricultural products? --(Interjection)-- Well, it was discussed, Mr. Speaker, but not in any, shall I say, definitive way. If my honourable friend could be a little more specific, perhaps I could answer.

MR. WATT: Well, I'll try and rephrase the question, and I just want to know from the First Minister if discussion took place centering around competition between the provinces for world markets for agricultural products, and I specifically refer to the agreement between Manitoba and Japan, on the hog marketing agreement, and if prices were discussed?

MR. SCHREYER: I would have to say, Mr. Speaker, that there was some brief discussion of that, but there was informal discussion at meal time on that with fellow premiers, that merely indicates, Sir, that even when we are lunching or having something, some meal, that we don't stop considering the future welfare and prosperity of western Canada.

MR. SPEAKER: The Honourable Member for Arthur. Last supplementary.

MR. WATT: Mr. Speaker, I then ask the First Minister, at the informal discussion, were there any facts divulged as to the contract between Manitoba and Japan?

MR. SCHREYER: Well, Mr. Speaker, I think that question should be directed to the Minister of Agriculture.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I have a question for the First Minister. Was the subject of a state tax and taxation between spouses discussed at the Western Premiers Conference?

MR. SCHREYER: No.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: Mr. Speaker, I have a question for the First Minister. Could he tell us where the negotiations with Ottawa and the subject of that federal contribution to CFI are at this moment?

MR. SCHREYER: Well, Mr. Speaker, some honourable gentleman opposite asked about ten days ago as to where that stood, and I indicated at the time that we had received what I then described as a reasonable response from Ottawa to a reasonable proposal submitted by Manitoba many months ago, and I indicated that on first reading of the proposed revised agreement that it seemed as though it was something we could readily agree to. I'm happy to indicate that in fact we have agreed to the proposal under which approximately \$9.6 million has already been put into trust, and a residual of approximately 2.4 million possible is available at the end of three years of operation; so that has been signed, I can confirm to my honourable friend.

MR. ALLARD: I have a question for the Minister of Mines and Resources, Mr. Speaker, Could he tell the House whether a Mr. Peter Lazarenko is a member of the Board of Directors of China Loggers in Berens River, and if so, how the appointments to that board came about?

MR. SPEAKER: The Honourable Minister of Mines and Resources.

ORAL QUESTION PERIOD

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I believe that Mr. Lazarenko is a member of that board. The members are appointed either by the Minister, approved by Order-in-Council, or by the Minister alone, I can't remember which.

MR. ALLARD: A supplementary, Mr. Speaker. Could the Minister tell us whether in this particular case it was done by Order-in-Council, with the help of an Order-in-Council, or by the Minister alone?

MR. GREEN: Mr. Speaker, if I had remembered that at the time, I would have answered my honourable friend. If it'll help my honourable friend I can assure him that however it came about it would have been at the Minister's recommendation.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question's for the First Minister. It relates to the Guidelines that were delivered to us just a few moments ago. I wonder if he can indicate to us who contributed to this report? There is no reference to who were the contributors in this report. I wonder if he could . . .

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, that's a rather unusual question. For example, when we attended the last conference, Dominion-Provincial Conference in Ottawa, and a paper was presented for discussion relative to health policy, I don't believe that there was any indication offered, nor any asked, as to who in particular was responsible for the drafting of the report. This is a report which has been prepared for purposes of evoking discussion on a number of important principles and projected principles of development. As to who the authors are, that, Sir, is a matter of long-standing tradition of anonymity.

MR. SPIVAK: Well, I wonder if the First Minister could indicate whether there were any who did contribute who were not residents of Manitoba?

MR. SCHREYER: Well, Mr. Speaker, my honourable friend raises an entirely extraneous question, but since he's asked it, I will merely remind him that in 1968 approximately -- (Interjection)-- Well, I don't know how many exactly, I rather suspect something approaching 14 consulting firms had been hired by the TED Report people, and I can say for a fact that at least some of those 14 firms and their employees were from Toronto.

MR. SPIVAK: Mr. Speaker, on a point of order, I asked the First Minister . . .

MR. SPEAKER: Order please. Would the honourable member state his point of order?

MR. SPIVAK: Yes, my point of order, Mr. Speaker, I asked the First Minister who were the people who contributed this who were non-residents? He could have answered yes or no, but he doesn't have to lecture me.

MR. SPEAKER: Order please, order please. That is not a point of order. The Honourable member wish to ask another question?

MR. SPIVAK: Yes. I wonder if the First Minister could indicate how much the Guideline Report so far has cost?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Yes, Mr. Speaker, I apologize to my honourable friend if he got the impression I was trying to lecture him. Sir, I quite admit the futility of even attempting that. All I was intending to advise my honourable friend is that, the persons who worked on this, not unlike the persons who worked on the TED Report, there were some who may have been residents of Toronto, or some other part of Canada -- I rather suspect there were none from the U.S., if that is of any concern to my friend. As to the cost, I will get my honourable friend that information and for his convenience I will lay it along the cost figures we have on the TED Report, which he has.

MR. SPIVAK: I wonder if the First Minister could indicate whether any of the leaders in the private sector involved in particular phases of economic activity were consulted in the preparation of this document?

MR. SPEAKER: The question has been answered already. --(Interjection)-- The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I can offer some brief indication. There were persons from the private sector involved through the aegis of the Manitoba Economic Development Consultative Board, persons like, well such as Mr. Leach -- well there are a number Sir, shall I start naming them by individual names?

ORAL QUESTION PERIOD

A MEMBER: No. Not at all.

MR. SPIVAK: How many meetings of the Economic Advisory Board were held that dealt with the Guideline Report?

MR. SCHREYER: Well, Mr. Speaker, I don't want to offend my honourable friend, I'll simply resist the temptation to make a comment on his question. I will simply indicate that meetings of the Consultative Board are ongoing, there are both formal and informal meetings. They do keep in close liaison with the Minister of Industry and Commerce and through him, and that department, there was an input into the drafting of this report. I might also add that the Regional Analysis Program which was carried to some 70 communities in Manitoba, all parts of Manitoba, also provided some of the input by way of analysis some of the input into this documents and the next two document, which will be tabled soon, I hope.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I'd like to direct a question to the First Minister. Can he advise the House whether Manitoba is likely to be subjected to the increase in natural gas price to the same extent that Ontario will be under the proposals being put forth by the Province of Alberta?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there was some conversation between Premier Lougheed and myself with respect to that very matter but the Premier of Alberta advises me that there is a certain sequence to the action that he is proposing that he must follow, and that it will be, it will be opportune and beneficial. One hopes to have follow-up discussion but not in the, sort of a very immediate future, some months from now.

MR. CRAIK: Mr. Speaker, I wonder if the First Minister can advise whether the recently formed Manitoba Energy Council is active in liaison with the Province of Alberta on this question?

MR. SCHREYER: Mr. Speaker, that is one of the several purposes for which the Manitoba Energy Council was formed; that, and also to maintain more systematic monitoring and liaison with the National Energy Board.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I have a question for the Honourable the Minister of Mines and Natural Resources. Has the department any plans to assist the property owners in the possible flooding by the Swan River in the town of Swan River?

MR. SPEAKER: The Honourable Minister of Mines and Resources.

MR. GREEN: Mr. Speaker, I'll take the question as notice.

MR. BILTON: Supplementary, Mr. Speaker, I wonder if the Minister has received an appeal in this direction from the Town of Swan River.

MR. GREEN: Mr. Speaker, not one that has come to my personal attention.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, I have a question for the First Minister. I wonder, in view of the fact that we have court case against the firm in Saskatoon that has dumped pollution into their river system which comes into Manitoba? Has the question of pollution along the waterways in the three prairie provinces, or the four provinces been discussed at this meeting.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there was a report from a Committee of Ministers of the three prairie provinces, and perhaps actually all four western provinces, but it would be the Minister of Resources and Environmental Management that would have been involved with those ministerial meetings over the past several months. I can't report anything more specific than that.

MR. BOROWSKI: A further question for the First Minister. In view of Mr. Barrett's comment after the meeting that they should consider the western provinces should consider getting their own ship, or some such deal with Ottawa to ship grain through the Port of Churchill, which would extend the shipping season by approximately 50 percent, is the Minister of the Department of Industry and Commerce considering getting their own ship to haul grains through the Port of Churchill?

MR. SCHREYER: Well, Mr. Speaker, the MS Lord Selkirk is proving to be just too much a tourist attraction, particularly for tourists from the U.S. Midwest, too much of an attraction Sir, to even think of converting it to a grain exporting vessel.

MR. SPEAKER: The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Health and Social Development. In view of the fact that the Federal Government, the Minister of Health has announced the guaranteed annual project in Manitoba, I wonder if the Minister would now indicate the areas in which the pilot projects will be undertaken, and as well how many people will be involved?

MR. SPEAKER: The Honourable Minister of Health.

HON. RENE E. TOUPIN (Minister of Health and Social Development)(Springfield): Mr. Speaker, the sites involved a number of people, the numbers of families involved have not been announced, and this should be announced as soon as policy is struck on same.

MR. SPIVAK: Well, I wonder if the Minister of Health can indicate, is it because no decision has been made, or no announcement has been made? Are you suggesting that those matters have not been worked out yet, or is a question of a lack of -- at this point, the information just being withheld, for whatever purposes the government . . .

MR. TOUPIN: The decision has not been taken.

MR. SPIVAK: Well, for the Minister of Health. Is it not a fact that Dauphin . . .

MR. SPEAKER: Order please, That's argumentative the way it's being started.

MR. SPIVAK: I'll frame it another way, Mr. Speaker, Can he confirm that Dauphin and Portage la Prairie and Winnipeg will be included in the pilot project? --(Interjection)-- No, just those three.

MR. TOUPIN: Mr. Speaker, a lot of our beautiful towns and villages and cities are being looked at. There is no decision taken.

A MEMBER: Including Dauphin.

MR. SPIVAK: Another question to the Minister of Health and Social Development. I wonder if he can indicate the level at which the guaranteed annual income project will be undertaken? That the level . . . --(Interjection)-- the level, the level of income -- how much additional moneys over and above what is now available under social allowance for families who require assistance, how much additional money will they be receiving under the Guaranteed Annual Income project?

MR. TOUPIN: No, Mr. Speaker. Unfortunately, I cannot give this information at this time. This will be announced in due course.

MR. SPIVAK: I wonder if the Minister of Health can indicate whether the Federal Government's participation is for the additional amounts to be given over and above that now available under social allowance, or will it be in substitution for the whole amount now given . . . --(Interjection)-- What's the difference? The Honourable Minister, or former Minister of Finance, asked me the difference; I can tell him the difference. I'd like the Minister of Health though to indicate to the House whether we are talking about the Federal Government's participation in the additional amount, plus the administration of this project, or is it the whole amount that will be undertaken by this project?

MR. TOUPIN: Mr. Speaker, the agreement that we've reached with Ottawa pertaining to cost-sharing, 75 Federal and 25-Provincial, is for the whole amount.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, my question is to the First Minister. During the weekend conference did the Premiers give any consideration to a chartered bank for, say western Canada or for the Province of Manitoba and Saskatchewan, either a provincial owned bank or through the Credit Union Association?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Yes.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker, My question is for the Minister of Public Works. I'd like to ask the Minister when the activity will commence to fill in the hole at the corner of Broadway and Osborne?

MR. SPEAKER: Orders of the Day. The Honourable Member for Rupertsland.

MR. ALLARD: Mr. Speaker, I have a question for the Minister of Health. Could he tell this House whether Treaty Indians are covered under Medicare or Northern Health? Whether Treaty Indians -- could he tell this House whether Treaty Indians are covered under Medicare in Manitoba?

MR. SPEAKER: The Honourable Minister of Health

ORAL QUESTION PERIOD

MR. TOUPIN: Yes, Mr. Speaker. Treaty Indians are covered under Medicare and the premiums up to the time they will be abolished, were paid by the Federal Government.

MR. ALLARD: A supplementary. Could he tell this House if he knows how many sterilizing operations have been performed on Treaty Indians . . .

MR. SPEAKER: Order for Return.

MR. ALLARD: . . . in the last twelve months.

MR. SPEAKER: Order please. It's a matter for an Order for Return.

MR. ALLARD: Mr. Speaker, I have a supplementary to my first one.

MR. SPEAKER: Very well.

MR. ALLARD: Could he tell this House how much the Federal Government will be saving on Medicare as far as the result of this program changing Medicare over to . . .

MR. SPEAKER: Also a question for an Order for Return. Statistical. Orders of the Day. The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE: I've a question for the Honourable the First Minister. Due to the various ministers of Railways we've had with this government, I wonder, who is the present Minister of Railways?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there never was a Minister for Railways but for many years there was a Railway Commissioner designated, and that was a responsibility that was carried out by my colleague the Minister of Labour. But, Sir, as of the beginning of February all matters pertaining to transportation economics, liaison with the Government of Canada on transportation matters coming under Federal jurisdiction, which includes railways, air service, etc., is the responsibility charged to the Honourable the Minister of Industry and Commerce.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I direct my question to the Minister of Agriculture. Could he give this House the reason why the Dairy Board turned down an application by a firm to construct and operate a cheese factory in the Town of Gladstone.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac Du Bonnet): I'm not aware -- oh yes, I think I am aware, Mr. Speaker. . . . approved the Neepawa application at the time and therefore it was their considered opinion that there would not be enough supply in milk in that part of the province to supply to clients within the same area.

MR. G. JOHNSTON: A supplementary to the Minister. Does the Minister have assurances that the Neepawa Creamery is going to go ahead with a dairy factory or cheese factory?

MR. USKIW: Well, Mr. Speaker, my information, and it's somewhat dated at this point was that the Neepawa Plant had some difficulty in getting a DREE grant and that as soon as that would be resolved we would know what our position is. I'm not sure whether that has changed in the last number of weeks.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Yes, Mr. Speaker, I'd like to ask a question to the Honourable Minister of Mines and Natural Resources in view of his statements last week. Is it his intention to promote the exclusion of Winnipeg with regards to obtaining building permits?

MR. SPEAKER: The Honourable Minister of Mines and Resources.

MR. GREEN: Mr. Speaker, that's not a matter which falls within my jurisdiction. If the honourable member wishes a copy of the remarks that I made, I will give them to him and he will see that he cannot jump to any such conclusion.

MR. GIRARD: Thank you very much, Mr. Speaker. I'd appreciate a copy.

I'd like to direct another question to the Minister of Northern Affairs and ask him why it is that the survival shacks in the vicinity of The Pas that were on Crown land have been ordered to be burned?

HON. RON MCBRYDE (Minister of Northern Affairs) (The Pas): Mr. Speaker, I have recently had a constituency concern inquiring about this matter, but I believe it would fall under the Minister of Mines and Resources.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Education. Could he inform the House whether or not he has received a resolution from the school division of Tiger Hills in regards to funds for the renovation of the Baldur High School?

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: I'll take the question as notice, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rupertsland.

MR. ALLARD: I've a question, Mr. Speaker, for the Minister of Urban Affairs. Does he consider the some 9000 signatures I have received as sufficient grounds for supporting measure --(Interjection)-- to recommend the measures to his colleagues in caucus?

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. HANUSCHAK: It's rather difficult, Mr. Speaker, to measure the relative weight of each. The honourable member's 9000 signatures on one side whatever they may represent and an expression, or the lack of an expression, of opinion by city councillors, whatever tens of thousands of citizens of Winnipeg they represent.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the other day the Honourable the Member for Wolseley asked whether or not the government had in its possession a report on Indian and Metis employment entitled Manpower Target Groups. I've enquired and I'm advised that there is no report by that name; and secondly, the Honourable the Member for Wolseley asked whether the government had in its possession information that would assert that 41 percent of the Metis people of Manitoba are unemployed. I have made enquiry on that as well, and I am advised that the statistical treatment of unemployment in northern areas of Manitoba, just as in the northern areas of Alberta, Saskatchewan, Ontario is very much inadequate. As a matter of fact my colleague the Minister of Labour has made this point repeatedly to the Federal Manpower Department on a number of occasions. We continue to have to live with it. But because there is a lack of precise and adequate statistical data, nevertheless we assume that there is a larger problem of chronic underemployment, or unemployment, and accordingly we have in the last two years, through PEP and through Northern Manpower Corps, which is a new entity, provided some 5,900 man-months of employment in this region of the province. That does not include the employment generated by Channel loggers, Moose Lake loggers, and related activities.

MR. ALLARD: I've a supplementary to my last question to the Minister of Urban Affairs, Mr. Speaker. Would the Minister consider examining the material I have received from nearly 10,00 Winnipeggers on this subject? --(Interjection)--

MR. SPEAKER: Order please. The Honourable Minister of Urban Affairs.

MR. HANUSCHAK: If the honourable member will loan me the assistance of his secretarial staff, yes.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I'd like to direct a question either to the First Minister or Minister of Mines and Resources, and it refers to the Guidelines Report, which shows nearly half the Churchill River of Manitoba, all that below, all the Churchill River below South Indian Lake as being in an area which says there will be a deferral of major development pending analysis of the ecological impact of development. In view of this is this a suggestion by the government that they are going to defer development on the lower Churchill?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well I don't know, Mr. Speaker, what the specific reference would be other than perhaps to the earlier, to the recommendation of earlier years of the TED Report days when they were advocating the establishment of a uranium enrichment plant, which would require some dedication of some 2,000 megawatts of power. Perhaps that's the reference.

MR. CRAIK: Mr. Speaker, the uranium plant I believe was on the . . .

MR. SPEAKER: Question please. Question please.

MR. CRAIK: . . . Nelson, not on the Churchill. The question, Mr. Speaker, is with regards to the Churchill as to whether or not the changes on the Churchill River don't in fact fall under this because they do in the map contained on Page 105.

MR. SPEAKER: Again the honourable member has not asked a question. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question to the First Minister. Is this Guidelines to be considered a government policy or not?

MR. SPEAKER: The Honourable First Minister.

ORAL QUESTION PERIOD

MR. SCHREYER: Mr. Speaker, if the Honourable Leader of the Opposition will read the preface he will see that Guideines is intended as just that. Guidelines, proposed policy for discussion, and so it is a document intended to evoke discussion, discussion before major decisions are adopted rather than after -- and, Sir, that can take us back some 10 years. If that had been done earlier, there are a number of things that would not have been as difficult today.

A MEMBER: Right. Right.

MR. SPIVAK: Mr. Speaker, in view of the fact that there's a recommendation in the Guidelines of a deferral of major developments pending analysis of the ecological impact of development, and it refers specifically to part of the Churchill River, is the government going to reverse its position on its hydro policy?

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, the honourable member knows full well the existing program of the government with respect to the hydro electric development. There are studies, as the honourable member knows, regarding the effects of that development and as how to best deal with it, and any remarks that my honourable member reads would have to be taken within the context of those two areas of knowledge, which he should have.

MR. SPIVAK: Mr. Speaker, I put the question to the First Minister. Is the government intending to act on the recommendation contained in the Guidelines that there will be deferral of major developments pending analysis of the ecological . . .

MR. SPEAKER: Order please, Order please. Again . . .

MR. SCHREYER: . . . Leader of the Opposition can read he will see that the reference is under the caption of "Northern Zone". If he can interpret a map he will see that the Northern Zone refers to the Nueltin Lake, Nejanilini Lake area, does not include the South Indian Lake and Split Lake area where development is under way and has been since 1966.

MR. SPEAKER: Order please. Order please. I will not entertain a debate during the question period. We just received a report and people are already going off and accepting this that is now debatable. This is the Question Period and I'm certain that we can probably do a much better justice to that report at a future date than we can this afternoon before we've had time to digest its totality. I will not have, and I will again reiterate, a debate on the report during the question period. The Honourable Leader of the Opposition.

MR. SPIVAK: On a point of order I would . . .

MR. SPEAKER: Very well.

MR. SPIVAK: . . . Mr. Speaker, whether you would reconsider your position. The Guideline Report has been presented to the members opposite. It states a specific policy. We have asked the Premier whether this policy will be followed . . .

MR. SPEAKER: Order please.

MR. SPIVAK: On the point . . .

MR. SPEAKER: ORDER PLEASE. I have been informed, and so has the House, that it is not policy, that it is guidelines. That was in answer to the question the Honourable Leader of the Opposition asked, so therefore there is no point of order. The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, my question is to the Minister of Agriculture. There seems to be continued efforts by certain radio programs and others to encourage the boycotting of the purchase of Manitoba meats. Has this boycotting had any significant effect on meat prices to the farmers so far?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, one would have to try to calculate consumption data. I'm sure the honourable member would agree with me that it's not possible to do that in such a short period of time. Possibly the best that could be determined at this point in time is a trend at the shopping centres and only those people would know the answer to that question. I would think that it would not have a very large impact. Everyone wants to eat, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Mr. Speaker, on the question of boycotts, I wonder if the Minister of Agriculture could indicate whether they're co-operating with farmers who have a Kraft boycott, and have had for some time, and the scab lettuce that's coming into Manitoba, whether his department is co-operating with these people.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I have no formal arrangement with anyone that is holding any sort of a boycott.

MR. BOROWSKI: Mr. Speaker, I direct a question to the First Minister. Perhaps he can answer it. Could he indicate whether the government purchases are co-operating with the farmers' boycott regarding Kraft products or scab lettuce coming from California.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I would have to take that as notice and check. Scab lettuce -- I take it, Sir, that the reference is to lettuce that would be coming in from certain producers in the State of California that have perhaps historically tried to prevent collective bargaining and decent wages, etc. I'll check.

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

MR. G. JOHNSTON: Mr. Speaker, I wonder if I might have leave of the House to make a non-political statement.

MR. SPEAKER: Agreed? (Agreed) The Honourable Member.

STATEMENT

MR. G. JOHNSTON: It will be my first non-political statement but I hope not my last. I'd like to call the attention of members of the House to the fact that Manitoba now has a new Junior "A" Hockey championship team, the Portage Terriers, as of last night. They beat that redoubtable team from St. James represented by the Member for Sturgeon Creek and the Member for Assiniboia. But for the record, Mr. Speaker, I would like to enumerate the names of the boys and the coaches and some of the executive. The goaltender is John Memryk; defencemen were Warren Remple, George Miller, Bill Robertson, John Hewitt and Doug Wood. The forwards are Dean Magnus, Scott Heatherington, Bob Miller, Grant Farncomb, Frank Leswick and the last of the Hextalls, Randy Hextall, Randy Penner from Steinbach, Bill Calder Don Arthur, Glen Miller, Richard Christie and a Winnipegger, Al Hilton. The coach a well-known Winnipegger, Muzz MacPherson, the Trainer a good physiotherapist, Max Trigg and his assistant Cooney Strong. The equipment manager was Harry Kinczylo and the President and Vice-President Joe Sponarski and Ron Horner. I would like to remind members that Portage Terriers have been in operation for five years and their next move now is to take on Saskatchewan, and I hope the members wish them well in that regard.

ORAL QUESTION cont'd

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I'd like to direct a question to the Minister of Education. It's with regards to the Guidelines report. Can he advise the House on page 113 what mining communities has he been unable to . . .

MR. SPEAKER: Order, please. Order, please. I would request again that we not get into a debate over this issue of the report that has just been tabled. I believe it is a paper for discussion and it is not a paper for the question period and under which debate -- because different opinions may be expressed. The Honourable First Minister.

POINT OF ORDER

MR. SCHREYER: On a point of order, Mr. Speaker. I do not have, from my understanding of the rules, any specific reason to suggest that any questions that emanate from this document just tabled should be out of order. On the other hands, Sir, it seems to me that a common sense interpretation of the rules would indicate that if every time a document of any length and substance is tabled in the House it is then immediately seized upon for to ask questions during the Question Period before Orders of the Day, that it would make for a practically unworkable situation. Accordingly Sir, I would ask you to take under advisement just what interpretation under the rules would be a practical one with respect to exactly the situation we are in at this moment as a result of this document being tabled today.

MR. SPEAKER: Well I will entertain questions that are brief and concise. Any that have any . . . the Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, on the point of order. This document as other documents the government has tabled has questions of policy or questions of policy to be discussed, and

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(MR. SPIVAK cont'd). . . . I respect that; also have questions of, or statements of fact, and surely, Mr. Speaker, we're not going to be denied the opportunity to ask questions on the statements of fact. Now the question that was raised there would be the Estimates time. But Mr. Speaker, because there are policy matters involved we have one of two alternatives. Either we discuss and ask the questions in the House, either we try and deal with them in the House, or we deal with it outside the House. Surely, Mr. Speaker, surely, Mr. Speaker, if we are asked and we should be dealing in the House because the House is now in session, we are entitled to get answers from the Ministers, and if the Minister is not in a position to answer directly at the time he can take the question as notice and then can come back. But surely we should not be put in the position that we are going to deal on the policy matters involved, and deal with some inaccuracy on it because we cannot obtain the information from the government because we're not allowed to ask the question. Surely that's a denial of the procedures in this House, and surely that's a denial of the system in which the Opposition have a right to ask of the government questions relating to specifics, and in which there are facts that are asked to be obtained and policy decisions to be determined.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, speaking further to the point of order. The view expressed by the Leader of the Opposition expressed in its generality seems to be plausible enough. On the other hand, Sir, I think you would agree that if a major document immediately when it is tabled is then used as a basis for a multiplicity of questions, that it does make for rather difficult stewardship of the House by you, Sir. We do have the Estimates. It is suggested, I think quite properly, by my colleague the Member for St. Johns, that the Estimates lend themselves better to the kind of detailed questions, and give and take of question and answer on matters of this kind, than does the Question Period. I'm wondering for example, Sir, just as an example, if a document is tabled which has a chapter in it of proposed government policy, or for discussion, that there should be a uranium enrichment plant in Manitoba, if then honourable members wanted to rise and ask all kinds of detailed questions about uranium enrichment and fast reactor reactors, would the rules permit that or would Mr. Speaker suggest that they deal with it under Estimates of the appropriate department? It's a kind of difficult question for you, Sir, and I would suggest again that it be taken under advisement.

MR. SPEAKER: Order please. I will entertain all questions but I remind honourable members the heading on Beauchesne's Citation 171 says, "In putting a question a member must confine himself to the narrowest limits. In making a question observations which might lead to debate cannot be regarded as coming within the proper limits of the question." In that context I'll accept questions all afternoon. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I'd like to place a question then in the manner as to whether or not the Minister can advise what northern community centres do not fall under the normal provisions of the Manitoba Schools Foundation Program?

MR. SPEAKER: The Minister of Education.

MR. HANUSCHAK: Mr. Speaker, I do not believe there are any that do not fall under the normal provisions of the Manitoba Schools Foundation Program. However I'll take the question as notice to determine whether there are in fact any or not.

MR. SPEAKER: Orders of the Day. The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Yes, Mr. Speaker, I'd like to direct a question to the Minister of Health and Social Development and ask him when the people of Vita can expect a definitive answer on whether or not they are going to get the Extended Care Home.

MR. SPEAKER: The Honourable Minister of Health.

MR. TOUPIN: Mr. Speaker, I'll take the question as notice.

MR. SPEAKER: Orders of the Day.

ORDERS OF THE DAY - BUDGET DEBATE

MR. SPEAKER: On the proposed motion of the Honourable First Minister, the amendment thereto by the Honourable Leader of the Opposition and further amendment thereto by the Honourable Member for Wolseley. The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Thank you, Mr. Speaker. When assessing the Budget brought into this Chamber a few days ago by the First Minister one has to be impressed by a great many things. Certainly one is impressed by the document itself and by

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(MR. SHERMAN cont'd) many of the provisions contained in it but perhaps even more so the impressive thing is not so much the budget itself but the effects of the budget, and in particular the effects of it on the ranks of the government forces. I think the First Minister should be complimented, Mr. Speaker, on his political strategy in the development of the particular document, and on the obvious psychological lift which he has given members of the government benches as a consequence of its introduction. We may disagree with many things the First Minister says and does, indeed we do, but we have to admire the political tactician, political strategist that he is, and possibly one of his master strokes of strategy was developed over recent weeks when he put that budget together and presented it to the House and to the people of Manitoba in the very prelude to an election, and with the decision as to the future of his government hanging in the balance. There certainly were many flagging hopes on the other side of the House, Mr. Speaker, that seemed to be impressibly revived by the Minister's speech the other night, and by the measures included in the budget. The flags were down on the other side visibly in past weeks, indeed in past months, tails were down, mouths were dropping now all that has changed and there's an air of bravado, and an air of revived confidence on the government side which results from the --(Interjection)-- which results from -- I'm not familiar with that particular nomination, Mr. Speaker -- which results from the measures introduced by the First Minister.

However the air that I suggest is an air of bravado blowing through the government benches may really be the forerunner of the winds of change for Manitobans, and for the make-up of this House for, Mr. Speaker, an examination of the document itself despite the benefits and the obvious strong selling points contained in it, there are aspects to it that I suggest contain considerable danger, potential difficulty and problems of enormous magnitude for Manitobans. Essentially, Sir, it's an inflationary budget without the appreciation of the worry that inflation is causing to thousand of average Manitoba citizens. In fact one might say hundreds of thousands of average Manitoba citizens. And this is the aspect of the budget that concerns many of us most. There are to be sure, and we don't dispute, attractive measure of social progress in the area of health care premiums, and in the area of municipal taxation, for which the First Minister and his colleagues should be complimented; but going beyond that point, Sir, to the size of the spending program and the size of the provisions in the document itself, one finds oneself concerned very deeply with the ultimate effect and impact on Manitobans and on our economy. It doesn't reduce government spending; it does the precise opposite, and it's the reduction of government spending and the need for that which I suggest, Sir, is a thing that the overburdened Manitoba taxpayer really wants and desires more than anything else at this time.

Mr. Speaker, government spending as reflected in this budget, and reflected in the budgets of this government over the past four years, is reaching a dangerous point, Sir; if not properly rationalized, it's going to be too much very soon for the size of the Manitoba economy and the size of the Manitoba taxpayer to bear. This particular program in terms of main estimates speaks in the amount of \$615 million, but by the Minister's own admission in the budget itself, that really in the long run may represent only about three fifths, only about 60 percent, of what this government is going to commit itself and Manitobans to spend in the public sector in the next 12 months. The Minister pointed out in his budget that there is \$78 million in supplementary estimates to come in to go along with the main estimates, and there are \$273-1/2 million of capital spending appropriations to be placed before the House, and the cost of that mathematics is very close to the one billion dollar mark, Sir. Allowing for the unexpected and unanticipated additional expenses and expenditure problems that always crop up in the best run household, the best run business, and the best run government, it's not unreasonable to predict at this point in time on April 2nd, on the second day of the fiscal year with which we're concerned, that by the time that year is ended on March the 31st, 1974, the government spending program will in fact hit, and possibly exceed, the one billion dollar mark.

Well, Mr. Speaker, one has to ask oneself the question whether or not that's a ticket to the poorhouse; whether or not in the long run that's a mortgaged future and a ticket to the poorhouse for many Manitobans. And Manitobans themselves will be asking that question of this government, of their representatives, and of themselves, in the weeks and months ahead, and certainly during those weeks when the next election campaign will be called and fought. Because

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(MR. SHERMAN cont'd) it works out, Sir, to an expenditure of \$1,000 in the public sector during the next 12 months by every man, woman and child in Manitoba. That's what a billion dollar budget for this province represents, an expenditure in the public sector of \$1,000 during the next 12 months by every man, woman and child in the province, so we're talking in terms of four to five thousand dollars or more for the actual heads of households and bread winners. Where is that money coming from, Mr. Speaker? It has to come from the productive energies of the people of Manitoba themselves. It has come in part from federal tax sharing programs, from unexpected windfalls with which any government and any party would indeed be delighted. Would that my colleagues and I were in a position to enjoy the beneficence of Ottawa and the favourable miscalculations of Ottawa ourselves. But that's only part of it, that's only part of it. Most of it must come from the productive energies of Manitobans, Mr. Speaker, and from the health and the creativity of the economy itself, and it's in this area that I have my most serious reservations about the viability of that enormous budgetary program.

We have asked repeatedly what this government is doing, Sir, about generating new jobs in the economy outside the public sector, in the sector where there is creative and created input introduced, and we still after four years wait for the answer to that question. We still after four years worry about the lack on a broad and grand scale of economic and industrial programs in this province that do in fact generate jobs and create revenues in the private non-government sector where the economic interests of a society are best insured. We have repeatedly raised the question both rhetorically and specifically and practically, and we have repeatedly been turned aside in that search by the position that most of the Ministers of this government have taken over the course of their administration and which can be represented fundamentally, Sir, by the attitude that everything is all right with the economy in Manitoba; there is nothing wrong with the business climate, small or large business climate; and that the gross provincial product and those involved in it and contributing to it are continuing to grow and expand in healthful dimensions each year.

Well, Mr. Speaker, the truth of the matter is that the economy is not that buoyant, at the small business level, and I think that the First Minister and his colleagues would admit that to be true if they weren't in a position where it's unthinkable politically that such an admission could be publicly made. The First Minister has described the economy as being in good shape. In the Budget Speech itself he made reference to its growth and to his confidence in it. The term "buoyant" has been used, perhaps not by the First Minister but by the Minister of Industry and Commerce and by many of their colleagues, in describing this economy, and we, Sir, for our part reject that as head in the sand thinking because our experience in the economy to which we as political opposition in this province are exposed. It's precisely the opposite; there's been no lessening of the sense of anxiety and concern, the sense of retrenchment in private business circles that accompanied the election of this government in 1969, and that must be of concern, Sir, to the government as it is to us. The fact of the matter is that many of the fears and many of the concerns of small businessmen and private operators were perhaps exaggerated in 1969 when the government was first elected. Perhaps the general climate of apprehension was not justified and some of the criticisms that were levelled at that time perhaps were premature. But the government can't deny the fact that given the chance, and they've had four years now, to alleviate those anxieties and those fears in a rational and in a sensible way, they've failed to do so. The business sector, the economy in general, is no more enthusiastic, no more optimistic, and no more confident, with respect to the direction that this province is taking now than it was, Sir, in the summer and the autumn of 1969. That is a tragic failure for this government to carry on its escutcheon.

The opportunity was there for members of the government to seize the initiative when they took office and to show the private sector or the economy, the entrepreneur, that they, despite their differences philosophically in many areas of thinking and in many areas of social action, that they recognize the importance of the element of private energy and private input and private initiative and that there was nothing in this government's approach and nothing in its philosophy to fear where the private sector was concerned. Had that been done, then it's my opinion that in the last three years the private sector or the economy would have revived itself up and gone forward in a productive growing expansionary way that would have created the kinds of jobs, and the kind of opportunities here, that are going to be necessary to

(MR. SHERMAN cont'd) support this kind of a spending program. But this government busy as it was in other areas decided that that was a low priority consideration, if indeed it was a consideration at all, and business in the private sector has been left for the past three years to watch and wait and worry about the policies and the programs this government intends to undertake. With no reassurance from government, with no initiative, with no dialogue, that sector of society, that sector of the economy has remained withdrawn and retrenched, and that climate of anxiety and concern, and no growth, is with us today, and unless there is an opportunity to clear away those misunderstandings and those divisions which militate against business activity, then, Sir, I return to my point of a few moments ago that this kind of a spending program in this kind of a province on this kind of a population and business base, is a ticket to the poorhouse and a ticket that may be punched very soon.

Mr. Speaker, look at the record of spending measured against the same, fundamentally, essentially the same population base and the same business base over the last five years. In 1969, the fiscal year of 1968-69, the last year of spending for which the present government was not responsible, total spending, main and supplementary estimates, amounted to \$355 million. There was of course capital spending over and above that, but I'm concerned here at the moment for purposes of comparison with the main estimates spending and the supplementary spending, with current spending. In 1969, the total was \$355.9 million; in the fiscal year 69-70, the first year that this government was in office, that total went up, Sir, to \$394 million which represented an increase of approximately 11 percent. In 1970-71 the next year for which the present administration was responsible, that total of current spending went up \$490 million, which represented an increase of almost 25 percent. In 1971-72 the total spending in the current spending category went up to \$532 million, which was an increase of more than 8 percent. That was a low increase relatively speaking. The next year, 72-73, which is the one just ended, total current spending went up to \$595 million, which represents an increase of 11 percent over the previous year; and in the present year that we just entered yesterday, 73-74 fiscal year, as I pointed out the total spending by the time we're through is likely to be at the one billion dollar mark, but I can't use that figure in these comparison because that will include capital spending, but the total figure in current spending will be at least 693 million, perhaps \$700 million, and that, Sir, would represent an increase of about 16 percent over the previous spending program.

Now those increases are all well and good if the base on which business of the province is being run is expanding accordingly and if the attitude of the private sector, which this government needs just as surely as the private entrepreneur needs government in certain areas, if the attitude of that sector were enthusiastic, and if the kinds of communication between government and business were at all promising, but we have the total opposite environment at the present time, Mr. Speaker, and that kind of spending program represents a pretty dangerous voyage into the fiscal unknown for Manitobans in my opinion.

The Premier and his colleagues, as I have said, Sir, insist that all is well with the business community but I think at the risk of incurring what I think would perhaps be unjustified criticism from honourable members on the government side, when one considers the decision of the President of the Winnipeg Chamber of Commerce to enter the next election campaign, it would take the ultimate in blindness to remain steadfast in the argument that business was fine and businessmen were not concerned with what's happening here. I hold no brief either way for what the gentleman in question has decided to do or for his timing in doing so, but I think it is extremely significant that a person in that position should put himself on the firing line and jeopardize his impartiality with the Chamber and with the government, and with the entire economic mix, private and state, by declaring his candidacy for office in a party in opposition to the present government. And I don't see that this government can be justified in realistic terms in ignoring the significance of that kind of a decision. When a person in that position decides that the kinds of things he's trying to do for the institution to which he's devoted a good deal of his working life are worth risking, worth totally terminating because of the need for someone who can articulate businesses problems, to get out on the political hustings and do so; and when he elects to point the finger at himself and say that he's the one that has to do that, then there has to be there, Sir, a meaningful message for government and for all of us, whether in government or in opposition.

I don't think that the members on the Treasury benches can justifiably ignore that kind of a decision. They can brush it aside on political grounds; they can ignore it on partisan

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(MR. SHERMAN cont'd) grounds, but in terms of a realistic attempt to analyze what's necessary in this society and in this economy, and what their responsibilities to that economy are as the Government of this province, in those terms, Sir, they can't brush it aside, they can't ignore it. It means a great deal. It means in fact what I said a few moments ago that business is concerned, is worried, is not buoyant as the government would have us believe. I would emphasize here, Sir, that when I talk of business, and when we in this party talk of business in this context, we are not talking about Imperial Oil, we're not talking about Lever Bros., and we're not talking about other multi-national corporations; we're talking about small and medium sized business; we're talking about individual lone businessmen who put enterprises together and create jobs, and create taxation revenues, and create cash flow in the economy, and do so on a responsible and relatively, relatively moderate level.

Those are the people and the enterprises that we're concerned about when we talk about business. Nobody on this side, any more than anybody on the other side, is content to watch massive multi-national corporations monopolize the benefits of our resources and the benefits of our environment, whether those multi-national corporations be Canadian or be centred essentially in other nations. That type of enterprise is as reprehensible to many of us as it is to many of the members on the government side, because that type of enterprise is really no type of enterprise. It shuts out the opportunity for other entrepreneurs to compete in the field.

And there has to be a very scientific and a very intelligent awareness developed and brought to bear in the study of economic development to make sure that one is not being unfair in trying to determine the point at which growth of a corporate nature becomes something other than that in the best interests of the society. There has to be a conscientious scientific assessment made of that kind of event so as to ensure that there is no discrimination being practiced against those who aspire to legitimate and responsible growth, and at the same time that the field in that particular industry, or area of endeavour, is not being blocked off and shut off to others who would enter. That's a difficult judgment and no one would suggest that it's easy for this or any other government to wrestle with it. But there are obviously, there are obviously some criteria and some guidelines that governments can follow in approaching this area of business involvement and enterprise, and certainly the small-sized business as we know it, as one accepts and understands the term, is the segment of society on an economic level that we on this side of the House stand up for and fight for because of it's value and it's importance to the health of any economy, whether state run, whether state and private run in a mix, or whether private run exclusively. And it's that sector, Sir, that has remained concerned and bewildered and unwilling to take the chances that business must take, that entrepreneurs must take, to ensure job generation and growth.

Where are the jobs being created in our society and our economy today, Mr. Speaker? Where are the opportunities and the attractions for young people, or for Canadians in other parts of the country? What of our competitive position in the national economy? These are our concerns and they are pegged, as I've suggested, not to the huge corporations but to the small and medium-sized businessman who makes the economy go. And it's that businessman who has to look to government for some sense of enthusiasm and some sense of optimism in order to take the risk and put in the time and put in the energy necessary to make his business succeed. And I suggest that it's that businessman as much as to the theorist, and as much as to the thinker, that this government, or any government, must look for a health economy and a healthy society. Sir, in that area this government despite all it's recognizable milestones of progress in certain social areas, in that area this government has been abject failure.

This economy in Manitoba is as sluggish, as I suggested, today as it was four years ago when the government took office. And the government has done, has seen fit to do nothing, whether it's been so preoccupied and so short of time, I'll leave to my honourable friends in the government benches to answer for me. But the government has seen fit to do nothing to rectify that situation and yet they've brought in a spending program that is going to be dependent for its success and for the Manitoba, the Manitoba taxpayers' survival, on something being done in that sector.

Mr. Speaker, we've had no satisfactory confrontation with that question despite our relentless and tedious raising of it over the past four years. All we get are repeated references to the things that the government has done in the social sphere, none of which anybody quarrels with. But somewhere, somehow, some day, the bill comes in for those social measures and those social reforms, and the question that Manitoba taxpayers are going to be asking this government as well as themselves, all the attractions of the Budget notwithstanding is, how

(MR. SHERMAN cont'd) are we going to pay that bill? How are we going to handle that bill? Mr. Speaker, the Canadian Manufacturers Association, which no doubt is anathema of many members on the government side, carried a commentary on this precise subject a couple of months ago in its regular pamphlet industry, and there are one or two points contained in that article that I think, Sir, are important to read to members opposite, and to place in the record. The Association said in an article entitled "A Trend to Reverse" and I quote: "Between 1965 and 1970 spending by the three levels of government in Canada rose from 30 percent to 35 percent of gross national product. By last year it was more than 37 percent, and this year will see it reach 38 percent at least. On this performance it is hard to view the prediction of the Economic Council of Canada that it will be close to 40 percent by 1980 as anything other than conservative in the extreme. The trend is one which can only depress all genuine libertarians, and if not reversed will assuredly continue to aggravate the inflationary pressures which already threaten our future living standards." The president of that Association, a Mr. Daniel Sprague, said in a recent address in Ottawa, and these remarks are contained in the same commentary: "A government sector which grows faster than the gross national product does so at the expense of the private sector and all who work within it. We must reverse the trend of recent years and act to ensure that the combined spending of the three levels of government does not increase faster than the national income. Further disproportionate growth of government will lead to further inflation and to the loss of individual freedoms. There is still time to prevent this but not much. For the future, I think electors and legislators alike must face up to the inflationary impact of the growth of governments and to its other implications. In the meantime a slowdown in the relative growth of the government sector is, I suggest, a wise and necessary course of action to which Canada should commit herself without delay. Any real effort to overcome inflation and generate the new job opportunities needed in the private sector of the economy, must begin here." Well, Sir, what he says for Canada, and he makes reference to all three levels of government, is certainly applicable in its entirety to the Province of Manitoba, too, and the reference to the growth of government services is reflected all too dramatically in the increases in government spending over the past five years, the percentage increases of very disturbing degree to which I referred a few moments ago.

Mr. Speaker, I conclude by saying essentially what I said at the outset, that there are measures in the Budget that are laudatory from a social point of view. But we're probably, without much question, into a spending situation in the public sector this year which calls for an expenditure equivalent to \$1,000 during the year for every man, woman and child in the province. A \$1 billion spending program, and there has been nothing complementary in the industrial and the private commercial sector or even in the government commercial sector, Sir, that would enable us on our side to have any confidence that the economy and the taxpayer will be able to bear that kind of a burden very much longer. The bills are out, the gifts look attractive, but the bills will be coming in and Manitobans must be asking, as we're asking, how are we going to pay for it all?

MR. CHAIRMAN: The Honourable Member for Osborne.

MR. IAN TURNBULL (Osborne): Thank you, Mr. Speaker. It's always a pleasure to enter into the Budget debate, budgets that have been introduced by this government seem to me to be people's budgets. They've been people's budgets since 1969, and the last budget that was handed down last Tuesday, I think is a people's budget that likely will ensure the election of this government again in the coming election campaign.

It is always a matter of amazement to me that there are members opposite who are so lacking in graciousness that they find so little to praise in a people's budget that really is designed to give tax relief to some 80 percent of the wage earners of this province. Indeed, Sir, they would like to make the case that any budget introduced by this government is a budget that will in some way while benefiting the ordinary man, will be detrimental to the entrepreneur. That, Sir, is the biggest bunch of malarkey that I think any one in this House has ever uttered, and I think it was uttered by the Member for Fort Garry just a few minutes ago. He would like to try to maintain, Sir . . .

MR. SHERMAN: Mr. Speaker, on a point of privilege, no such, no such contention was made by myself. My reference was to the climate existing between the government and the private sector of the economy. Not to what this budget would do to the private sector of the economy.

MR. CHAIRMAN: The honourable member . . .

MR. TURNBULL: I did not hear you recognize . . .

MR. CHAIRMAN: . . . Osborne.

MR. TURNBULL: I did not hear you recognize the Honourable Member for Fort Garry so I imagine his remarks just made won't appear in Hansard. I think, Sir, that it's well known that the Member for Fort Garry, along with others in the Conservative Party, are a worry-some bunch. They have worried about everything this government has done since 1969, and they are still worrying. The fact is, Mr. Speaker, that any Progressive Conservative administration, and I emphasize the word "progressive" would have introduced, I think, a budget that might in many ways have been similar to this one. Because it was evident in 1969 before we were elected that taxation, especially on property, was getting out of hand and the public demanded some reduction, some alleviation, of that tax load and they have received it. It's well known, Sir, that we have attempted during our five budget presentations to make, to put taxation on the ability to pay. This budget is merely the logical culmination of that principle, the logical culmination of the efforts of this government and, Sir, I might say, the logical culmination of the platform, one of the planks of the platform, that this party and I ran on in 1969, and that was as I've said, to bring about a greater equity in taxation by placing taxes on the ability to pay principle.

Sir, the Member for Fort Garry disclaims any credit for making attack on the government side, based on the idea that somehow, somehow this government is acting in a way not beneficial to the business community. Mr. Speaker, I hope that the Member for Fort Garry does not assume that all the business people in Manitoba are friends of the Conservative Party. Even I have some friends in the business community. Never, never have I known them to take more holidays, and longer holidays, in Hawaii and Mexico and Florida, as they have in the four years since this government has been office. As far as I can make out, Sir, the business community in this province has never had it so good. Business is booming. The Budget well indicated that in practically every sector of the economy the business community's earnings and the turnover of cash was higher this year than it has ever been in the past.

While I'm talking about industrial or economic sectors, Mr. Speaker, I should draw to the attention of the House a rather interesting slip of the tongue made by the Member for Fort Garry. And I draw this slip of his to the attention of the House, not because I wish to emphasize the slipper se but because I wish to emphasize what may be in his mind when he speaks about the problems that he thinks this government has created for the business community. He was speaking, Sir, of the "public sector", the public sector of the economy, and what he said instead of "sector" was "spectre", the public spectre, and I think that that slip well typifies his fearfulness of public involvement in the economy, his worrisome attitude, his great fear for what the Premier of the province, the present Premier of the province, might, in the Member for Fort Garry's mind, do for the economy of this province.

Sir, every fact that is presented in the budget, unless members opposite have economists that will refute the fact, every fact in that budget indicates that the business community has never had it so good in Manitoba. They are making more money; they are making more profit; and, as I said, Sir, they're taking longer and more extended holidays now than they ever have before. And I think that they deserve those profits and those wages and those holidays, Mr. Speaker, and I for one would never be an individual that would take from them the incentives for which they work.

What the Member for Fort Garry has attempted to do, I think, Mr. Speaker, is to build up as usual a straw man and then attempt in some way to attack the straw man and make a reputation for a debater. His reputation, Sir, is based more on purple prose than it is on an attempt to deal with the facts of the budget. What he has attempted to do as well, is to pick out the one aspect of the budget, which is already referred to in the Premier's speech when he delivered it, and that was the increase in spending, the apparent increase in spending. And I think, Sir, if you note from the budget there was some 78 million in tax cuts introduced by the government in this 1973 budget.

Seventy-eight million dollars, Sir, in tax cuts is certainly a budget that benefits most people. But it does include items that have been put through the books in such a way that the tax cuts appear as expenditures, and one such item for example is the \$21 million set aside for the reduction in medical care premiums. Those premiums are going to be reduced and they will appear, of course, as an expenditure in the government books because the government must reimburse the Manitoba Health Services Commission. That's the kind of increase in expenditure that the Member for Fort Garry saw fit to attack. An increase in expenditures, Sir, it appears

(MR. TURNBULL cont'd) as an increase in expenditure in the budget but it is in fact a tax cut benefitting all Manitobans. It's a tax cut, really, that will have more useful - - provide more useful benefit for those at the lower end of the income scale than. I suppose, it will provide for those at the higher end of the income scale. Because let's fact it, Mr. Speaker, \$99.60 for the wealthy members of the Legislative Assembly is not very much, but 99.60 for a man who's bringing home 4,800 a year is in real terms is of considerably more benefit.

Mr. Speaker, I think that we have to recognize that this budget is rather difficult to attack, and I think the previous speaker and even the deliveries of the Leader of the Opposition and the Leader of the Liberal Party has indicated this. After all, Sir, in the four years that I have been here I don't think the budget debate was ever adjourned by the Leader of the Opposition. But it was adjourned this year, Mr. Speaker, for a full day and I've wondered . . .

POINT OF ORDER

MR. HARRY J. ENNS (Lakeside): . . . point of order, Mr. Speaker . . .

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Again, solely just to keep the records straight, it is a traditional matter that the debate be adjourned. Indeed it has been the tradition with the previous Liberal Leader of the Opposition to adjourn it for several days.

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MR. SPEAKER: The Honourable Member for Osborne.

MR. TURNBULL: Mr. Speaker, I'd like to thank the Member for Lakeside. I had thought that the efforts of the Conservative Party to get some people in the gallery to applaud their Leader might have led to the adjournment for a day, but the Member for Lakeside has quite rightly pointed out that it is customary for the Leader of the Opposition to adjourn. to adjourn the debate, and I think that I may as well omit other references I had here to the reasons for that adjournment, Mr. Speaker, references related to errors that the Leader of the Opposition made in his presentation last year on the budget debate, when he tried to indicate that old age pensioners would not receive the full \$140.00 that we were attempting to give back to them last year on the educational property tax credit plan.

I think, Mr. Speaker, that the budget is one that the Opposition has had and will continue to have difficulty in criticizing, although I gather that there is some disagreement in their caucus about just how they should go about making a case against the budget. For example, on the day before the budget address of the Leader of the Opposition, the Member for Sturgeon Creek indicated that the Conservative Party considered - - or he, at least, considered that a resolution in the House for the rebate of school property taxes, or rather all real property taxes, was a foolish resolution and he indicated this on page 1182, pointing out that any rebate of taxes should be made to those on the Old Age Supplement living in owner-occupied houses, and he did not think that any rebate should be given to everybody who owned property and who lived until he was over 65. I gather from the address of the Leader of the Conservative Party, though, that they do in fact believe in abolishing property taxes for everyone who is over 65. So I think, Sir, that there is some disagreement in their own ranks as to just how they should mount an attack on a people's budget.

There was, too, Mr. Speaker, a rather interesting contradiction in the Leader of the Opposition's presentation when he indicated that in some way the government's expenditures had contributed to inflationary pressure, and that as a result of rising prices the government was able to derive more income from various tax sources imposed by the Provincial Government. I can remember - - (Interjection) - - The Member for Lakeside says, Sir, that I would not deny that the government gained additional revenue from inflationary tendencies in the Canadian economy and, Sir, I would not deny it. No question about it, that a great deal of the revenue that this government has at its disposal does result from inflationary pressures in the economy. But let's face it, Mr. Speaker, this government has been trying for four years to get the economy moving at a faster rate than it had been moving in 1967-68-69. This budget, as well as past budgets, have introduced fiscal policies which were designed to be expansionary, and I think that the contradiction that lies in the Leader of the Opposition's presentation lies in this.

On the one hand, Sir, this year he wishes to blame us in some way for deriving revenue from inflationary increases and a few years ago, as late I think, Sir, as last year, 1972, he attempted to castigate the government for not getting the economy moving. Well, Sir, I think

(MR. TURNBULL cont'd) this government has got the economy moving and, instead of being gracious about it and admitting that we have been successful in applying those fiscal policies that have stimulated the economy, he instead turns around and uses the rather spurious accusation that somehow the government has not performed for the benefit of the people because there are inflationary tendencies in the provincial economy.

It's unfortunate, Sir, that the members opposite could not recognize some of the - - many of the good things that this budget and past budgets have done, not only in the field of social policy, but also in the field of economic expansion and economic development. Their pitch on the opposition benches, Sir, is to say that they are in favour of the social aspects, social policy aspects of this budget and other budgets. That indicates, Sir, to me a chastisement that they well deserve, because last year you will remember - and I hope the Member for Lakeside has no reason to correct me on this - last year you will remember that they voted against the education property tax credit plan, a plan which would have given a maximum of \$140.00 less one percent of taxable income to everybody in the Province of Manitoba. And these social reformers on the Conservative benches, these men who like to call themselves Progressive Conservatives, voted against that tax increase. And we think that they've learned in the last 12 months, they have been chastised in the last 12 months, to realize that that kind of equitable taxation policy in a budget is a policy which the people of Manitoba support. And they, Sir, now want to get on the bandwagon. They want to get on the bandwagon, you know, a few months before the election so that they can say "me too, me too. We would have introduced that kind of social legislation," Well they might have, Sir, and a Progressive Conservative administration likely would have; but they are not a Progressive Conservative administration, they are a Conservative administration, and their policies, Sir, and their speeches in particular, to me reach of reaction.

Mr. Speaker, I hope that this government will be in a position to benefit from some forms of price control which the Federal Government should implement in some way. And I don't mean merely on meat prices, as President Nixon has done, but some form of control or check on all prices in the Canadian economy. And I could relate a little story, Sir, that I experienced oh, last October, during the Federal election, when I was sitting in the chair of the local barber shop with the usual cloth robe on that the barbers put on you, my hair all mussed up and the barber with his clippers in my hair, and who walked in, Sir, last October, but the now Minister of Defence. And we had a rather interesting exchange because he is of course reputed to be a man well versed in financial and fiscal matters. I had to ask him what he thought the inflationary pressures would be resulting from the MacKenzie River pipeline. He said he didn't think there would be much inflationary pressure and I said, "Well, you know, the United States Government has attempted to finance this war in Vietnam" - they were still involved there then "by adopting a policy which really could be described shortly as an inflationary policy;" and he said, "It wouldn't happen here." That is, the McKenzie pipeline construction - I think it's a \$5 billion project - would not result in great inflationary pressures in Canada. And I said, "Well, how can you explain that away?" And he said, "Well, it just won't happen here." I said, "Well, how can you say it won't happen here?" And he said, "Because we will introduce price controls," (that the Federal Government would introduce price controls) and I am waiting, Sir, to see if the Liberal Government in Ottawa will follow the lead of President Nixon and introduce price control in Canada. It would be interesting to see, Sir, if they would work. But certainly I think the point made by the Leader of the Opposition is well taken. There are inflationary pressures in the economy; it may be that governments as usual are a little late in catching up with the trends in the economy and that may be we should be looking for policies which will begin to introduce a check on inflationary growth.

Mr. Speaker, it was rather interesting to see what I think was the first budget presentation of the Leader of the Liberal Party. He brought before us a manifesto - - well it really couldn't be considered a manifesto, Mr. Speaker, a manifesto surely has some overriding theme, some general idea, some logic, some consistency, some coherency. That would be a manifesto. And what he brought here was a rag bag of ideas, a rag bag of ideas which surely indicated that his is a party that wants to put before the public something of everything. It was a rag bag of ideas which really I could not fathom because there didn't seem to be any consistency, any well thought out policy underlying those various ideas.

He hardly instructed the House, Sir, in the kinds of tax policies that a government should incorporate in its budget even though he is well-known as a tax lawyer. I think, Sir, that he is a man that seems hardly concerned with the inflationary pressures in the Canadian economy and

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(MR. TURNBULL cont'd) he did not consider many aspects of the provincial economy that might lead to further inflationary pressures in the future. He seems to have ignored the fact that government fiscal policies and economic developmental policies should really go hand in hand. For example, Sir, there is going to be a staged and continuing construction project to develop the Nelson River basin of this province. Each of those projects, each dam site is constructed, I'm told, to employ upwards of 2,000 people per site. It's fairly evident that the employment of 2,000 people in the north in a provincial economy as small as ours could well have inflationary aspects to it. But he didn't consider those pressures developing from that project when he indicated that there should be a series of tax cuts. He suggested, for example, corporate tax cuts and I agree with him - although I don't think he said this - that tax cuts would be inflationary. They are inflationary, I think, to a certain extent.

He suggested a corporate tax cut of 10 percent, but he didn't, Sir, - and I think that this really is what a Canadian economy has to consider - he did not tell us how those tax cuts would be reinvested in provincial industry or provincial manufacture. What he suggested, as I recall him saying, was that there should be a 10 percent corporate tax cut and that, from his point of view I guess, the corporation could do what it wanted with the additional 10 percent.

Sir, I don't think that that kind of a tax cut is beneficial to the provincial economy. He indicated that the cost of this 10 percent tax cut to the provincial treasury would be \$4 million. No one on the Liberal benches, Sir, is refuting this so I assume that that figure is correct. The \$4 million in tax cuts resulting from the Liberal Leader's proposal should be kept in the province. It makes no sense to me, as a Manitoban - and we all know how Canadian the Liberal Party wishes to appear after having sold half the country to the United States over the last 50 years - he has not told us, or rather I as a Manitoban have not been told by him how that \$4 million could be kept in the province and reinvested in provincial industry. And I think really that if you're going to talk about across-the-board corporate tax cuts that the manner in which that money is to be reinvested in the province is a policy that we should be told about. I don't think that a \$4 million tax cut introduced today would result in an additional \$4 million in corporate spending in the Province of Manitoba. Quite the contrary. It could find its way down east, as much western money has done historically; it could find its way to the United States; and although it may be of benefit to the corporation it may not be of that much benefit to the provincial economy and thus to all Manitobans.

Well, Sir, some of the proposals of the Liberal Leader were not inflationary as far as I could make out, and here again I don't think there was any consistency between what he had to say in introducing these various tax proposals. He did suggest a capital gains rebate plan, and at first blush, Sir, I must say that a capital gains rebate plan seemed to me to be a rather useful tax device, because I saw it this way, Sir. That if, for example, a farmer was able to sell his farm and get out of that aspect of the provincial economy, and if he was willing, if that farmer was willing to reinvest that money in an industry that was more labour-intensive, that he should be exempt of capital gains, and I don't think any farmer on either side of the House would disagree with that idea. And it seemed to me that if someone was in a business, the business employing a ratio of oh, five men to every unit of production, and that man wanted to sell that business and move into a business that involved ten men to every unit of production, if I can just use those figures, that that seller too should be entitled to a capital gains rebate - and so it would go, Sir; Every capital gains rebate leading to investment and more labour-intensive industry in the Province of Manitoba. And to me, Sir, on first blush as I've said, that seemed like a very good suggestion, very good idea. But then I realized that this province could hardly enter into that kind of a tax giveaway game because our economy is a relatively small one compared to other provincial economies. And if we tried to introduce incentives by way of a capital gains rebate, we would soon find that Ontario and British Columbia and Quebec and other provincial economies would do the same thing if they're not already doing it, and that before long we would be at a competitive disadvantage rather than at a competitive tax advantage. And I think that a capital gains rebate plan is really not one that would, in the long term, benefit the Province of Manitoba. In the short term it might benefit the Province of Manitoba and it might benefit the Province of Manitoba, I suppose, over the short term and that would be useful for the Leader of the Liberal Party because, as I've said, I think that he feels that anything, any idea in his rag bag of ideas would be of short term gain and might gain him a few votes here, there and wherever across the Province of Manitoba.

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(MR. TURNBULL cont'd)

He also suggested, Sir, by way of showing us how we should get the economy going, that we introduce an estates tax cut. Sir, I don't pretend to be a tax expert but I do know a little bit about economics and I have never yet heard of anyone in any country in the world consider an estate tax rebate as a stimulant or a useful fiscal tool for stimulating a regional or a national economy. Quite often, Sir, that kind of money coming from estate taxes is invested in real estate, and real estate investments just for speculation can hardly be considered as economic development. It's very useful, of course, for the person who owns the property but for the economy as a whole it is anything but a stimulant. As a matter of fact, Sir, historically in this country such investment in real estate has been detrimental to economic development.

Well, there were some proposals in the Liberal Leader's speech that still appeal to me. He suggested stiffer taxes on vacant land in Winnipeg, and stiffer taxes on vacant land in Winnipeg I think would likely be a fairly useful idea. It seems to me it might be similar to the proposals already made by the Provincial Government to the City of Winnipeg for expanding the tax sources of the city government.

Sir, I don't think that in the years that I've been here I have heard the kind of criticism from the opposition that would be criticism that they could win an election on. This budget and the ones before it have been people's budgets, they do benefit those at the lower end of the income scale. And I think, Sir, you know that when the members of the opposition benches rise in their places and mount their attacks on this government for introducing people's budgets, that they are conforming to an interesting trait, an interesting characteristic of people, that was previously enunciated by Franklin Roosevelt when he said, Sir, that it's an unfortunate characteristic of human beings that those with a full pocket book groan louder than those with an empty stomach. And I think that what we have, Sir, on the opposition benches is individuals who, with full pocketbooks, tend to groan rather loudly. And we don't hear very much in committee or in this House from those who, while they may not have empty stomachs, are certainly those who benefit from the budget introduced by this government.

I can remember so clearly, Mr. Speaker, in 1969, when I took the plunge into provincial politics - into politics generally for that matter - talking to oh, one of them was a mechanic and some other men, skilled artisans in my riding, and I can remember so clearly one of them saying he was going to go to British Columbia, and I thought well, you know, well why do you want to go to British Columbia? Is it because of the skiing or what is it? And he said, "No," he says, "it isn't worth working in Manitoba." I said, "What do you mean, not worth working in Manitoba in the spring of 1969?" He said, "The minimum wage is so low that anybody who is not an organized union man cannot make a decent living." And that, Sir, was the situation that had been created by ten years of Tory rule. I hope, Sir, that this man is still living in my riding and that he is benefitting from the people's budget of this government.

Well, Sir, I think that the proposals made by the opposition parties are not ones that really could entice even me to vote against a budget like this. It does bring about, as I said, \$78 million in tax cuts. Those \$78 million are going to be distributed more to those below about \$10,000 annual income than to those above it. As one of those above \$10,000, Sir, I don't begrudge anyone from getting a slightly better tax break than I am getting, and if the members opposite want to groan about the budget let them groan.

Sir, this budget, this budget, Sir, I have to say is one which might, it might rouse the opposition to groan a little but I think, if I may end with another quotation, "it's a people's budget and it has earned only the enmity of entrenched grief."

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

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I'd just like to say a few words on this budget at this time, and we just heard a speech from the Honourable Member from Osborne relating all about the people's budget and I don't know how much --(Interjection)-- Yah, right. I'm not an expert and I'm not one of those capitalists that he's speaking about, I just happen to be one of those ordinary people. one of those ordinary people in Manitoba that are trying to survive under a socialist government and I'm telling you it's rough. It's rough. He doesn't need to lecture me; he doesn't need to lecture me. I was one of those ones that was here in '58. 1958, 1969; I was one of those devils that really poured it on the people. But I'll tell you what, Mr. Speaker. What we gave back to the people was money that they paid in taxes and not anything more. We didn't go and tax the people up about ten percentage points more than we needed to finance the government, we taxed them the amount that we needed. and that's the amount that was -- and furthermore, Mr. Speaker, the money that was spent in taxes was spread out and spread out all over the Province of Manitoba, not in favoured areas of the Province of Manitoba as now being spent by this present government.

You can speak to the people in Nette, speak to the people of other areas of the province, and ask the people how many roads we're getting in various parts of the province. And I tell you, Mr. Speaker, the people will tell you in no uncertain terms where the \$690 million is being spent, and it isn't being spent in the rural parts of the province of Manitoba as indicated by the Member for Osborne right now.

Mr. Speaker the quality of life, the great quality of life. the admiration society over there - that's what they are. The admiration society. They admire themselves so much their chests must blow off all their buttons at night time when they go to bed. I don't know how they can live with themselves; their conscience must bother them, and I'm sure it will at election time.

Mr. Speaker, we heard of . . . and I want to relate now. These great plans that the government's brought up, this great Property Tax Credit Plan. My goodness, Mr. Speaker. three years, two years ago the great plan that came out, the \$50 plan, \$50 plan. I said it wouldn't work - I said it wouldn't work and I stood up and voted against it. Say it worked - it worked for the last six months. Six months it lasted. That's all it worked, six months. They threw it out. They threw it out. They did. He threw it out. He changed the plan altogether. He brought in a new one last session of the Legislature. What they were charging 50 went up to \$140. They said it was better to remove the educational tax off the land rather than get involved with a Tax Credit Plan. But what happened this year? It changed again. Back onto municipal again, back on the municipalities. It's going to have to be collected in the municipalities again. The secretary-treasurers thought they were going to get a little relief from doing government work. Back on their hands again. The first \$100.00 has got to be paid to remove from the property taxes at the time so the secretary-treasurers of the municipalities got a load on them again.

Mr. Speaker. Mr. Speaker, we've heard all about this great society that's being posed on us by the members of the government opposite. This great economy has been created by the boost that's been created by the government opposite. Now what did they do for the economy other than hurt it. other than to hurt it? It was the farmers of the Province of Manitoba. along with a crop failure in Russia, that helped improve the economy to the extent of \$100 million this past year in the Province of Manitoba. This \$100 million has regenerated seven times in our economy in the Province of Manitoba. This is what helps; this is what helps. High taxes will never help the economy and this is what you're imposing on the people of Manitoba, and I must say that it's time, that nobody is in favour of 42.5 percent provincial income tax. I never have found one yet, one person yet, even though you might hand out a little sum of money. But, Mr. Speaker, do you realize the only difference between a millionaire and a man on welfare is \$100.00? The millionaire is going to get \$100.00 and the man on welfare will get \$200.00. They're even giving money out to millionaires, Mr. Speaker, and I have -- lo and behold, I was the last person in this province I ever thought would get \$100.00 out in this government. But they're still helping the millionaires. They're the party that help the millionaire. We never helped the millionaires. We never helped the millionaires. We never helped them. They're the party of the millionaires, helping the millionaires. I tell you they're the ones --(Interjection)-- Yeah, yeah, that's right. Sure,

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(MR. McKELLAR cont'd) they likely have.

Mr. Speaker, the Province of Ontario charged 30.5 percent in provincial income tax. That's quite a lot of difference, 12 percent 12 percent difference in income tax. But who's running the government in Ontario? The Conservative Party. Conservative Party. Are they not the friends of the people? Not friends of the taxpayer but the friends of everybody? Mr. Speaker, I'll take their policies every day ahead of the policies of the government in this Province of Manitoba, Mr. Speaker, and I think the people in the Province of Manitoba will at the next election. They'll be making the decision. They'll make the decision and I'm sure they'll make a . . . one.

Mr. Speaker, how much did our budget go up this year? And lo and behold, it's the first time in the history of Manitoba when you got two budgets, one of \$614 million, another one of \$694 million, an increase of about 78 or \$80 million, and the total budget is 20 percent over the previous year. Mr. Speaker, when I came into this Legislature our budget was 80 million and it took it around 90 some years to get up to 80 million. Well, the last 15 years we've gone from 80 million up to 694 million which is practically I guess about 900 percent increase in the last 15 years. Mr. Speaker, with the increase - with the Capital Supply Bill, which you're going to have to pass, this total amounts to a billion dollars, \$1,000 for every man, woman and child in the Province of Manitoba, and while it cannot be credited to the government of the day, it isn't a thousand dollar debt, but we do have a sum, I think, public debt of \$640 million, but I'm sure that the government opposite members will come back and say well, our next debt is only \$48 million and that's all the debt that the people of the Province of Manitoba have to take care of.

Mr. Speaker, I want to relate developments taken place in the Province in the past year, and what has taken place, and you'd think, Mr. Speaker, to hear it, that nothing ever happened before 1969. That was the year that Manitoba was created. Well, Mr. Speaker, there's lots of things that were created, and I want to say, just want to inform these members opposite because I don't think they knew what happened before 1969, and I want to also say what has happened in my part of the country since 1969.

Mr. Speaker, in the constituency which I represented for many years, development of the parks, and I want to say here that two needed parks were developed, started, the Turtle Mountain Provincial Park and Sprucewoods Provincial Park. And while it's quite true they weren't completely finished, the development and most of the major purchases of land and everything were started, and they're both open for tourists now of our province and other parts of Canada and North America. Two parks initiated by the government of that day.

Let's look at industry, let's look at industry, and everybody hears so much about Brandon today. In the constituency which I represent two big industries, one of which was mentioned by the Minister of Mines and Natural Resources, I think, the other day, Simplot, the chemical company, and it's quite true that they did get a 5 million-dollar DREE grant, at that time, and they got a loan from the Provincial Government of the day, but I tell you that industry has been a real good industry for the Province of Manitoba, and one which everybody is quite proud of because it's filling a useful purpose especially in the agricultural industry in our province and other provinces in western Canada.

Now look at the other one, Dryden Chemicals, not as large an industry but one which is located four miles east of Brandon and converts salt water, underground salt water into chemicals which can be used in the paper making industry. And I think this industry also is a good industry. Two industries located within four miles of Brandon and doing an excellent job. Well, name one industry that's been developed in the last four years? Even around Brandon, where you got the Minister of Industry and Commerce? Name one industry that has been developed in western Manitoba? I can't name one; I don't know if the other members can name one or not. But all you hear in the papers in Brandon, all you hear in the papers in Brandon, all what this mighty Minister is doing; what he's doing for the Province of Manitoba. I don't know what he's done, I don't know what he's done, other than to make noises and make statements, but he's sure good at handing out press releases.

Mr. Speaker, I want to relate a little more -- I spoke on Ninette the other day. Since we've had -- and I'm glad the Minister of Health and Social Developments's in here in his place today, because I was at a meeting last Wednesday night of a particular meeting which the Minister was invited to and didn't go, sent two civil servants to take his place to do the

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MR. McKELLAR cont'd). . . . dirty work for him. And after the meeting was over they issued a press release stating the position of the committee which has tried to encourage some action to take the place of the sanatorium there at Ninette, and I want to read this, and there under the heading, it says "To Wrap it Up": "The sanatorium staff, the people of surrounding towns and the municipalities, the doctors in the area and the Westman, cannot be faulted. They anticipated the closing of the sanatorium and put forward practical, sensible plans for its future use. They have worked for these in every reasonable and democratic way. The members of the city-based sanatorium seem to have a death wish for this historic institution which their predecessors laboured so mightily to build. Some slight sympathy for the local committee is indicated by an offer to sell them the sanatorium for 350,000, but they have also offered it for sale to any commercial developer. But this is morally indefensible. The sanatorium is a public institution and the board is the public's trustee. Members of the Provincial Government appear to be intimidated by some civil servants who cannot see beyond Winnipeg's perimeter highway. They promise us great things in the future, but at what cost. Many of our older citizens would like some prospects of care and security now while they are still alive to appreciate it". And in the latter -- one line -- he said: "They say where there is no vision the people perish". "Where there is no vision the people perish". That is one line I think we should all remember.

Mr. Speaker, that meeting, I think it was . . .

A MEMBER: . . . table the statement that he made?

MR. McKELLAR: Sure, sure. Be glad to. Anything I read I'd be glad to table.

A MEMBER: Don't give it away yet, you might want to read it again.

MR. McKELLAR: No, there's lots more of them.

A MEMBER: Oh, okay.

MR. McKELLAR: Mr. Speaker, Mr. Speaker, the Minister sent two civil servants out to tell them that the government wouldn't do anything, and one of the reasons why they wouldn't do anything regarding a personal care home was because the government want the people to die where they live. Well, Mr. Speaker, of all the statements that have . . .

A MEMBER: . . . in a hole.

MR. McKELLAR: Yeah, I don't know where you're supposed -- you're suppose to die where you live. You can't die in Ninette because -- you're not supposed to because the government say you're supposed to have a personal care home at Killarney, or some in Brandon . . .

A MEMBER: You're supposed to die in Killarney.

MR. McKELLAR: So you're supposed to die in Killarney. Well, of all the nonsense statements that was ever poured out by government, this is the . . .

A MEMBER: Terrible. Terrible.

MR. McKELLAR: It's unbelievable, Mr. Speaker, a government who is so concerned about people -- I think it all depends on whether you're a friend of the government or whether you're not a friend, and the people right now at Ninette I tell you, you can -- they know where their friends are, I'll tell you that right now, Mr. Speaker.

A MEMBER: They're in Killarney.

MR. SPEAKER: The Honourable Minister.

MR. DESJARDINS: Is the honourable member aware of the statement that I made of the cost to keep this Ninette place open for just 25 years?

MR. McKELLAR: I don't know whether the Honourable Minister was invited, but there's two other ministers were invited and they had their opportunity and that question was asked, do you have the answers? I answered that question in Ninette -- on your behalf, I tried to do you a favour.

Mr. Speaker, they're spending \$100,000 to put a washroom here, but that's a lot more important than the sanatorium, a two million-dollar building converted --(Interjection)-- at Ninette, simple facts of life, priorities, priorities, same old question, it depends on where you are and who you are --(Interjection)-- That's right. I can assure the Honourable Minister -- I saw it and I appreciate it, and I told them the facts; I told them as they were. I wish you'd have given that statement to the civil servants that went out there so they could have answered it.

Mr. Speaker, I want to go on a little farther. Mr. Speaker, I appreciate getting this

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MR. McKELLAR cont'd). . . . great book, great book here today, the introduction of an economic analysis, and I remember so well, and I can see the Minister of Agriculture sitting here, and he condemned our government, he condemned our government at the last election. I see him sitting with his back, but I know he's listening. He condemned our government for the policies we took at the last election, that we were going to remove the Agricultural Credit Corporations from lending on land, but he said it was wrong. He said it was wrong and that if his government was elected he would get back into the lending for purchase of land. But lo and behold, what is in this great book, the great bible of the New Democratic Party? I just want to read it to you, Mr. Speaker, just one little short quotation here, because I think it illustrates that they are now seeing the light after four years. So why have they seen the light? Because some of the experts find now that it's duplication to be in the money lending business for land. And I want to read it; it's not too long, and I'm sure that the members here will be interested here: "In preparing guidelines for the seventies the role of any provincial credit agency has been carefully reviewed. The criteria used in the review were two-fold: duplication must be avoided and credit policy must be tied to the objectives of agricultural policy. Where existing credit institutions adequately may meet the many needs of the farmer, the Manitoba Agricultural Credit Corporation must not duplicate their activities. Where existing credit institutions do not provide the type of programs required to meet the objectives of agricultural policy, the Manitoba Agricultural Credit Corporation must fill this gap. On the basis of these two considerations there is no justification for the Manitoba Agricultural Credit Corporation to continue to provide credit to finance the purchase of land. The availability of credit to the Farm Credit Corporation" -- that's the Federal Farm Credit Corporation, in case the members aren't aware of it -- "for the purchase of land must be considered adequate. Through the Farm Credit Corporation farmers can obtain credit up to \$100,000 at an interest rate with which provincial agencies simply cannot compete, and at present the Farm Credit Corporation arranges 7 percent and the Manitoba Agricultural Credit Corporation arranges 8.5". This is what we told the farmers of Manitoba, and this is the very same statement now which the experts from the New Democratic Party, are coming forth. Now, it'd be interesting to note --(Interjection)--. This is not socialist, it's common sense. Finally common sense is getting into your heads. It takes a long while to put common sense into a socialist head, and I'm sure that it's gradually working in. No, it's good business. The farmers in Manitoba asked us to get out of that business and we got out, so the government got back in; so it'll be interesting now to see what they're going to do. This is only one particular point that I noticed in this book and I'll be interested in reading it all because I'm sure there's other policies in here which I'd be interested in, agriculture.

Mr. Speaker, we've heard so much from the budget, how it's going to help the elderly people, and it is, it is, and I assure you that it's going to help. But, Mr. Speaker, the old age people got some help from the governments of the day before this government came in, and I want to relate, I want to relate, Mr. Speaker, I want to relate who brought it in, and the Honourable Minister of Tourism and Recreation was here when this was passed. Who brought in social allowance? Who set up this great plan that was adopted by nearly all the provinces of Canada? I'd like to ask of you members in the New Democratic Party, and the Minister of Recreation and Tourism was here at that time. Under the direction of the Honourable George Johnson who was the Minister of Health at that time, he initiated the social allowance policy which did so much to help so many; and all they're doing, Mr. Speaker, is increasing the fees by 10 percent to look after the high cost of inflation -- and I admire them for that, I admire them for that, I admire them for that.

A MEMBER: Say it again.

MR. McKELLAR: I could remind the Minister of Tourism and Recreation of a few speeches he made on free enterprise, sitting right over here in this chair, too, and I wish -- I'll have to look them up, I'll have to look them up. He sure changes over the years. He's sure changed his tune over the years.

A MEMBER: He changed his spots and his stripes.

MR. McKELLAR: Yeah. Mr. Speaker, sure the Medicare premiums will help, sure it'll help. \$50.00 for a single person, \$100.00 to a family. Sure, it makes quite a bit of difference to some people, and it's quite true it'll help the majority likely, it's quite true. Sure, you can do a lot with \$80 million, and I'm not denying that. I wish I had \$80 million;

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(MR. McKELLAR cont'd) I could help a lot of people out too, likely a lot better than you folks. Do it a lot more fairer.

A MEMBER: Hear, hear.

MR. McKELLAR: Let's look at some more things here. Let's look at what's not in the budget, let's look at what's not in the budget. What's in it for our youth getting out of high school today, getting out of university. Can you find a job in that great bible here? I don't see any jobs in here, not one job; not one job for a person coming out of high school or coming out of university. All you see in front of them is little more for people, but there's nothing in it for that age group, not a thing in there at all. This is what should have been in the budget. This is the kind of programs the people of the Province of Manitoba were looking for; something that will generate some enthusiasm. Mr. Speaker, we're the greatest exporter of youth that ever this province -- I guess we are -- and we send them east, west, south and north. We send them every way, but we never provide jobs for them, and there's nothing here either.

Mr. Speaker, there's nothing in it here much for the farmers except what you mentioned, this medicare and tax relief. But as I said before, you're giving \$100.00 to the millionaires, \$100.00 to every millionaire in Winnipeg. We haven't got any millionaires in rural Manitoba, so they're all in Winnipeg here. So, that's all you're giving them, that's all you're giving them, not much difference between a person who's destitute and a man who is wealthy. Mr. Speaker, surely this government of the day could have done a little better. With \$80 million, surely you could have done a little better, surely you could have done a little better than that.

Mr. Speaker, we look at the record of the government of the day, we look at the record over the four years, and we're going to have an election within likely three months, five months, and the people of the Province of Manitoba will decide whether they want more of the same, more of the same or something in a little different direction that will do more for all of Manitoba. I think the Honourable Member for Roblin stated it very clearly on Friday, very clearly on Friday, where he mentioned in no uncertain terms about the rural parts of Manitoba, and this is quite true, this is quite true. You don't see all this rosy, glory economies that you're speaking of, that even the farm implement dealers never had it as rough as they're having it right now. You just talk to them, and find out. The storekeeper, ask the storekeeper how he's doing in the rural parts of Manitoba, and I tell you, Mr. Speaker, you'll get a better idea and understanding of the economy of the Province of Manitoba than what you get from the people opposite here in this Legislature.

Mr. Speaker, also, some of the things that we were looking for, as I mentioned, and I think some of the things that should have been in there, is some relief on gift tax on transfers of farmland among families, and I've only mentioned it on families, family farms, because there's one instance. If I want to start my son up farming, all I can transfer is \$2,000 a year, and this is a real burden on the average farmer trying to start his son up in farming. There is no way, no way you can do it. If you did do it it would take you at least 20 years to transfer it, and you can do it, sure you can do it; you can give him a larger gift and pay tax on it, there's nothing to stop anybody doing that. But I think on the family farm, I think it should be treated in just a little different light. And also small businesses among families. I happen to be the third generation on the farm, and if my son if he takes over farming, he'll be the fourth generation. And we're all on the same farm and I think some consideration should be made. I realize that the government don't want to give up the taxes but I realize how small amount the tax is on gift tax and succession duties. Some relief must be taken on that type of an operation.

Mr. Speaker, I'm just going to close now by saying that I think the government could have done a better job, they could have done a lot better job. Santa Claus did come twice this year, it's quite true he came twice. He came a week ago when the Premier presented his budget last Tuesday night, last Tuesday night he came. But it's always interesting, it's always interesting to see the type of approach this government, or the government of the people, as mentioned by the Member for Arthur this afternoon, the government of the people. I want to say that he'd better come out to rural Manitoba and take a trip around to find out this government isn't representing the people no matter what they say.

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

MR. JAMES WALDING (St. Vital): Thank you, Mr. Speaker. The debate on the budget is traditionally rather wide-ranging and rather open, Mr. Speaker, and I notice looking back

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(MR. WALDING cont'd). . . . that I spoke on the budget debates of both of the last two years; the first time, I think, was the first speech that I made in this Assembly, and quite frankly at that time the speech I made then had nothing whatsoever to do with the budget at all. The second speech a year later dealt partly with the budget, the remarks that I have this afternoon will be restricted to the budget itself.

The Member for Fort Garry, in speaking of the members on this side, mentioned the sense of bravado emanating from members on this side of the House. Bravado, I think, is not too accurate a term; perhaps a rosy glow might be more accurate as members on this side heard the statements of the Minister of Finance of a week ago. At the same time as this rosy glow spread amongst us, Mr. Speaker, we noticed a certain amount of discomfiture from the members opposite when they realized the extent of the tax cuts being proposed in the Budget, the fact that these tax cuts in one year were bigger than all of the tax cuts that had been proposed in the previous two years. And it reminded me of a little story, Mr. Speaker, if I can just take a couple minutes off to mention it, and it's an old one - I apologize if any of the members have heard it before. It concerns a great white hunter and it's set in Africa, and the white hunter with his retinue was travelling along this jungle path when he came upon a second great white hunter impaled to a tree with an assegai, which is a spear, through his centre, looking not very happy with himself at the time, and the first white hunter said, "You poor fellow, does it hurt?" And the second white hunter looked up, smiled rather sickly, and said, "only when I laugh." And it seemed to me that the Opposition was in something the position of the second great white hunter in being impaled to a political tree with a very sharp budget.

I didn't intend to take any time in answering the remarks of the Leader of the Opposition. I am sure that that will be done by other members. The Leader of the Liberal Party in his 46 pages of --(Interjection)-- 47, I've been corrected -- gave us a hodge podge or a rag bag, I think it was referred to, of conflicting and contradictory policies and platforms and statements. It was the sort of a snowstorm budget where you put in something for everyone confident that at least one snowflake will fall on everyone. It could be said perhaps, Mr. Speaker, that the speech of the Leader of the Liberal Party will go down in history as the speech which launched a thousand upsurges. A thousand upsurges of the contents of a thousand stomachs.

But, Mr. Speaker, let's move along to the Budget Speech itself and the tax cuts contained in it. First of all, the matter of social allowances which has shown a much needed increase. I notice from some of the statistics listed in the back of the Budget Address that personal income in the Province of Manitoba has risen by amounts varying from 5.6 to 11.9 over the last three or four years, during which time the amount received by recipients of social allowances has remained static, considering the rise in food and other prices over that time. The recipients of social allowances are surely the only ones receiving, in real terms, less than they did four years ago. So such an increase is surely to be welcome and I trust there will be no opposition to that measure from any side of this House.

The grants to the municipalities announced this year, the same \$2 million to the City of Winnipeg plus increases in the percapita grants to municipalities of 25 percent, have been welcomed from municipal leaders from here to Portage la Prairie and doubtless beyond even that. And of course the removal of the health premiums is a most welcome feature both in my constituency and across the whole of the province. It is, Mr. Speaker, an extension of the kind of opposition to premiums taxes voiced by this party previous to 1969 and implemented in the years since that time.

Moving now to the possibly larger item of the extension of the Property Tax Credit Plan. And in order to make the remarks that I wanted, I would like to just view this problem from the historical point of view and point out that oh, some seven or eight years ago in the mid-60s, that this problems of the burden of municipal taxes was recognized by the previous administration when in around 1965-66, I forget the exact time, the Conservative administration of that day brought in gifts tax rebate scheme, and I remember very well the premier of the day, Duff Roblin, speaking on the principle of doing this, and he said that his government had been increasing steadily over the years the amount of assistance it had given to municipalities in an attempt to hold the line or to reduce the amount of municipal taxes paid by homeowners.

But this had not in fact happened. What had happened was that municipalities in

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(MR. WALDING cont'd). . . . receiving larger grants from a senior government had simply increased their spending. So what he intended to do at that time in the scheme that he brought in, was that the government of the day would rebate 50 percent of education taxes up to a maximum of \$50.00, and send it back to the homeowner in the form of individual cheques. The principle of doing this is surely a good one, but the way it was implemented had certain disadvantages. First of all, it was a hideously clumsy way to do things, and I have seen no estimate of the amount of cost involved in the administration of it, the cost of the paper, the typing, the production of the individual cheques, and the postage charges. Not only that, but it had the additional disadvantage that it paid one rebate for each parcel of property owned by a homeowner, so that a man who owned five parcels of land received five times as much as a homeowner who had one single parcel of land. --(Interjection)--

If the Member for Charleswood wishes to make his contribution he can stand up afterwards and refute it.

Another disadvantage with this particular scheme was that it rebated taxes to homeowners and not to tenants. The Member for Riel has told us that his government brought in such a scheme and disregarded it because it didn't work and I am suggesting that what he meant by that was that it had these very definite disadvantages and proved costly from an administrative point of view and that it was dropped in favour of the Foundation Program.

This did not, however, prevent local taxes from rising and this government was able to make some effort to reduce this burden in 1971 when it passed the School Tax Reduction Act. The principle was the same as the previous administration in rebating to the homeowner some of the taxes paid in the form of an actual tax reduction. But instead of sending individual cheques to individual homeowners, what was done was to send simply one cheque to the municipality and ask that municipality to show on the tax return the amount that was being rebated to the individual householder. It had the advantage, as well as giving money back to the homeowner, that money was returned also to the tenant, a degree of equity which did not appear in the previous measure. The amount, as members know, was still up to the \$50.00 and that was the best that could be done at that time. There were, however, certain problems and certain inequities involved within that scheme. The scheme, of course, did not take into consideration the ability to pay, and two householders living next door to each other who might receive the same rebate, could have vastly different abilities to pay the taxes.

The following year, for the 1972 year, which would in fact be paid in 1973, the government brought in its School Property Education Property Tax Credit Plan, which was an improvement over the previous plan paid out in 1973 although it was for the same taxation year 1972 and, as well as increasing the benefits, that is to a minimum of \$50.00 where the old scheme was a maximum of \$50.00, it also had the advantage of paying back to tenants through their income tax return, moneys which had previously been paid back to them through their landlord. It had of course the feature of repayment according to ability to pay, and I don't intend to go into the details of that again.

I was very pleased to see in the Budget Speech of this year that the Minister of Finance intends to increase the extent and the scope of that plan even further, to raise the upper limit to \$200 and to raise the lower limit to \$100, again to be paid out in 1974 on the 1973 taxes, and an important difference from last year is that not only will the amount of education taxes be rebated, but a certain amount of the municipal taxes will be rebated also if it is necessary in order to bring the amount up to \$200.00. However, there was one part of the last year's scheme which had the advantage over the previous one, in that tenants and homeowners were treated equally at the same time and by a corresponding amount. I notice that the improvements mentioned this year will also improve the amount to be returned to tenants by raising the amount from 10 percent to 20 percent.

However, also in the Budget Speech there is the proposal that part of the money from this Property Tax Credit Plan will be advanced to the individual at the time that municipal tax bills are issued for this year. What this will mean, of course, is that the principle that was arrived at last year whereby homeowners and tenants would be treated equally, is to go by the board this year, that those people who are homeowners will find a decrease on their local tax bills of \$100.00 whereas tenants will see no decrease in their rent until such time as they fill in their 1973 income tax form early next year. Now it might be said that this is being done because the School Tax Reduction Act, which decreased local tax bills by \$50.00 last year, will

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(MR. WALDING cont'd). . . . not be appearing this year, and that homeowners when comparing their 1973 tax bill with a 1972 tax bill, will see a \$50.00 increase plus any increases levied by their local municipality for this year, and that because of this, this rather large rise from June to June '72 to '73, that part of this money will be rebated to them or advanced to them to take into account some of this rather large increase.

However, Mr. Speaker, the reason that the scheme was brought into effect for last year was so that the amount should be received through the income tax form, reflecting the ability to pay and not putting more money into the hands of the municipalities. I believe it was the Mayor of Winnipeg who commented on the Budget the other day, that it's a bottomless pit as far as municipalities are concerned, that any extra money that they receive is simply spent and there is never enough to keep the taxes down. So on the matter of equity between tenants and homeowners, surely both should be treated equally and both should be receiving back their rebate through the income tax scheme according to the principle that was established for this year.

It could be pointed out also that the School Tax Reduction Act which gave back \$50.00 50 percent of school taxes in 1962, was of assistance to those people who were actually paying their school taxes in a lump sum to their own municipality. But there are very many homeowners, particularly younger ones, Mr. Speaker, who do not pay their school tax to the municipality in which they live. The amount that they pay is included in a monthly payment, usually to the mortgage company or the CMHC, to cover the principle and the interest and also the taxes, and it is CMHC who makes the tax payment to the municipality in which they live. This amount, this monthly payment, has a tendency of course to rise with the passage of years and every two, three, four or five years the homeowner receives a little notice stating that his monthly payments are to be raised by \$2.00 or \$3.00 whatever the case may be. So that when the School Tax Reduction Act came into effect for 1972, those homeowners who were making monthly payments on their principle, interest and taxes, did not receive any \$50.00 decrease in their tax bill, nor did they receive any dollars in their pockets. The only effect that it could have on them, or would have on them, is that maybe in two or three years' time any increase in their payments would perhaps be deferred for one year.

So, they did not see any benefit from that tax, whereby the credit plan that was brought in for the following year actually put dollar bills in the homeowners' pocket or a dollar reduction in the amount of income tax that he had to pay. To change that principle back to making an advance back to the municipalities so that it will appear once more on his property tax bill, will again have no effect, no immediate effect as far as the homeowner is concerned, and what it will do is to defer for perhaps a few more years any increase that he might have to make on his monthly payments as far as principle, interest and taxes is concerned.

Mr. Speaker, I don't want this to sound as a criticism for the measure itself or for any part of the budget. I do simply put it before the members hoping to see some debate on the pros and cons of this particular part of the budget.

MR. JAMES H. BILTON (Swan River): I wonder if, Mr. Speaker, you'd like to call it

MR. GREEN: Call it 5:30, Mr. Speaker.

MR. SPEAKER: Agreed? Very well; I'll call it 5:30. I'm leaving the Chair to return at 8:00 p.m. tonight.