

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Thursday, March 28, 1974

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the Honourable Members to the gallery where we have a group of 11 people from the 21st and 41st Guides. These guides are under the direction of Mrs. Thorlacius and Mrs. Clark. This group is from the constituency of the Honourable Member for Osborne, the Minister of Consumer, Corporate and Internal Services.

We also have 18 students from Grade 7 to 12 standing of the Gilbert Plains School. These students are under the direction of Mr. Murray. This school is located in the constituency of the Honourable Member for Dauphin, the Honourable Minister of Highways.

And we have 15 Confirmation Students under the direction of Mr. Pope. This group is from the constituency of the Honourable Member for Rock Lake.

On behalf of all the Honourable Members I welcome you here today.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition)(River Heights): Yes, Mr. Speaker, My question is to the Honourable Minister of Health and Social Development answering for the Manitoba Housing Renewal Corporation. I wonder if he can indicate when he became aware that a special audit of the Northern Manpower Corps was being conducted in connection with funds owing to the Manitoba Housing and Renewal Corporation?

MR. SPEAKER: The Honourable Minister of Health.

HON. SAUL A. MILLER (Minister of Health and Social Development)(Seven Oaks): Mr. Speaker, this has been known; it isn't a matter of a special audit, it's a matter of having somebody go up north in order to satisfy the person in charge of the Churchill Townsite Development that all matters were going in accordance with the agreement.

MR. SPIVAK: Is the Minister in a position to confirm that the Provincial Auditor would not certify to this portion of the work done by the Manitoba Housing and Renewal Corporation?

MR. MILLER: The Provincial Auditor pointed out that the procedures which had been followed by MHRC in advancing moneys wasn't done through the normal or certified channels or procedures. However, I am absolutely satisfied that there were no missing funds, as had been suggested by the Leader of the Opposition - and, in fact, that everything will work out well in this case. The Town of Churchill is benefitting from the activities, and that's the goal that this government set out to achieve, to set up a viable house building industry in Churchill and that's exactly what's happening.

MR. SPIVAK: Yes. I wonder if the Minister can confirm that the Provincial Auditor has brought to his attention that the government had no legal authority for part of the work that was completed?

MR. MILLER: Mr. Speaker, perhaps technically the member may be right. But the pay outs were made knowing full well that this is really an interdepartmental matter and that the pay out procedures, although not technically set up at that moment, that in fact the money would be forthcoming through the Department of Northern Affairs, which is the department from which the money would flow.

MR. SPIVAK: Yes, a supplementary. I wonder if the Minister can indicate to the House what action he or the government took when this irregularity was brought to his attention by the Provincial Auditor.

MR. MILLER: Well, Mr. Speaker, it's an irregularity in a sense, it's a technical irregularity. The action taken was that the funds which should flow from Northern Affairs to MHRC in order that the bookkeeping take place is in the process of taking place; and I am satisfied that there is no misappropriation, there are no missing funds, but that in fact what has occurred is that the housing in Churchill is moving ahead. The Churchill housing prefabricated company which has been formed in which Northern Manpower Training Corps is involved in,

## ORAL QUESTIONS

(MR. MILLER Cont'd) . . . is doing a darned good job and I applaud them for it - and if we made it possible through MHRC to give them bridge financing, then I think we did the right thing for them with their taxpayers' money, which is well accounted for; which will be accounted for, which will be accounted for - and frankly, when you are faced with the choice of doing something and doing it fast because of a need, then you do it. And I'm absolutely satisfied there is no misappropriation whatsoever.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. I.H. (Izzy) ASPER (Leader of the Liberal Party)(Wolseley): Mr. Speaker, my question is to the Minister of Finance. Could he indicate whether the government intends to do anything or to take any measures to reduce or eliminate the impact on Manitoba consumers of the seven or eight cent gas price hike that is expected as a result of the insistence of Alberta, B.C. and Saskatchewan of a higher price of gas and oil?

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance)(St. Johns): Mr. Speaker, I am convinced that there is no one who could eliminate the impact of a problem which is a world wide problem created by world wide controllers of a non-renewable resource. I might point out as a matter of interest, that Manitoba is still the third lowest in the taxation on gasoline and motive fuel tax; that we will certainly be feeling the entire impact as it is - and I would think - and this is without consultation with the Premier, who has not yet returned from the Conference - we will have to look at this situation in the same light as we have to look at other price increases that we've been subject to and may be subject to in the future - and more important, in the light of what we have yet to learn will happen as a result of the increased revenues to certain provinces without any clear indication whatsoever that the Province of Manitoba will be receiving any equalization in that connection. The Leader of the Liberal Party has shaken his head as if he already has the answer, which I don't have. He indicates that Manitoba will not be receiving any equalization on this which if - I believe that's what he indicated - well, it doesn't matter, Mr. Speaker. I can't accept his statement either way, because I don't have the statement from the Federal Minister of Finance or from the Prime Minister; and therefore all I know is that there is no indication yet that we will be in any way the recipients of equalization based on the flow, on the increased price of gasoline and oil, and therefore we must sit back and study the situation and see how we can adapt to it.

MR. ASPER: Yes, Mr. Speaker. A question to the Minister based on his statement alluding to world problems. Will he confirm to the House that the price rise is solely a cause of the governments of Saskatchewan, Alberta and B.C. insisting on a higher price for the gas.

MR. CHERNIACK: Mr. Speaker, I would confirm that the increased world price of oil and gas has made it possible for the oil companies to attempt to increase their charges to the world consumer markets for all the commodities which they handled, which included the production from Alberta and Saskatchewan, and to a small extent Manitoba - as a result of which, each of the provinces and the federal government took action to attempt to keep that price from going sky high, as it would have gone if there were just a complete free enterprise or laissez-faire approach taken permitting the oil companies to sell their goods at that higher price. The result is, there is a lower price in Canada than in the rest of the world market, and the lower price is being controlled by the Alberta Conservative Government, by the Saskatchewan NDP Government, by the Federal Liberal Government - all of whom, I am sure, believe that they are acting in the best interests of the people that elected them.

MR. ASPER: Mr. Speaker, would the Minister of Finance confirm that the proceeds from the increased price will go substantially into the treasury of the provinces involved, Alberta, B. C. and Saskatchewan, and not the oil companies.

MR. CHERNIACK: Mr. Speaker, I will try to confirm what I believe is correct and that is, that rather than the oil companies get the advantage the various governments have already stepped in to take away from the oil companies the advantage they would have gotten in any event, and that the Alberta Government has not yet made clear the extent to which it intends to participate in the increased price, from the base price - and we don't know how much it is - but the indication is that it will be very substantial. Also, that the Saskatchewan government has apparently passed legislation to give it 90 percent of the differential in price between what was the base price formerly and the selling price now; and that the Federal Government has imposed a tax on all exports of price in excess of six and a half dollars to I

## ORAL QUESTIONS

(MR. CHERNIACK cont'd) . . . believe what is now something like ten and a half dollars, which is substantial money. Each of the governments have not yet to my knowledge declared the long range purpose for which they intend to use the money, except that there is some indication that the provinces, or one of them, may be using this for "capital purposes" - I put that in quotation marks because they haven't spelled out what it means - and the Federal Government has said that they intend to use it to equalize, to create one price across Canada. And any others, again to my reading, I'm not clear as to what they intend to do with it.

MR. ASPER: Mr. Speaker, final supplementary to the Minister. Can we take it from his comments that the government of Manitoba does not intend to give consideration to the reduction of the motor fuel tax to at least compensate in some way for the price rise coming on?

MR. CHERNIACK: Mr. Speaker, the Leader of the Liberal Party has no right to take that conclusion from my comments.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Attorney-General. I wonder if he could confirm that a practicing lawyer who would use trust funds for general purposes and return it and call it bridge financing would be held to commit an illegal and an irregular act.

MR. SPEAKER: Order, please. Asking for a legal opinion, The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Agriculture. I would like to ask him if he met personally with the executive of the Women's Institute this morning?

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Well I think my Honourable friend the Member for Rock Lake is trying to tell the House that I met with the Members of the Women's Institute, Mr. Speaker.

MR. EINARSON: Mr. Speaker, I again ask the Minister if he personally met with the executive of the Women's Institute this morning?

MR. USKIW: Sir, I don't know why the honourable member asks, when he knows that I did.

MR. EINARSON: Mr. Speaker, I would like to ask the Minister if he would inform the House as to whether he discussed with the Women's Institute the matter of the Executive Secretary?

MR. USKIW: Mr. Speaker, we had a very lengthy discussion on that matter and many other matters.

MR. EINARSON: Mr. Speaker, I direct a third question to the Minister and would like to ask him, can he inform the House as to whether his position still holds; namely, that the position of the Executive Secretary is now redundant with the Women's Institute?

MR. USKIW: Mr. Speaker, in that question is an assumption which is incorrect. The position of the Executive Secretary to the Women's Institute has not been removed.

MR. EINARSON: Mr. Speaker, I have another question for the Minister. Then I'd like to ask the Minister, will Mrs. Gwen Parker be hired after April 1st for that same position?

MR. USKIW: Well, Mr. Speaker, I think that I indicated to Members in the House that that position is going to be filled by a permanent staff member as opposed to a part-time staff member - as was the case up until, well up until and including tomorrow. Now that is the current position, Mr. Speaker.

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

MR. EINARSON: Mr. Speaker, I have a further question for the Minister.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: I would then like to ask the Minister, would he like to explain to this House why Mrs. Parker's services were no longer required?

MR. USKIW: Mr. Speaker, I'm rather surprised that the Honourable Member for Rock Lake would put that kind of a question. When he was involved in the affairs of the province for many many years, and indeed were members opposite, all were involved in the decision making process which had to take into account the number of full-time staff people employed in the Civil Service, as well as the numbers of part-time staff - and he knows, Mr. Speaker, that the term positions are not permanent positions, but are subject to review at any time. And therefore we did not drop one staff man year, Mr. Speaker, we eliminated a term position in the budgetary review that took place. And that is not only one position, there may have

## ORAL QUESTIONS

(MR. USKIW cont'd) . . . been dozens that were altered in that way, which is a normal course of action during Budget review.

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

MR. J. PAUL MARION (St. Boniface): Thank you, Mr. Speaker. I'd like to direct my question to the Honourable the Minister of Finance in his capacity as Acting Premier. Does the government intend to make any representations tomorrow at the meeting of creditors for Ilford-Riverton Airways, which has been called to consider a proposal involving a change in the effective control of the company and a proposal under the Bankruptcy Act?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I'm not aware of this meeting.

MR. MARION: Well, Mr. Speaker, a further question on the subject. I think the Minister should be concerned about this. Has the government considered whether the proposals if approved, will protect the public interest . . .

MR. SPEAKER: Order, please. The question is hypothetical.

MR. MARION: There is a matter of transportation, and I wonder if the Minister can advise if the government is concerned with the transportation facilities that Ilford-Riverton presently gives to the residents of that area.

MR. CHERNIACK: Mr. Speaker, now I'm not clear. I had the impression somehow from the way the member was talking, that the Manitoba government had a financial interest in that operation. Then if the honourable member is suggesting that on every bankruptcy situation the government should become involved, it would be asking I believe more than the government should be prepared to do. However the interest of the government of course is in keeping communications open, and if that involves transportation, then it becomes a matter of concern as to transportation - but not as to bankruptcy or protection of creditors, other than the normal law.

MR. MARION: Mr. Speaker, inasmuch as there will be a transfer of an air franchise . . .

MR. SPEAKER: Question please.

MR. MARION: . . . that accommodates both people and merchandise, will the Minister look into the transfer of this air franchise?

MR. CHERNIACK: Mr. Speaker, the authority to operate a commercial airline is within the jurisdiction of the Federal government. I imagine that our Minister on Transportation will be interested to know that there is a continuation of service, but that, I don't think should involve the protection of creditors of the airline whether they are secured or unsecured.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, to the Honourable the Minister responsible for the Communities Economic Development Fund, with reference Mr. Speaker, to his statement yesterday that he intended to call the Committee on Economic Development in the very near future - and in view of the fact that there's a serious conflict of sworn testimony with respect to the activities of the Communities Economic Development Fund, I wonder if the Minister could be more specific about the date on which that hearing will be resumed.

MR. SPEAKER: The Honourable Minister.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, I expect that the meeting will take place sometime within the next two weeks. We're trying to schedule meetings so that all of members' matters can be dealt with. For instance, the Manitoba Development Corporation, there are also things being said and questions being asked and they want to schedule that; we want to schedule Hydro, on which things are said and things are being asked. I may say, Mr. Speaker, that I do not consider a conflict of statements between different people - one being a former manager of one of the corporations that received money through the Fund and members of the Board of Directors of the Fund - as being a serious matter which justifies extraordinary procedures. I thought that the material originally tabled in the House was for the purpose of getting answers for honourable members. The Communities Economic Development Fund's authorities - the chairman, the manager and people who were alleged to be involved - have now given a series of answers. There is conflict of information. To me, that conflict of information is not something which justifies an extraordinary type of procedure. That kind of conflict, Mr. Speaker, I am aware of, takes place every day - and the Honourable Leader of the Opposition

## ORAL QUESTIONS

(MR. GREEN cont'd) . . . indicates that either Mr. Allison has perjured himself, or other people have perjured themselves. I can tell the honourable member that if . . .

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: The honourable member indicated that I had suggested that one or others had perjured themselves. For the record, Mr. Speaker, and so that the Honourable Minister will know, I indicated that the information in the affidavit would indicate that if someone knowingly gave wrong information, because there is such contradictions, then it's true that one person could be guilty of perjury.

MR. GREEN: Mr. Speaker, that's exactly what - I heard the Honourable the Leader of the Opposition on television, Mr. Speaker, I accept his remarks. I do not consider that when there is oath against oath, that that constitutes an implication of perjury. And, Mr. Speaker, if that were the case - and knowing the years that I've practised in law - the law courts would be doing nothing but having trials of perjury, and then there would be other trials to try the perjury that was alleged to have been committed in the trial of perjury itself. Oath against oath, Mr. Speaker, and conflicting statements is such a normal thing in my practice of law - and if the honourable member wishes to see what I consider to be a classic example of this type of activity, I would recommend to him the film 'Rashoman'. A Japanese film which dealt with four conflicting stories, each of the parties involved believing that they were telling the truth.

MR. SPEAKER: The Honourable Leader of the Opposition state his matter of privilege.

MR. SPIVAK: Well I hope by the Minister's statement that he's not suggesting that I said oath against oath were the implications what he said. I assume that what he is saying to this House is this is my opinion, not of what I said, but of what I believe - and that's very important because . . .

MR. SPEAKER: Order please. The honourable gentlemen are starting to conduct a debate amongst themselves, and I don't think that that is fair in the question period.

MR. SPIVAK: Mr. Speaker, then on the point of privilege, I want the Honourable Minister to indicate that he's not suggesting that I said what he said.

MR. GREEN: Mr. Speaker, I rise on the point of privilege. I read many statements yesterday in the newspapers to the effect that possibly somebody is committing perjury. I also read in the paper, statements attributed to the Leader of the Opposition was, that there now appears to be some type of cover-up on the part of the Minister of Mines. I tell my honourable friend, that neither did I know the name R and M Construction, know the principals involved, know any of the activities that were being dealt with by the Communities Economic Development Fund, nor did I in any way try to prevent any information from coming to committee. The reverse is true, Mr. Speaker. I told the people in the Fund that they are to bring everything to the Committee relative to the allegations that have been raised by Mr. Allison and Mr. Spivak, Leader of the Opposition. I will not now say, because the Honourable the Leader of the Opposition tells me that he did not say it, that the Leader of the Opposition said that someone or other was committing perjury. I got that implication from the papers; if the Honourable the Leader of the Opposition says that he never said that, then I accept his word for it. I gather that certain of the individuals involved have taken that from his remarks, which I suppose they are entitled to do - and perhaps the Honourable the Leader of the Opposition, from understandings that I have, may yet be able to cross-examine those people on their affidavits in other proceedings, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Brandon West. Order please. Again, I must indicate that all the honourable members are using this particular vehicle for is to debate and to express their own particular opinion. I don't think that there is a matter of privilege. The Honourable Member for Brandon West. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, you allowed the Minister of Mines and Natural Resources to give an explanation of his understanding - of his understanding of the word "cover-up", as written in an article which he related to me. And I think have a right, Mr. Speaker, on a question of point of personal privilege to suggest to the Honourable Minister that his interpretation of what he thought was meant by cover-up, isn't what I think about what is meant by cover-up and I'm going to be quite prepared in this debate to tell him what I think the government is really covering up in this matter.

## ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, I thank the Honourable the Minister of Mines for his detailed answer to my question. And I would ask him, in view of the fact that the manner of presentation of the Communities Economic Development Fund left very little time for examination of those giving evidence, would he not be prepared to call the Committee again next week?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I want to indicate some satisfaction that the Honourable Member for Brandon West appreciated the detailed nature of my answer, and thank him for indicating such appreciation, because apparently other people didn't appreciate it. I say to you that I have various responsibilities; in each of them, Mr. Speaker, there are people who are saying all kinds of things. I mean with regard to the Manitoba Development Corporation, there are all kinds of suggestions of things occurring; with regard to Hydro, there are all kinds of suggestions. I am going to try to call committees in such a way as to deal equitably with the presentation of various materials that have been raised. I am now aware that next Thursday, it's the Manitoba Development Corporation; I believe on Tuesday it is Hydro - it is Tuesday, Hydro - Thursday, the Manitoba Development Corporation; and I expect that in the next week we'll get back to Economic Development on the Communities Economic Development Fund. And Public Accounts, you know - there are suggestions of terrible things. If we do one, somebody is going to feel that the other is not getting proper attention.

MR. MCGILL: Mr. Speaker, I again thank the Minister. I appreciate he has many troubles, but did he say next week?

MR. GREEN: Mr. Speaker, I want to again thank the honourable member for his solicitude to my problems. I didn't suggest to him that I have many troubles; I said that there are numerous allegations, we have to deal with all of them. It is the honourable members who have troubles, not myself. I did not say that we will call it - (Applause) I've indicated Tuesday is taken up and Thursday is taken up. I do not see that there is time next week - one day we are not going to be here next week - we will probably get to it the following week. Probably.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J, ENNS (Lakeside): Thank you, Mr. Speaker, I direct a question to the Acting Premier. Can he now acknowledge the question asked by the Leader of the Opposition whether or not the government is in receipt of a letter from the Manitoba Metis Federation having to do with the Northern Co-op question.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: No, Mr. Speaker, I cannot.

MR. SPEAKER: The Honourable Member for Wolseley, the Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, my question's for the Minister of Health. Will he now acknowledge that he was incorrect when he said to the House that there was no political interference in the operation of the Leaf Rapids clinic in the light of the fact that the resignation by Douglas Hoare as Administrator of the clinic confirms the story told by the doctors.

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Mr. Speaker, no, I do not confirm that at all. There was absolutely no political interference whatsoever. The trustee and the advisory board and now the existing board handles the matter; there was no political interference from Winnipeg in any way, shape or form.

MR. ASPER: Mr. Speaker, would the Minister indicate to the House whether there were instructions given to the administrator of the Leaf Rapids Community Clinic that they were to find a "politically correct" - I'm quoting - "politically correct" doctor to fill the permanent position.

MR. MILLER: Not only have I not heard of that, I don't believe a word of it.

MR. ASPER: Mr. Speaker, in view of the Minister's denial of Mr. Hoare's . . .

MR. SPEAKER: Question please.

MR. ASPER: In view of the denial of his assertion, Mr. Speaker, will the Minister also deny that the information he gave to the House relating to the non-hiring of a certain doctor because of salary requirements being too high, was incorrect - I'm sorry - the information given to the public by his Associate Deputy Dr. Tulchinsky was incorrect, in that the doctor ultimately hired was (a) politically correct; and (b) was hired at a salary larger than the salary of the doctor who was refused.

## ORAL QUESTIONS

MR. MILLER: Mr. Speaker, let it be known for the record, I did not make any statement along the lines that the Leader of the Liberal Party suggests that I made. He may have read that in a newspaper, I don't know. I have no knowledge of that whatsoever. As to who has been hired, I don't know the gentleman, I have no idea what salary he was hired at; I know that he was taken on and will be, I believe, taking over some time in May, if that's the same man we're talking about. I believe he'll be starting some time the middle of May, that's the only knowledge I have of him.

MR. SPEAKER: The Honourable Leader of the Opposition. Sorry. The Honourable Leader of the Liberal Party.

MR. ASPER: Well to the same Minister. In view of the conflicting stories, would the Minister undertake to make an inquiry into the allegation of political interference in the administration of the Leaf Rapids Clinic, as contained in the letters of resignation of Dr. Riordan and of the administrator, Mr. Hoare,

MR. MILLER: Mr. Speaker, I will not undertake a witch hunt or an investigation. It is within the hands of the Leaf Rapids' Board; they are quite capable of dealing with it. The doctors who withdrew their services - it didn't come as a surprise, it was known that they were going to. They are free to come into the City of Leaf Rapids or the Town of Leaf Rapids, and if they wish to practice there they can do so. Nobody is stopping them. This was, as I say again, known to everybody. I have every confidence that the board of Leaf Rapids will handle this matter in the way that all other boards do.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Co-operative Affairs. It relates to an answer given yesterday to a question with respect to the cost of the Southern Indian Lake Co-op, in which he said that it was expected there would be almost a 100 percent grant of the facility of the fishermen of Southern Indian Lake. I wonder how the Minister is in a position to reconcile that statement as a statement of government policy with a letter from the Special ARDA Committee to the President of the Southern Indian Lake Co-op stating that, on behalf of the Federal Minister of the Department of Regional Economic Expansion and the Premier of Manitoba, further to the application made by the Southern Indian Lake Co-op, that there would only be 50 percent of the capital costs borne.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, the Leader of the Opposition knows that that is not the only source of capital support that could have been made available. At the time that the project was initiated within the local area, the discussions were with Indian Affairs, and the point of view was that Indian Affairs and DREE would both share in the capital cost. That was in the initial stages of those discussions, Mr. Speaker.

MR. SPIVAK: I wonder if the Minister can confirm that two years ago the department and the government knew that they were going to have to finance part or at least 50 percent of the cost?

MR. USKIW: No, I don't believe we knew that till about last year some time, Mr. Speaker. That's my recollection.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Speaker. My question is to the Minister of Health and Social Development. Is the Minister aware that there will be a cost of living increase given to the Manitoba old age pensioners next week?

MR. MILLER: Well, if the honourable member will more clearly specify what it is he's talking about, I may be able to answer him whether I am aware or not.

MR. BROWN: Can the Minister tell me whether the Federal Government will be issuing a cost of living increase to Manitoba old age pensioners?

MR. SPEAKER: Order please. That question relates to another area. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, my question is to the Honourable the Minister of Industry and Commerce in his capacity as responsible for transportation. I wonder if he could tell the House if it is his intention to give his, and the unqualified support of his government, to the application of Transair to provide direct jet service between Brandon and Toronto and other Saskatchewan points?

MR. SPEAKER: The Honourable Minister of Industry and Commerce.

## ORAL QUESTIONS

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Well, Mr. Speaker, unfortunately my friend from Brandon West has not been reading statements made in the paper by this government, and by myself in particular. The fact is that the Government of Manitoba decided to support a proposed application, which the honourable member refers to, by Transair. Decision was made to support Transair in this respect, and it was announced nearly a year ago at the WEOC - the Western Economic Opportunities Conference - in Calgary, and our position hasn't changed since that time.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. BROWN: Thank you, Mr. Speaker. My question is to the Minister of Health and Social Development. Can the Minister tell us if the Provincial Welfare Department will be reducing their payments so as to nullify the effects of the cost of living increase to the old age pensioners?

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: No.

MR. BROWN: Does the Minister intend to instruct the Provincial Welfare Department not to reduce their payments to the old age pension recipients?

MR. MILLER: It will be passed on.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, my question is to the Honourable Minister of Mines and Natural Resources responsible for the MDC. Can he explain to the House, how come Ilford-Riverton Airlines has gone into bankruptcy and does not owe the MDC any money? Mr. Speaker, I couldn't resist. I have a serious question for the Minister. Mr. Speaker, to the Minister. Could the Minister indicate whether, in respect of the bankruptcy proposal of Ilford-Riverton Airways, Mr. Peter Lazarenko is one of the two principals who is attempting to acquire control of the airlines - and that being the case, is he still an adviser to the Minister of Mines and Natural Resources?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, my understanding is the bankruptcy proposal has not yet been dealt with, and I think that there is still time to get in touch with the Fund to see whether they can give them some money so that they will be one of the creditors that is involved in the bankruptcy.

With regard to Mr. Lazarenko, I know only one Pete Lazarenko, The name sounds related. I know that Pete Lazarenko has had many interests in Northern Manitoba; it sounds logical that he would be the same person. Mr. Lazarenko is not on staff of the Department of Mines, Resources and Environmental Management, although at one time we were hoping that he would be. He is a member of the Board of Directors, I believe the Chairman of Channel Area Loggers; he is a member of the Board of Directors of the Manitoba Mineral Resources Limited; I'm not sure whether I've exhausted the public service that he performs for the government, but those are two that I remember.

MR. ASPER: Yes, Mr. Speaker. On the assumption that that the Lazarenko we are speaking of is the same as the Minister, and in view of the fact that Riverton Airlines does considerable business with the Government of Manitoba, will Mr. Lazarenko be kept on in his roles for government should he acquire control as is expected?

MR. GREEN: Mr. Speaker, I don't expect that there is anything that Mr. Lazarenko is doing that would constitute a conflict of interest, but my impression is that he guards his own position in this respect very carefully. One of the reasons that he did not come on staff, as was hoped for several years back, was because there were conflicts that he felt would be possibly raised and which he thought he should not be involved in.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, my question is to the Honourable Minister of Labour. I wonder if the Minister of Labour can give us a progress report on the six firms that have been made idle, and some 750 employees that are still on strike. Can he give us any progress report on that, Mr. Speaker.

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Well apparently, Mr. Speaker, the Honourable Member for Assiniboia listened to a news report this morning, as I did, to the effect that apparently there are six industrial disputes involving 700 people. This

## ORAL QUESTIONS

(MR. PAULLEY cont'd) . . . is a fact of life in industrial relations. We have conciliation officers where requested involved on one occasion; in one instance I have appointed an Industrial Inquiry Commission who will be reporting to me in due course.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources. It relates to an answer given I guess, about a week or ten days ago in connection with the Freshwater Fish Marketing Corporation and the request or negotiations that they have with the provincial government for the payment of \$750,000 claimed for the deficit of the Freshwater Fish Marketing Corporation. I wonder if he can confirm that until this payment is made, that the fishermen in Manitoba will have taken off their commission approximately six and a half thousand dollars monthly to pay the interest on this amount.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I cannot say how that is going to be handled by the Freshwater Fish Marketing Corporation. I know that Mr. Davis at one time in talking about this money, indicated a problem vis-a-vis the fisherman. I'm not sure that what the honourable member says is correct, but on the other hand the Province of Manitoba is dealing with the matter of the \$750,000 in a way which we feel is correct.

MR. SPIVAK: Well I wonder if the Minister would be prepared to take as notice, and confirm the fact that the fishermen of Manitoba are in fact paying an interest factor of approximately six and a half thousand dollars monthly, which is taken off their commission by the Freshwater Fish Marketing Corporation and this will continue until the provincial government makes its payment.

MR. GREEN: Mr. Speaker, I will certainly take that as notice. I must say that I believe that anything that relates to this matter would affect all the fishermen, not just the fishermen of Manitoba.

MR. SPIVAK: Yes, I wonder then if the Minister would also determine whether the fishermen in the other provinces are also being charged with the commission as well.

MR. SPEAKER: The Honourable Minister in charge of Autopac.

HON. BILLIE URUSKI (Minister responsible for the Manitoba Public Insurance Corporation)(St. George): Thank you, Mr. Speaker. I'm rising to answer several questions placed by the Honourable Member from Minnedosa and the Honourable Member from St. James the other day with respect to the providing of the U-drives as substitute transportation in cases of claims.

Under the insuring agreements of basic coverage, provision is made for the payment of alternate transportation; that is, cost of U-drives, taxis, bus fares and other means, to a maximum of \$8.00 per day to 30 days following a 72-hour waiting period. This coverage is restricted to the event of theft of the entire vehicle, the 30-day period would be reduced by earlier recovery of the vehicle or by the Corporation tendering settlement before the 30 days have passed.

In civil law, a wrongdoer can be held responsible for reimbursement of reasonable and justifiable costs incurred by the innocent party which are directly related to the accident. Therefore an innocent party can claim not only his deductible from the responsible party, but if it can be shown that he required alternate transportation while his vehicle was tied up for repairs, he has the right to claim the costs of such transportation less normal operating costs. This would not include lengthy delays awaiting parts or an unreasonable time expended for the repair operation. Autopac as the insurer of the wrongdoer is required to provide him protection under his liability coverage for any such amounts for which he becomes legally liable up to the policy limit. The Corporation's exposure for U-drives is therefore only to the extent that the insured wrongdoer is legally liable.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. I have a question for the Minister responsible for Autopac. I would like to ask the Minister if he would review the claim of a Mr. Maurice Berthelette for damage to his truck on the winter roads, in view of the fact that the answers given in the House, yesterday had no bearing on the incident involved.

MR. SPEAKER: The Honourable Minister.

MR. URUSKI: Mr. Speaker, I don't know what the honourable member is referring to.

## ORAL QUESTIONS

(MR. URUSKI cont'd) . . . .The honourable member spoke to me several days ago regarding this very claim. My department people contacted Mr. Berthelette to review the situation, and I answered the Honourable Member for Morris yesterday. The information that was provided to me was that the damage that was incurred to Mr. Berthelette's vehicle was in fact frame damage, where the frame was broken during the transportation; and the extent of the coverage of insurance is not to mechanical fracture, and we would not cover his claim in this event.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Thank you, Mr. Speaker. I direct my question to the Attorney-General. Some two weeks ago I asked him a question which he took as notice. I would like to ask when I can expect an answer.

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General)(Selkirk): Soon, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, my question is for the Minister of Agriculture. Is he now prepared to inform the House if the government is intending to enact legislation restricting the ownership of Manitoba land to non-residents of Manitoba?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, that's a very strong statement to make. I don't believe that I have ever indicated that I would restrict ownership to non-residents, that is, to Manitobans and against non-residents. I believe I did indicate that if I was to prefer legislation, that I would prefer legislation barring non-owner operators even though they may be Manitobans but that we have not yet decided whether or not we are going to proceed in that respect.

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

MR. MARION: Thank you, Mr. Speaker. I'd like to direct my question to the Honourable the Minister of Education. Can the Minister confirm that his department has a maximum cost allowance of \$12.50 per square foot for upgrading projects of older Manitoba schools?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): Mr. Speaker, I'll take that question as notice. I'm sure that there's an upper limit that the Public Schools Finance Board uses as a guideline, but whether it in fact is \$12.50 per sq. ft. or not, I do not know. And I would think, Mr. Speaker, that when it comes to renovation or upgrading, that it will be difficult to establish a maximum that would be applied in all cases because the type and the extent of renovation would vary from one project to another as opposed to the cost of new construction.

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

MR. MARION: I would appreciate the Minister taking that question under advisement. I wonder if he could take another at the same time. Is this amount under the present today's costs of construction proving adequate? I would like that to be added as well.

MR. HANUSCHAK: Well, Mr. Speaker, I'm not certain which amount the honourable member is referring to, because if he is referring to the previous question - that is the cost of renovation - then it's a variable figure, it's a difficult question to answer.

MR. MARION: Mr. Speaker, so that the Minister not be confused of the amount that I'm referring to, I would like to advise him that it is \$12.50 a sq. ft., that I would like him to give us an answer as to whether or not it is adequate at today's mounting costs of construction.

MR. SPEAKER: Orders of the Day. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I believe that we are now in the Budget Speech Debate and I would ask that we proceed.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MATTER OF PRIVILEGE

HON. RON McBRYDE (Minister of Northern Affairs)(The Pas): Mr. Speaker, I'm sorry, I rose earlier and I didn't realize we were finished the question period. I wanted to rise on a matter of privilege. Mr. Speaker, on page 1870 of Hansard, I misquoted the Member for Wolseley, Leader of the Liberal Party; he subsequently corrected that, and I wondered if that was a correct correction - it was on rereading it. I apologize to the member, and I certainly don't want to leave any misinformation on the record.

## BUDGET DEBATE

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance and the amendment thereto by the Leader of the Opposition and Leader of the Liberal Party. The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Speaker, I am sure you're wondering just how you could possibly have caused so much commotion and so much delay in the motion that is now before the House, which was simply asking that you be given permission to leave the Chair, as one of those traditions in British Parliaments which contains within it the flexibility to enable people in our Legislatures to test the government once again whether or not it continues to have the confidence of the House. We have moved motions of non-confidence indicating, at least from our point of view that the government does not deserve the confidence of this House - but it remains to be seen how many members on the other side that we can convince. I don't think there's any question insofar as we're concerned.

I would like, Sir, to - I'm sorry that he seems to have disappeared. But I wanted to deal just briefly - because his comments are really not worthy of very much comment - with the statements made by the Minister of Consumer and Corporate Affairs last night when he rose to speak. Last week he made a contribution to a debate from his seat unrecognized, that was widely reported - and a contribution that I might add, Sir, was as unfair as it was stupid. But that is one of the things that we learn to expect from the Minister of Consumer and Corporate Affairs. And even if it were true, Sir - and I want to emphasize again that it was not - the Member for Lakeside would have been sober the next morning but the Minister of Consumer and Corporate Affairs would still be stupid. That's not - as my honourable friends opposite know - is not an original one, it came first from St. John A. Macdonald. But he apparently is unaware of the breach of ethics that has been the tradition of parliamentary institutions for so many years because, Sir, if one was able to discredit another member of the House by that kind of a comment - as he obviously attempted to do, without justification - then of course all that would be necessary is for any member of the House to get up on any occasion and repeat the same thing, and the House of course would be reduced to a shambles. It is characteristic of the Minister to not recognize the implications of that kind of a remark, as it is characteristic of this government to not recognize the implications of many of the things that they are doing as a government. Sir, that kind of shortsightedness will in my view inevitably result in the defeat of this government, but the tragedy is that it will do irreparable harm to this province.

Sir, the Minister of Consumer and Corporate Affairs went at great length to point out how the great amount of largesse this government is distributing throughout the province - failed to mention that that was being distributed at the expense of the taxpayer, at the expense of those who work and earn wages. And one got the impression that he was attempting to convince himself, because I am sure he's not convincing too many other people, that the moneys miraculously seem to grow on trees and all they had to do was to pluck it from those trees. Well, he should be asking the taxpayers what they think of that kind of distribution, and he'll get an entirely different answer.

Sir, it's the way this government operates and it can be best described in a story of a hunter and his dog who got lost in the woods, went for several days and the hunter began to get hungrier and hungrier and was unable to find food to eat. And then in a moment of desperation he pulled out his knife and cut the tail off the dog and put it in the pot and stewed it and ate the meat off, and then handed the bone back to the dog, who ate it very gratefully and then shook the hand of his master and said, "Thank you Sir; now I know what socialism is." It was pretty much what was described by the Minister of Consumer and Corporate Affairs last night. And he tried to leave the impression, Sir, that the only people who ever benefitted from inflation were the corporations, and it's amusing to listen to honourable gentlemen opposite who continue to try and reinforce themselves with that argument. Sir, everybody knows that it won't wash; everybody knows that if there is -- (Interjection)--

Sir, you know the Member for Radisson - I'm in a very unfortunate position here, Sir, in that his stentorian tones keep bouncing across here much louder than they do from other parts of the room and his asinine interjections are to say the least disturbing. I know that there's nothing that you can do about it, Sir, and really I ask you not to do anything about it because the people who sit in the gallery and listen to the debates get an idea of the kind of mentality that sits in the Whip's position on the other side of the House.

## BUDGET DEBATE

(MR. JORGENSEN cont'd) . . . .

Sir, we know who benefits from inflation because we have seen how the government itself is the greatest beneficiary from inflation. I won't go into any detail on that subject because it has been explained in this House before; and my leader has explained it, the Leader of the Liberal Party; and I've done it myself and I don't need to repeat it again. But, Sir, attempts to convince himself, because he certainly was not capable of convincing anybody else, that the culprits and the runaway inflation that is now affecting this country are the businessmen of this country - it's an interesting study that honourable gentlemen opposite keep pursuing. Under Adolph Hitler's fascist Germany, it was the Jews that were blamed . . .

MR. SPEAKER: Order please. I would ask the gallery to refrain from participating. The Honourable Member for Morris.

MR. JORGENSEN: . . . in Russia, it was the middle classes; in this country the attack is being launched on the businessmen. And, Sir, I don't feel as though the businessmen in this country need any defending from me, but I would like to point out the contribution that is made by those people who invest not only their talents and their money, but a great deal of their time into creating the wealth in this country that enables governments like my honourable friends opposite to survive. Sir, the Member for Lakeside, when he spoke the other night - and I had no consultation with him prior to that with him - began to deal with a subject that I had some weeks ago decided was going to be the subject matter of my contribution to the Budget debate.

A MEMBER: Sorry.

MR. JORGENSEN: The member need not apologize for that because he elicited a response from the Minister of Mines and Resources, that enables me now to comment further on the very same subject in dealing with the matters that were raised by the Minister of Mines and Resources. And it came to the Minister's remarks - the cornerstone of the argument that he presented before this House was that governments are people and he emphasized that point over and over again. And, Sir, I'd like to point out that somehow or other in the transition from people to governments something takes place, something takes place that makes me wonder whether people are government, or vice versa. And I don't want to limit those remarks to the actions of my honourable friends opposite, because it seems to be a characteristic of all of those who get into - or at least, of those who get into government - I just ask my honourable friends opposite if they would as ordinary citizens insist and demand at the point of a gun literally, that their neighbours contribute money to be sent to far off lands to support those people. You wouldn't, you wouldn't do that. You would ask them, and in most cases they would willingly contribute, but you wouldn't insist nor would you have the means of insisting. In governments we do.

And I ask my honourable friends opposite if they would insist that their neighbors would support the symphony and the ballet and the concerts just because they enjoyed those things, if their neighbor happened to prefer hockey, baseball and the fights. No you wouldn't but you'd do it as a government. I ask them if as a citizen, if you would be inclined to tell your neighbor what school his child should be educated at and then ask him to pay for the education of your child. No you wouldn't, not as an individual, but you do as a government.

And I ask you, Sir, if as a farmer you would even think of telling your neighbour how much land he should farm, how he should farm it, what crops he should grow, how he should market them and at what price. No way - but you do as a government. And I ask you, Sir, if as a labourer, would you insist - or would you have the right or the opportunity to insist that your neighbour work at the same job that you did - and whether he was more or less capable than you are wouldn't matter, that he get the same rates of pay; and that he takes his vacations at certain times and that he only works certain hours - you wouldn't do that as an individual, but you do as a government, And, Sir, it goes on. So I point out to the Minister of Mines and Resources his argument that isn't government people is one that perhaps in an obscure sense may sound plausible but almost invariably there's something lost in the translation.

And, Sir, he made another remark the other night that perhaps might have gone unnoticed by myself except that the Member for Churchill who had been presumably looking for the full force of the Minister's eloquence to inflict itself upon the House - in this remark he got that response, because the Member for Churchill literally leaped out of his seat and I thought was going to jump over his desk. --(Interjection)-- No. In sheer exultation. And that remark

## BUDGET DEBATE

(MR. JORGENSEN cont'd) . . . was to the effect that - and I will not read the statement but I will paraphrase it, and if the Minister thinks I am being unfair to him he can correct me - essentially what he said was that the capitalistic system or the free enterprise system proves itself in time of war, and that's the only time they can do the things that governments should be able to do. Well, Sir, what he . . .

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I would not have risen, except the honourable member said that if I felt that I was being quoted incorrectly that I should indicate what I said. I said that the system was saved as a result of the consumption that was created during the war. During the war we generally moved to a more controlled situation.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: We're certainly glad that the Minister's able to make that statement, because the implication that was created - and whether that was by design or by accident, I'm not in a position to say and I'm not going to comment on that - the implication that was created was that - let's say the United States, for example, was saved by the advent of the First and Second World Wars. Well I don't for a minute believe that that is true. I don't for a minute believe it, because, Sir, if the United States felt that that was going to salvage the system, then why weren't they in the First World War three years sooner. It was not until 1917 that they came into the war, and they never initiated it. I think that point should be made very clear. Neither did countries on this side of the ocean initiate the Second World War. Both of --(Interjection)-- Well he says the capitalist country. If he wants to call Hitler's Germany a capitalistic country if I recall correctly, Adolf Hitler called his party the National Socialist Party.

MR. SPEAKER: Order, please.

MR. JORGENSEN: And although, although . . .

MR. SPEAKER: Order, please.

MR. JORGENSEN: . . . I would not want to place that interpretation on the kind of a government that Mr. Hitler was head of during those years. It was more fascist than - and in fact it was, it was a completely fascist government. But nonetheless, it wouldn't be the first time that a socialist party turned fascist, and I want to draw that to the members' attention as well.

Now then, the Minister made a couple of statements that I have underlined - and as the Speaker would say - in order to prevent mistakes, I have brought along a copy and I want to deal with a couple of them. He said, if I am wrong, I think the position that the people of the province - that the only way of effectively getting them together, is through the democratic process. And I won't quarrel with that particular part of his argument; that this Assembly is the implementation of that democratic process, that the only effective way in which we can determine what is the will of the people with respect to both its social and economic process is through that democratic process - it's unlike him to repeat himself so frequently, his eloquence must have carried him away - and that the people of Manitoba find a way of doing things to their government in this room. Sir, the point that I want to disagree with the Minister on is that the democratic process is the one that can effectively enable people to deal with their own problems if you will, or with their own future, but it does not necessarily have to manifest itself in action by this body. People can do those things without coming through a Legislative Chamber and indeed, Sir, I suggest to you that were it not with the interference, we're not for the interference, we're not for the interference by political parties in governments that they would have dealt with those problems far more effectively than they've been able to be dealt with in this Chamber or in the House of Commons.

What I think my honourable friends opposite are prone to believe, is that life in the 1970s is similar to what it was in the early 20s or even prior to that time; before we had the means of communication that we have in this country; before we had well organized labour unions; before we had people able to resolve their problems by direct communication as we do today. I think they would find that many of the difficulties that they have been confronted with, and indeed by a capitalistic state, would probably have been dealt with if they'd been able to deal with them themselves rather than go through the government - and without the inflationary pressures that have been created by governments.

The second point that he dealt with was, and Sir, before I go on to that I think I'd like to point out one other thing. Honourable friends opposite - and that was manifest in the comments

## BUDGET DEBATE

(MR. JORGENSEN Cont'd) . . . . made by the Minister of Consumer and Corporate Affairs, that they have initiated a brave new world and it is only because of the massive intellectual input into government that they've been able to resolve so many problems. Well, Sir, they haven't resolved a single problem that they haven't created. Indeed, Sir, that seems to be a favourite technique of honourable friends. They want to move in so that they can take over control. Very simple, you create the problem in the first place. And then the Premier - not the other ones - the Premier, because he is the knight in shining armour, he is the un-touchable - will find a solution for that problem and therefore endear himself into the hearts and the minds of the people who have benefited therefrom. Well, Sir, I heard an expression once that a socialist is just a good historian, and maybe that's true, but history does repeat itself. And there's one thing about the early Romans, they kept records better than any other society until my honourable friends opposite came into power. And it is not difficult for historians and for writers to go through the records of the past, and it described the society in the early Roman era. And that isn't done; it's being done - and there are a number of books now coming on the market that make very interesting reading, and I won't quote them. But I'd like to quote from an article that appeared in the Canora Saskatchewan Courier of March 21, 1973, and it gives you some idea of where my honourable friends got their policies from. I said on an earlier occasion in another debate, that some of their policies they obtained from the Pharaohs of Egypt building monuments to themselves. But this one goes back perhaps a little further. The Romans in the Third Century B.C. - and I'm glad the Minister of Finance is not - oh he's leaving, but I'm sure that if he were here he would insist that I table this document. And for his benefit - for his benefit, I'll tell him that it's a public document and it need not be tabled; again as I say, it's from the Canora Saskatchewan Courier. The Romans in the Third Century B.C. had farm loans, crop management and wages and price controls. Under the Emperor Dionysius grape vines were uprooted to prevent overproduction of wines. Remember the fateful LIFT program of a couple of years ago.

A MEMBER: Or the chickens.

MR. JORGENSEN: Under Diocletian, in order to combat a rise in the cost of living, both wage and price controls were decreed. I suppose that the Leader of the Conservative Party in Ottawa got that idea from the Romans. Under Vactavian, to help maintain employment, a ban was laid on mechanization - and we're doing the same thing here; we've done the same thing. And then under Alexander Severus, the government made loans to enable people to purchase land; all commercial concerns that operated on accumulated capital were put under state control. Shades of the MDC. In time, as a result of external military upkeep and other overseas expenditures, Rome experienced an unfavourable trade balance vis-a-vis the rest of the world. Needless to say, as a consequence of this, Rome had a vast bureaucracy. So my honourable friends opposite aren't the first ones to initiate that idea; unbalanced budget, enormous debts, inflation, and of course a devalued currency. At one time the denarius had its content progressively reduced and the weight of the gold coin was cut by 50 percent. Sir, doesn't this all sound vaguely familiar?

A MEMBER: They call themselves the Deutsche marks.

MR. JORGENSEN: But this, Sir, happened 2,000 years ago. The Romans were enlightened and they were modern, and they had a managed economy. Up and down the ages, men who know they must be governed for their own protection, have set up forms of social and political management. Being essential creatures of nature, they have always begun simply, loving their freedom and personal liberty; they have instituted first those minima of restraint and control necessary for their safety from aggression by their fellows or by enemies outside their tribes or nations. But being also covetous and inquisitive, sooner or later in the mad search for an imaginary free handout, they've expanded their governments into bureaucratic monstrosities, and sacrificed their freedom in the process. The disastrous experiments that were tried out in their bureaucracies beside the Tiber had been long before enacted in the lower Tigris Valley and in the gloomy places along the Nile. They were to be echoed with variations many centuries later in the repressive guild systems of Europe.

It was this ultimate heritage of self-imposed tyranny, the stifling of initiative and smothering of freedom of spirit that caused men of vision and courage to leave the tired economies of Europe and seek new opportunities and enlargement in what they fondly called

## BUDGET DEBATE

(MR. JORGENSEN Cont'd) . . . . the New World. In that new world they worked out what came to be known as the American Dream. It created what is referred to poetically as the American Heritage. In part, that heritage consisted of a vast new continent, enormously rich in natural resources. But other continents had the same riches, Africa and South America. What made the difference? Freedom. Not just political and religious freedom, not just freedom eventually from colonialism - and then it says in brackets, (Actually, in a physical sense, they prospered under colonialism.), but economic and personal freedom from too much government. That was the American dream as expressed finally in the United States Constitution. But almost from the beginning, the new government was beset - as governments always are - by the demands of those who are not content to be protected in their persons, but who want something special -- that is for themselves, their business, their industries, their unions, their farm organizations, their state, their city or their community. For a long time this was resisted. Even as late as 1890, Grover Cleveland was asserting that it was the duty of the people to support the government, not of the government to support the people. Twenty-two years later, Woodrow Wilson was writing, "The history of liberty is the limitation of government power, not the increase of it." And, Sir, that statement is as true today as it ever was. And what we are facing, as the Romans faced under similar circumstances, is the decline of our civilization. And if we unknowingly or unwittingly continue to pursue the course of action that is now being pursued by western governments, our fate will be the fate of the Roman Empire.

The Minister of Mines and Resources' argument was that they must act on behalf of the people, that they must do those things that the people themselves want to do. That's a noble sentiment, but it is not one and it is not the course of action that is being pursued by this government. And I cite as a shining example of this is the Minister of Agriculture. If you are going to lead people, or if you're going to help people go in the direction that they want to go, then for heaven's sake, Sir, you don't - you know, you find out where they want to go first. You don't help an old lady across the street unless you're sure she wants to go there.

A MEMBER: Hear, hear, Warner. Hear, hear.

MR. JORGENSEN: But my honourable friends opposite are kicking and booting her all the way and she wants to go the opposite direction. --(Interjection)-- The Minister of Public Works has just underlined the very point that I'm attempting to make and I thank him for that contribution. What the Minister of Public Works has said is that the people don't know what's good for them. But they, that select few, they know all the answers. They know precisely where people should go in spite of the fact that there's a lot of people in this country trying to tell them where they should go.

Now then, Sir, another comment that was made by the Minister was, the government's responsibility, first of all, was for maximum production; and secondly, for equitable distribution. Then he asks the rhetorical question, is that not a function for the people through their elected representatives to perform: If I'm wrong about that then I'm wrong about everything. And, Sir, I don't expect that I'm going to be able to convince the Minister of Mines and Resources even though, in my view, my argument is a very persuasive one. But, Sir, if maximum production is the goal, then, Sir, we're moving in the opposite direction because why are there so many shortages of everything? Why, the Minister of Public Works, who has been striving desperately to accommodate members on this side of the House by improving the facilities in their caucus room, finds it impossible to do so because he can't acquire the material. Maximum production can be achieved by people, not with the help of government, Sir, but if the government would stay out of their way.

An equitable distribution. Sir, I have never considered - and here's where my honourable friend and I perhaps disagree most violently - I have never considered that a function of government is to distribute wealth, but rather to enable people to create their own wealth. And he dealt with at some length the volume of grants that are being passed out by governments and he was particularly critical of DREE grants, as I have been, but he should have pointed out why the government is involved in passing out this largesse for businessmen to operate. It's because they have created such a difficult climate for business to operate in they've got to do something in order to keep production up in order to keep people working, because they get embarrassed by the unemployment figures.

## BUDGET DEBATE

(MR. JORGENSON Cont'd) . . . . .

Sir, if they would stay out of the businessmen's way in the first place, there wouldn't have to be a nickel of grants and I don't think there should be. If a businessman can't survive, then there's either something wrong with the conditions under which he is attempting to survive, which should be corrected, or there's something wrong with the way in which he does business, and he must suffer the consequences himself. Let him lose his own money. It would be far better, Sir, if the governments would tend to look upon the development of our economies and the creation of wealth which will enable people to live better, if they'd tend to look at the possibility of removing some of the obstacles that they've placed in the way rather than taking money out of one taxpayer's pocket and placing it in another.

One of the greatest disabilities that the small businessman has today, and the reason why he is unable to compete with the larger corporations and the larger businesses, is because of the amount of government restrictions that are imposed and placed in his way. I've known businessmen to throw up their hands in despair and say, "To heck with it. I can't cope with the volume of paper that I am expected to fill out for the government. I can't cope with the restrictions that are imposed upon me. Much easier for me to sell out and go and work for somebody else and all I have to have in the way of an investment is a lunch pail." Or, as my honourable friend from Swan River says, go on welfare, but I don't expect that very many businessmen will do that. I am more inclined to think that there is enough pride in the business community that they still want to look after themselves.

Well, Sir, there are a number of other points that I would have liked to have dealt with. You have indicated, Sir, that I have little time left and I don't want to get involved in another subject until I can deal with it properly, and I suspect that that opportunity will provide itself within a few days. Sir, I close simply by saying that the government's approach to the development of the economy of this province is not a new one; it is one that has proved disastrous on another occasion, in fact in other occasions, and it's one that I will predict in the words of the President of the Canadian Manufacturers' Association, will result in a totalitarian state in this country. I repeat what I said the other day: The other alternative is a depression; and I repeat also that that to me is the lesser of the two evils because we can recover from a depression.

. . . . . continued next page

## BUDGET DEBATE

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

MR. PATRICK: Thank you, Mr. Speaker. I wish to make my contribution on the Budget at this time and I have listened to all the speakers that have participated to the present time. The other night I listened to the Minister of Corporate and Consumer Affairs and he did make apologies to this House of his inability to deal with many of the consumer problems because of the limited scope of the legislation that he has to operate under. And perhaps he can also get together with his colleagues and maybe his limitation should be extended so that he'd be able to deal with some of the problems and some of the consumer problems that we have in this province. I know that he also took time to tell the House that he is, to some extent his field is in the field of economics and that no one on this side had any idea of any economics, and I don't know if this was a calling to become the Minister of Finance or not. Perhaps he should see his Leader, the Premier and perhaps maybe he can get elevated to that position.

But really, I was disappointed with his contribution because the Minister could have made a better contribution to this House because I'm sure, instead of belittling the speeches of the Leader of the Official Opposition and the Leader of the Liberal Party because almost his whole context of his whole speech was saying, well, the figures aren't correct, the figures aren't correct. Well, Mr. Speaker, even if only 95 percent of the figures quoted or the statistics that were quoted - and I would ask and challenge the Consumer Minister to find any other errors or any errors in the statistics that were quoted, I challenge him to find any, because if only 95 percent of the statistics were correct, well then surely the Minister cannot be satisfied with what's happening in the Province of Manitoba. Surely he cannot be satisfied because this isn't a government that just started a year ago or took office two years ago; it's almost five years, almost five years in office, and, Mr. Speaker, we do have problems.

We have problems in as far as the hospital beds are concerned in this province - serious problems. And the Minister that I have a great deal of respect for, the Minister of Health and Social Services, I am beginning to lose some respect for him because the second day or the third day that we opened the session I asked him if there was any shortage of hospital beds and he said no, and that there were no crises. Well two days or three days later because his statement was recorded in the paper, I got calls from the emergency ward of General Hospital at one o'clock in the morning, the same thing from -- (Interjection) -- Yes, I did.

A MEMBER: Are you a doctor?

MR. PATRICK: No, I'm not. But I got a call from a doctor who was on the floor at that time and he says the answer that the Minister gave to the House is completely incorrect. He says it's completely incorrect. He says you can come here and see the people on the stretchers right in the emergency ward on the floor. I had the same call from the hospital, the Grace Hospital, and it wasn't only two days later that I believe the situation at Misericordia Hospital was quite well reported that everybody saw, and still some two weeks later the Minister, or a few days later, the Minister got up and he says, well yes there is some problem and we're trying to do everything possible to correct the situation. At that point he became frank and I think he should have been frank from the start.

Then just recently, about a week ago when this matter was pursued again, he said any shortage of hospital beds is strictly created by the politicians. Well, Mr. Speaker, how - how can you believe the Minister when he's giving you that kind . . . ? And I do have respect for any Minister when he is being factual and saying "Yes, there is a crisis; this is how we're trying to meet it;" and I believe that this is the attitude that the government should take in this House, because I know the Minister of Mines and Natural Resources is not in the House now but when he used to be on this side he used to make at least three or four speeches a week - in those days you could speak for 40 minutes a speech - and he used to bang the desk with his fist, and he was going to correct all the problems, correct all the situations and any problems that we had. Well we're finding out slowly after five years that's not the case. The Minister is not able to correct all the situations. He said the NDP Party have already made solutions that could resolve any problems. But that's not the case. That's only one, Mr. Speaker, is the hospitals. What's happening to the housing situation in this city in this province? The worst that we've ever had. We have the worst crisis in the city that we've ever had in the housing situation and the cost. And I'm not blaming totally the government, be-

## BUDGET DEBATE

(MR. PATRICK cont'd). . . . cause the same situation exists in Toronto and some of the other cities, but Toronto is a little different situation than here because there is a shortage of land there while we have a lot of land in the City of Winnipeg, and there is no reason that we have so few starts a year in housing while in Calgary today you have something like 600 houses under construction right now, and how many do you have in Winnipeg? Very few.--(Interjection) -- Well, I have some statistics and I'll quote it to the Minister. So you haven't solved all the problems.

Now on small businesses, what is happening? And I will try to deal with this in a minute but I'm just pointing out some of the problems that we have, that government has not come to grips with many of the problems that exist in this province. Small businesses, they're a very endangered species, Mr. Speaker. You have per capita income that the other day the Minister of Finance was quoting, and was so happy that our per capita income increased and so am I happy that it increased. But, Mr. Speaker, and I'm sure that the Minister of Consumer Affairs should be interested, our per capita income has been dropping. The gap is widening between that of the national average and the Province of Manitoba. In 1969 the City of Winnipeg was according to the Green Book, the Department of National Revenue, was placed in 52nd position as far as cities are concerned in Canada. Today we are, or in 1972, it dropped to 60th position - 60th position. So, you know, he says our income is increasing but it's -- okay, you can take the other one.

According to Statistics Canada the gap between the national average, what it used to be five years ago or, say, ten years ago, the gap was narrower, now that gap has increased, so again we're not keeping -- and I know what's his name, the Minister responsible for Autopac, is amazed. He can't believe it. But I'm telling him if he can avail himself to the statistics this is true, that the gap is widening. And again, maybe it's not totally the government's fault but if they're going to take credit I think they should be at least factual in this House, because it was in the early Twenties, I believe, that the per capita income of any city in Canada was the highest in Winnipeg as the west was being developed. --- (Interjection) -- It was the highest in Canada, and slowly we have been becoming a sort of a warehouse city and it's been dropping continually and still is dropping. -- (Interjection) -- Well, perhaps a little later. I'd say a little later.

But I don't think that the government should be that satisfied to say that they have solved all the problems. I know we have waste and I haven't availed myself to all the documents that have been produced by the Minister or Leader of the Official Opposition, but if there is the waste to the extent that we're told in this House, surely all the Ministers and the front benchers should be concerned, because I'm not concerned if one or two co-ops went broke. If the others are successful, then maybe that's a pretty good record. But if there has been waste, waste, then I'd say this is a different question completely. And if there was high time, Mr. Speaker, if there ever was a high time for an Auditor-General in this province, I think it's now -- and for the good of the government. I know if I would be a Minister in a government, I would say yes, I want an Auditor-General; I would want to tell the people the problems; and I think that the only time that the governments get in trouble with the people, they get in trouble when they try not to tell the people the facts and they're trying to hide facts. Really this is so -- that's an advice to -- I see there's two Ministers here, three Ministers -- advice to them.

A MEMBER: Four.

MR. PATRICK: I think they should be wide open; they should be wide open with the people and this is what we're not getting at the present time. And I hope that they will change and give us the facts and we'll have all the facts.

MR. DEPUTY SPEAKER: The Honourable Minister in charge of Manitoba Public Insurance Corporation.

MR. URUSKI: I wonder if the honourable member would permit a question insofar as the auditor is concerned. I wonder if the honourable member would give me his position insofar as the auditing of the records of Autopac where expressions were made by members of the Opposition that an independent audit should be done outside the Auditor of the Province of Manitoba -- the books. Would the honourable member advocate that Autopac obtain the services of other auditing firms?

MR. DEPUTY SPEAKER: The Honourable Member for Assiniboia.

## BUDGET DEBATE

MR. PATRICK: Sure. I think it would be sound, but I'm not so much concerned who does the audit, is it the Provincial Auditor or an outside audit, but I think it would be worthwhile for the Minister to consider. But the thing that I'm concerned about the Provincial Auditor is not required to tell you about the waste, he's not required to ask to make the corrections, while an Auditor-General does. --(Interjection)-- He does so. What does the Auditor-General do in Ottawa? Have we ever heard of any misappropriation of funds from the Provincial Auditor? We haven't so there is a difference. I'm not going to argue this at this particular time but before I do get into my main thrust of my remarks, Mr. Speaker, I do want to say that there's programs that I certainly agree, programs that I agree that this government has introduced and brought in. I certainly feel that there's benefit from the tax credit plan and I know that many people have benefitted. However, I know that the Minister of Consumer Affairs is particular about statistics; well perhaps he should check the statistics even in the Finance Minister's Budget Speech when he says so many people on pensions received tax credit. Well that's true, but some of them have received, not the full tax credit, only received small proportions. But what I'm saying to the House, that I agree with many of the plans. I agree with the \$200.00 guaranteed minimum income for the senior citizens. I agree with that. And I'm not denying the Pharmacare program, and I know that the Budget on page 6 indicates our efforts to provide a low-cost housing for those who need it.

Well, Mr. Speaker, the housing program of this government is really a disgrace. How many units have you built today, low housing units? How many? Last year? And this is an area that I think we could have come to grips. This is a government that has been in power for five years; they had an opportunity to do it. All you have to do, there is all kinds of land today inside of the perimeter that are available at \$600.00 an acre. --(Interjection)-- I haven't got any. Yes, I haven't. I want to put it on the record, I haven't got any land in this city. This is again -- that's the only thing in the mind of the Minister of Consumer and Corporate Affairs. You know, that's the only kind of thing he has on his mind. Really. But I want to tell him that I haven't. But, Mr. Speaker, surely the government, all the government has to do is provide some services to the land that's available inside the perimeter close to where the services are available, and I think we would have had all kinds of housing; we wouldn't have had inflation that we had in housing in a matter of six months, where the price of some homes went as much as \$10,000, and this is what happened, Mr. Speaker. This is what happened. So when the Minister says that they have solved all the problems - I'm referring of course to the Minister of Consumer and Corporate Affairs - this is not true. That's not true.

But Mr. Speaker, I'm really concerned about the small businessman and I do feel that many of our small businessmen are worried these days because they see that too many of their colleagues are disappearing from the scene, disappearing from the business scene. That's true. That's true.

A MEMBER: You don't know. You're insensible to these problems.

MR. PATRICK: And my, you know, the Minister hasn't been around, because if it keeps up there'll be very few businessmen around. All he has to do, just look around you; get in the car and drive around the city. Look at all the small empty buildings. Look at the vacant signs on the buildings. Just drive through the city and you'll find out. How many -- your small grocer, where is he today? Where is he today? What about the meat stores, the dry cleaner, the hardware stores, the service stations, the drug stores? Even today the small service station is forced out of business. -- (Interjection) -- Well the Minister, you know, the Minister of Finance he's laughing, but this is true. You know why he's forced out of business, and I think a small service station has provided the people one of the finest services you can get. You can drive to your corner garage or your service station, you can get repairs at very modest cost to your car, and this is what people want. Today the big oil companies are saying, "Look, we don't need any service stations to do repairs." They're putting self-serve, they're putting four tanks and just no service station at all. And that's on the way that's on the way. So the small service station is on the way out. And the Minister is saying that's not true; the Minister's saying it's not true, that the small businessman is not worried.

MR. CHERNIAK: Mr. Speaker, on a matter of privilege. The honourable has said that what I said seated in my chair was not true, that I said it was not true. What I said was a request to him to be honest about what's happening all over the continent. I didn't say it was

## BUDGET DEBATE

(MR. CHERNIACK cont'd). . . . not true, I said be honest about it.

MR. DEPUTY SPEAKER: Order please. I think if the honourable member confines his remarks to the Chair and does not converse with other members across the Chamber, he won't get into difficulties with other members. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I feel that some of the small shops and some of the small businesses do have problems because they cannot buy in large quantities and perhaps they may not be in as a competitive position, but I still say eliminating the small businessman will be bad for the consumers if these shops disappear completely from the scene. I think that the small businessman does offer competition. He offers personal service, and I still say the small businessman in this province is the backbone of the business economy. I just wondered what assistance has this government offered to the small businessman at the provincial level, and that's very little, Mr. Speaker. I hope the government will respond to the small businessman, and I haven't got all the solutions but surely there could be a small loan agency. I think they should be able to transfer their small business from father to son, with no tax. There should be some research assistance; there should be perhaps some tax deferral. And what has happened? Very little. The small businessman has received very little from this government and I think it's high time. I believe that the government has to do something. But unfortunately, Mr. Speaker, the government seems to treat economic development in this province as something less than a priority item, and this is unfortunate, because it is a source of employment, it is a source of revenue for the government, and --(Interjection)-- I listened to the Minister of Finance when he introduced his budget and he talked about the corporate elite and the elite people in this province. Perhaps if there is corporate elite, maybe there could be such a thing as tax on excess profits, but surely, Mr. Speaker, there are not too many corporate elite or elite people receiving wages when only one percent received over \$20,000 in this province.

I think if we are to achieve our goals of reducing unemployment, improve our standard of living, provide good education, more recreation facilities, the Manitoba economy must expand and the tax base must expand. So you must create a climate. I think we have to look at a very aggressive industrial program to assist them of some tax credits and have some industries located in rural Manitoba and in other areas instead of the city. This has been done in Ontario and I understand, I'm told it's been done quite successfully, and this is an area that this government has neglected, Mr. Speaker.

Mr. Speaker, the federal Minister of Finance reduced the corporation, reduced tax on manufacturing and processing - corporation tax - from 50 percent to 40 percent, and 110,000 new jobs were created as a result. -- (Interjection)-- That's right. That's true. That's what he said. That resulted, Mr. Speaker, in a national output of some 7.1 percent, which was the greatest expansion in the national production since 1956, greatest expansion Canada has experienced in 17 years, Mr. Speaker. I think that the Minister talked about per capita income increase of 14 percent in Manitoba and he was out of the House when I indicated to him that, according to the Department of National Revenue, the City of Winnipeg per capita income has dropped from 52nd position to 60th position. Well, I'm sure that the Minister of Finance cannot be too happy about that. Our gap as per capita income is concerned has now widened to what the national average is and to what ours is today and what it was five years ago. The gap is widening so surely the Minister cannot be satisfied with our increase in per capita income because the statistics prove for themselves that we are falling behind many of the other cities in Canada, Mr. Speaker. -- (Interjection) -- Well, I will indicate to the Finance Minister, if only 90 percent or 95 percent of the statistics are accurate then certainly he could not be happy with, you know, what's happening in the Province of Manitoba, if 95 percent are accurate or -- but I would say that the statistics that were quoted the other day by my leader, perhaps they're 99 percent accurate. And, well, I would like the Minister to dispute them. If he doesn't believe, he should dispute the statistics.

Mr. Speaker, I think that everyone welcomes the increase in the per capita income in this province and this is very important, but what is the disposable income of the people? Surely inflation has been rising at such an extent that the 14 percent per capita rise, which is much below the national average, has been of small help to many of the people.

Mr. Speaker, the Minister took quite some time to talk about the 1974 Manitoba cost

## BUDGET DEBATE

(MR. PATRICK cont'd). . . . of living tax credit plan, and while we have not had the legislation before us to be able to make a proper assessment of the plan, I think we should ask ourselves the question if it would have been much better perhaps to reduce some of the tax, sales tax and other forms of tax, and perhaps increase the property tax to the homeowners and to the renters on low income. Because my concern about this plan is that it will do very little, it will do very little for the middle income group.

Let's take the case - and I think it was demonstrated the other day - let's take the case of someone earning \$4,500, what will it mean to that person making, if say he's single, let's assume that his rent has increased \$8.00 a month, which is normal, between \$5.00 and \$8.00 is a normal increase when your rent goes up in an apartment, let's assume that's \$8.00 per month, that's \$72.00 a year; your car insurance has gone up at least \$12.00 a year; your hydro will be anywhere -- if your hydro bill is between \$10.00 and \$15.00, for a whole year it will be around \$36.00, and I haven't even touched on the increase in food costs and gasoline or anything else. And you'll have over \$100.00 increase in costs and that same person will get a rebate of \$8.53; his cost in one year will go way up over a hundred dollars, and he'll get a rebate of \$8.53. Well certainly, Mr. Speaker, the Minister of Finance cannot be satisfied with a program like that, because it will do very little when you take away at least \$150.00 more from this individual, \$150.00 more and give him \$8.00 back -- (Interjection) -- I just indicated to the Minister -- he says "Who takes it away?" I told him that the rent will go up at least \$8.00 or \$5.00 to \$8.00 a month, that's \$72.00. The car insurance has gone up \$12.00 for this person; the hydro cost has gone up \$36.00 a year - yes, I'm talking about a year, on annual basis - and I haven't even touched increase in his cost of living such as food and clothes and many other items, so the cost is already \$150.00 and you will give him a rebate of \$8.53.

A MEMBER: All heart.

MR. PATRICK: And the Minister took great pride in telling what a great job it will do for many people in this province. And if he's making, if this person's making \$5,000 or over \$5,000, he gets nothing. Nothing. And his costs have gone up a minimum of \$150.00 and perhaps much more if you consider his food bill and everything else. So I urge the government to reconsider the proposal by extending the limits to at least \$10,000 and \$15,000, people with children, and if it's going to be worthwhile at all he has to put much more money into this plan, because what the plan will provide now is very little; the administration costs, in my opinion will take quite a bit of money, and if he's not prepared to improve the plan, I think that you can perhaps be much more successful and do a better job if you would change the scheme and make some tax cuts for these people.

The Minister keeps talking about the people in low income and surely everybody's concerned about people of low income, but, Mr. Speaker, the people in the middle income group are poor today too, because their costs have gone up as well and it's the middle income group that are carrying the majority of the load for many of our programs. So if the Minister is really serious and sincere about his cost of living program, I ask him again to reconsider it, make it worthwhile, or perhaps he can get the same results with no cost by cutting some of the tax.

But, Mr. Speaker, what are the facts? The government the other day indicated it has done so much for the people in this province and has done so much for the people on low income group. This government has spent a great deal of time patting itself on the back, what it has done for human betterment during the past five years. But, Mr. Speaker, the facts are that in Metropolitan Winnipeg today, according to their own report, the Barber Report, it has a serious poverty problem - a serious poverty problem. The facts are that in Metropolitan Winnipeg the people in the \$3,000 bracket, their position is worse today than it was five years ago. It's worse today. And the Minister, if he doesn't agree, let him look at his own government's report, but these are the facts. I told him that the City of Winnipeg per capita income has dropped from the 52nd position to 60th position. The gap of per capita earnings, the gap has widened between the national average and ours, and the families in Winnipeg a few years ago, 16 percent of the families in Winnipeg earned less than \$3,000 annually. The figure of 3,000 - 16 percent of families, the 16 percent figure today has increased. So surely the government has done very little for these people. It's a clear indication that the portion of the community's poor in one heavily populated area in our city have remained poor when wages have

## BUDGET DEBATE

(MR. PATRICK cont'd). . . . been going up. The economic and social lives of low income people is an important public concern, Mr. Speaker, because the socially unfortunate citizen of our city should have access to adequate level of living. These people are unable, Mr. Speaker, to contribute to the growth and development of this community. Some lack adequate education, many lack decent housing, some lack jobs, and I can rightly say, Mr. Speaker, that the government has failed these people because after five years in government they are not in a better position than they were at that time, and I'm sure that the Minister of Corporate and Consumer Affairs will agree that the percentage of that group has increased, according to the government's own report.

Mr. Speaker, I believe the main work of the Department of Industry and Commerce should be identification of industrial opportunities through feasibility studies and see what kind of things that we can produce, can manufacture in Manitoba, and in my opinion the Department of Industry and Commerce has not done its job. In fact it's done very little. If you look at the estimate spending, that's one department which one would have assumed, one would have been inclined to believe would have been increased considerably, because that's the department that should create the jobs in this province. That's the department should be concerned of expanding our economic base, expanding our tax base. But that's not the case, Mr. Speaker. I don't know what the difficulty is. Either the Minister of Industry and Commerce has very little clout with the rest of his cabinet members, because as far as I'm concerned he has been completely starved out and perhaps maybe too much money has gone to the MDC, to the Minister of Mines and Natural Resources. But this is the department that could do something, could do something to industrialization which will eventually be the key to Manitoba's future, and new industries are needed in all parts of Manitoba to create jobs for people that are coming on the labour scene, and this hasn't happened in the last five years. In fact our position today is not as good as it was a few years ago. I know that capital investment in this province - I hope the Minister of Finance will correct me - I don't believe it's as great today as it was a few years ago.

Much of the capital that was coming in here is not coming today, and surely this is something that the Minister has to be concerned about. I know I have an opportunity to talk to some of the finance companies and some trust companies, and I'm told that at least the finance companies have cut their investment in this province to a much lesser degree than they were before, and I'm sure that the Minister should be concerned about this.

I know that the former Member for Crescentwood indicated, and in his speeches he said to the House that the government has difficulty dealing with free enterprise and with the business community of this city and this province. This is what he said on many occasions. In fact he said it on every occasion he got up to speak, but I believe that the Minister of Finance and the Premier perhaps have fairly good communication with the business community in this city, and this should not be the case. I think we should be attracting more capital to the province so that we can do the job that has to be done.

Now the Minister - I would like to point out to the members of the House in respect to housing, and I said that we have some real serious crisis on our hands as far as housing is concerned in this city, the homes are going up in Winnipeg, Mr. Speaker, as much as from \$1.60 to \$2.00 an hour, they're going up \$2.00 an hour in this city. I know that it's not as bad as in Ontario where the homes are going up in Metro Toronto, they're going up \$4.00 every hour. That's the crisis, the crisis they're having there. But again, I'm saying to the House, Mr. Speaker, that there is a more serious problem in Ontario, or in Toronto, they haven't had the land available to the extent that we have the land. All around Winnipeg there's land available. All we have to do is put the services in and this is what we haven't done.

Now, for the record, what I've been saying to this House years ago, I indicated and repeated again this year, that we are becoming a province of renters and home ownership is quickly fading away. If you look at the statistics, in 1970 the percentage of apartments as compared to all other forms of construction, that's multiple row and single units built in this city, the percentage was 50 percent - in 1970. In 1971 the apartment starts increased to 54 percent. In 1972 increased to 56 and in 1973 to 58 percent, Mr. Speaker. So that's a clear indication, and this is from statistics from CMHC Canadian Housing starts. So that's a clear indication that home ownership is quickly fading in this province. And surely this is something that the government could have been able to do something about it. --(Interjection)-- No. Just home starts. I could give a breakdown to -- in 1972 the single dwellings were 2,925, the

## BUDGET DEBATE

(MR. PATRICK cont'd). . . . the duplex were 788, row housing 236, apartments 5,186. In 1973, that drop of '73 is only to the end of September, but the single dwelling dropped to 2,290, which is a clear indication even if it would have been a full year it would have been less starts than in previous year. --(Interjection)-- Total starts. And duplex starts 233 as compared to 788 the year before; 54 row housing as to 236 prior year; again apartments 3,572.

Mr. Speaker, what I'm trying to indicate, that housing starts in Manitoba in 1973 dropped from that of 1972; furthermore the national average increased and increased substantially. It increased not by 10 or 15 percent, it was much higher. So surely this was a serious crisis and I hope the Minister of Consumer Affairs would have been able to do something about it. I think that he should have asked the city, the government, the builders, the architects to meet, and surely to have at least one or two day symposium on housing and realize what is happening, and we probably could have at least come to some grips and made some land available.

Now this government talked about lots, about land banks, before they formed the government. Now after five years in government, how many lots have they made available to the private citizen? How many? Zero. The Province of Ontario make 6,000 lots available in one year, Mr. Speaker. That's the kind of record they have in Ontario. So surely the Minister of Corporate and Consumer Affairs cannot be satisfied with the performance of his government. I'm sure he's not, I'm sure he's not satisfied. And maybe he should become Minister of Urban Affairs and be more accurate. But I believe the \$300.00 grant that the government will be making available to the homeowner in this province is nothing. A few years ago it's too little and too late. A few years ago I believe it would have at least paid the legal fees, but today it will not even do that, Mr. Speaker. I call on the government a \$300.00 grant, homeowner grant, for the first-time buyer, is not the kind of a plan that you would have expected from the NDP government. The Social Credit government in British Columbia had it for years and we would have expected the NDP government, when they came in, they would have perhaps wiped it right out; but I couldn't believe it, they increased that grant, and put many millions of dollars into the housing development in that province.

I believe that there should be immediate corrections taken to improve the city legislation where it does not take as long to get proper zoning and re-zoning as far as residential land is concerned. I think that these procedures must be taken quickly so that it would reduce the cost as well. I think that there should be promotion of special housing needs, Mr. Speaker, special programs for perhaps purchasing older deteriorating houses. I know a few years ago we had the report from the Metropolitan Corporation of Greater Winnipeg which indicated at least, what was it? 40 percent of the houses in Greater -- not in Greater Winnipeg, in the Winnipeg proper, had to be rebuilt. What has happened? Very little, Mr. Speaker, and this is from a government that's been in office now for almost five years. So surely we would have expected a much better program than we have at the present time.

So let me again repeat, Mr. Speaker - I'm just concluding my remarks - in the report of the Finance Minister on page 7 he says that he'll be advocating selective controls as means of dealing with inflation and subsidization where necessary, Mr. Speaker, and of course I would only conclude that what he's referring to is the cost of living credit, and I say that's, you know, that's not the kind of a program I would have expected from this government, and for just the Minister of Consumer and Corporate Affairs, the other day when I listened to him, you know, one would have been inclined to believe that all our problems have been solved. Mr. Speaker, this is not true. We have a great many problems. We have problems with hospital beds, we have problems with housing, the small business man has problems, the per capita income has been dropped and our gap is widening. I believe that there's been waste and so .

MR. SPEAKER: The honourable member's time is up. I'm sorry.

The Honourable Minister of Public Works.

HON. RUSSELL J. DOERN (Minister of Public Works) (Elmwood): Well, Mr. Speaker, I've enjoyed the budget debate. It seems to me to be largely philosophical, great statements made of basic principles and fundamental beliefs, and I suppose that really indicates that we're in the early stages of a five-year period of time. I know my honourable friend the Member for St. Boniface, he's really pondering those words, because five years is a long time, it's a long time to wait, and if you're a Liberal it's even more difficult to wait because the rewards are so few and far between and the prospects so small.

## BUDGET DEBATE

A MEMBER: And less than five years for him.

MR. DOERN: And less than five years for him. It could be any day now.

Mr. Speaker, I was especially interested in the views coming from the Official Opposition, I think which clearly indicate that it's a far right caucus. Pretty far out and pretty far right. We heard views from a number of honourable members. They in effect, I think, gave us their true views, and I think reflect the place in the political spectrum where the Conservative Party of Manitoba is today, and it's definitely right of centre. There are exceptions, of course. The Leader who's standing out there all alone. But basically the caucus is far to the right. The Member for Sturgeon Creek gave us a typical Red-scare speech characterizing the government in all sorts of hidebound cliches, and I must say that he reminds me somewhat in his rhetoric of the former Attorney-General. I know, and I speak of the Honourable Sterling Lyon who was Attorney-General in the previous administration, and when I was a young member and first came to this House I was frequently impressed with his contributions to the debate, but I always grew rather tired of some of his rhetoric and I now have to read his newspaper column which appears every few days in the Tribune, and it is shot full of cliches. I think that every column has the word Socialist half a dozen times, the word Marxist half a dozen times, the word "dogma" half a dozen times and so on. It's almost predictable. I think that it's obviously computerized a few lead sentences are thrown in, a few additional pieces of information, but in essence the articles are all the same, they're all fairly tired rhetoric criticizing the government and rhetoric that hasn't changed basically since that gentleman left these benches.

The Member for Birtle-Russell, I think, is in the mainstream of the Conservative Party in Manitoba. He is unduly pessimistic, Mr. Speaker, but I think representative of his caucus, and representative too of the problems that were faced by the Premier of the early '60s, the Honourable Duff Roblin, who had to in effect drag his caucus behind him, and push his caucus and force his members to adopt certain progressive programs that were passed by that administration, and now I think the present leader is confronted with that same problem.

The Honourable Member for Birtle-Russell was to me one of two things. I really couldn't decide whether he was in fact a classical Conservative or an anarchist, because his view as I understood it, Mr. Speaker, was that government should be abolished. I assume that a classic Conservative would say that that government is best which governs least. The less government the better. But an anarchist would say that all government is bad, all government is wicked, it is of no use, and the Honourable Member for Birtle-Russell seemed to be dangerously toying with anarchism. I would hope that he would clarify us further on his theoretical background and on his thinking of the day.

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

MR. GRAHAM: Mr. Speaker, if the Minister would like me to clarify further I'd be pleased to do so right now. It would take considerable time.

MR. DOERN: Well, Mr. Speaker, I'll look forward to further contributions from the leading theoretician in the party but I really would like him to explain some time whether he believes that government in effect should be abolished or should be at the bare minimum, because he was flirting with that particular viewpoint.

Mr. Speaker, the Leader of the Official Opposition, the young exuberant Leader, one-time Minister of Industry and Commerce, I think really is out there all alone. He is one of the progressives in the party; he's trying to move his party in a particular direction, but it's obvious that he hasn't moved his caucus. It's obvious that he doesn't have the support or doesn't share the views of many of his fellow members, and I often am puzzled by his carefully researched contributions and his attempts to move the House, and I say to myself, why is he going through all of this effort and trying so hard? And I think the answer is very simple. Two years from now it's the leadership convention and one must lay one's groundwork very carefully now because in a couple of years there's going to be a challenge, and my honourable friend the Member for St. Vital agrees with me that this is his conclusion as well.

And then I look at the Leader of the Liberal Party, I look at the Leader of the Liberal Party and I say to myself, why is this young man putting himself out so much? And I think that he really has been seduced by political life, that if he probably was thinking straight he would have resigned after the election, which he crept in by a couple of votes still undetermined as to whether he will in fact stay in this House, but he would have probably been better off to have gone back to private practice, but he's been hooked like many of us, and --(Inter-

## BUDGET DEBATE

(MR. DOERN cont'd). . . . jection)-- that's right. My colleague volunteers that he's been given a six-month hoist and the result is that these two young men are putting their best into it, but in one case I think the member has been misled and inspired by his own rhetoric, in the other case the member is fighting for his life trying to either move his caucus or move his party if he can't move his caucus.

Mr. Speaker, I wanted to deal with the motion, or one portion of the motion by the Leader of the Official Opposition, and by the comments of the Member for St. James. The Member for St. James said in his remarks that he felt that the government wasn't providing sufficient funds to city or municipal government, and that Winnipeg is facing a large deficit in spending this year, and that the Provincial Government is not concerned to any degree. The Leader of the Official Opposition in his motion of amendment to the Budget Address, said that the government has failed to provide to Manitoba cities and municipalities levels of assistance sufficient to present substantial increases in the level of municipal taxation. Well, the Member for St. James is clearly another free enterpriser; he's clearly in the middle of his caucus. I suspect that he might have learned some of his economics or politics in Junior Achievement, that there's a certain exuberance and a certain faith in free enterprise which was probably learned at an early age and possibly in an organization. And I recall that the Member for St. James, his finest hour on council was when he introduced a motion and some studies and some proposals to disband the Department of Public Works in the City of Winnipeg. This was his big moment and his major contribution to municipal political life. It didn't seem to matter that there would be the loss of some 2,000 jobs, both direct and indirect, and that many people would in effect become unemployed - and that bothered me a great deal, Mr. Speaker. It reminded me somewhat, the attitude reminded me of the attitude of the Prime Minister of the country, who a number of years ago seemed to simply shrug when it was pointed out to him that the fiscal policies of the Federal Government could lead to some 700,000 Canadians unemployed. To him it was just a statistic, and I think that an attitude that does not see a problem in its human dimensions or in possible suffering or inconvenience caused, I think is a dangerous one, and I think that the Member for St. James would be well advised to consider, in that proposal and in other proposals, that he will face problems that he will have to tackle with the rest of us, the human dimension and the human consequences of certain political actions.

But I wanted to really deal with the question, Mr. Speaker, of what assistance this government has offered to the City of Winnipeg and to other municipalities. I'd like to go back - and I'd like to really focus on the city, the capital city - I'd like to go back to 1973, when the following provincial policies were introduced to assist the City of Winnipeg. These policies included the following, which provided substantial relief to Winnipeg property taxpayers. For example, a new revenue-sharing program; increased property tax credit; increased school grants; reduced school Foundation levy on residential property; increased urban transport grants; increased Inner City health department grants; assumption of responsibility for city courts; elimination of health insurance premiums; and a new Manitoba special municipal loans and general emergency fund.

This year the Minister of Finance in his Budget mentioned that there would be increased grants to municipalities for streets and urban transit as well as increased per capita grants, and a chance for the municipalities to enter the amusement tax field which the province is vacating.

Well, Mr. Speaker, these are some of the things that we have done and some of the things that we intend to do, and the question really is: Is this acceptable to the City of Winnipeg? What does the City of Winnipeg want or what does council want? We all recall a year ago when there was a proposal brought forward in a brief to the Provincial Government which asked for a percentage of certain growth taxes, and it was put in a so-called palatable formula that it would only be five percent of these taxes, which would be some \$16 million a year to begin with, and then it would escalate over a period of years to the fifth year where it would then be 25 percent of that portion of provincial revenues designated by the city. Well, you know, it seemed reasonable to begin with that the -- well reasonable to some, or more reasonable in comparison to what came later. Sixteen million dollars annually from the Province to the City to assist the city. But over a period of five years this was going to increase to 80 to 100 million dollars as an annual grant. Mr. Speaker, I think it's clear that if council wants more revenue, that they're not going to get it in this manner. I think if they want more revenue they're going

## BUDGET DEBATE

(MR. DOERN cont'd). . . . to have to look for new sources of revenue and they're going to have to accept the responsibility of taxing because, you know, it always seems easier or simpler to take the money but not to take the rap for increasing taxes or introducing new forms of taxation.

Now, we have introduced new taxes and we have increased taxes and there's always a hue and cry. It is not a popular thing to do. But I'm afraid that there is no other way. I think that the city has made a strong case for additional revenue. I think that all of us who are familiar with their problems, familiar with their responsibilities realize that their needs are great and that they are in fact growing. I think this is recognized on both sides of the House. But every time discussions are held or proposals are introduced - and many of them seem to come. We know that the original proposal of, "give us a hundred million a year and we'll be happy came from the City. But the Province has offered to the City a number of new areas, new fields of taxation, and every time this has been done the City has apparently balked at them. In today's Tribune there is a cartoon from Kamienski, who has a picture of a taxpayer prostrate and his wife horrified, saying, "999. My husband just fainted," and the husband's holding a newspaper which says, "The City's not interested in new kind of tax. Land speculation tax rejected." And I think that that is the attitude of a large number of people who would like to know why, would like to hear the reasons why this, I think, valid new form of taxation has been rejected.

There are a number of these areas, Mr. Speaker, that have been turned down or misunderstood or not carefully considered, and I would like to mention several of them. I think that in the case of Assiniboine Park, which was discussed a year ago, I think that the case can be made for the province taking over the operation and maintenance of that park as a provincial facility, that that park is probably used as much by people from all over Manitoba, from outside the perimeter, used more by visitors and by citizens outside the Perimeter as by the citizens within, and I think that that park could be and should be leased to the province and the province take over the operation. But when that proposal was discussed, it was felt to be, by some members of council, a threatened take-over, maybe the nationalization of the park. I think that that was not indeed the intent nor the suggestion. If it is viewed in that light or placed in that context, then the possibility disappeared. The province is not willing to throw its weight around or force the city in that direction, it's a case of mutual discussion and agreement. If the city and province come to an agreement then it may be done, and if not then it will be dropped, and there was one possibility, one offer to the city, which was rejected.

The land tax is, I think, a second major proposal which I think is simply not understood, or if it is understood it is being rejected on some sort of philosophical ground or some political ground with which I am not familiar. When I consider that particular proposal, namely, that increments of land, when land is re-zoned by the municipal authority and is enhanced in value, that that value should accrue to the city, that seems to me, Mr. Speaker, to make a great deal of sense. It also reminds me of a very historic view held by an early American thinker and one who is followed. I'm glad that I have the attention of my senior colleague, the Minister of Finance. This is indeed an honour. He came to talk to the Member for Wellington. Well, I was wondering why he had come over. Now I'm disappointed.

Mr. Speaker, this proposal reminds me of the fact that in a way there is nothing new under the sun, that many ideas have been thought of before or have been attempted before, and some have worked and so on and so on. But the proposal does remind me of the thoughts of the American economist, for want of a better term, Henry George. Now I am not schooled in Henry George's thinking but I know that one of my professors at university was and I know that an uncle of mine in California believes that this was undoubtedly not only a good system, but the only system, and I would also propose this to the Member for St. James whose name too is of the same.

Henry George in 1879, Mr. Speaker, wrote a book called, Progress and Poverty, and I would just like to read a couple of lines from the Encyclopedia Britannica in its article about Henry George, which summarizes his thinking. This book, Progress and Poverty, 1879, "caught the spirit of discontent that continued to sweep a world just emerging from the great depression of 1873 to 1878." He took as a basis the intricate orthodox or Ricardian, doctrine of rent and, clarifying it for the ordinary reader, gave it a new meaning. Extending the law of diminishing returns and of a margin of productivity but still applying it to land alone, he held this - and this is the crux of his theory - that since economic progress entailed a growing

## BUDGET DEBATE

(MR. DOERN Cont'd) . . . . scarcity of land, the idle landowner reaps ever greater returns at the expense of the productive factors of labour and capital. So I think that I would emphasize that to my honourable friends who are often worried about capital, that they might ponder that in that particular context. The proposal for which George became famous was that the state tax away all economic rent, the income from the use of the bare land but not from improvements, and abolish all other taxes.

Well that was the theory that was put by an early American thinker. We're not proposing the same theory but I think we do see the merit of the proposal that the mere holding of land does not appear to add anything to society. The fact that a person has money and is able to hold and sit on land until the time when expanding development or other more dynamic factors require the use of that land, there seems something wrong that a profit can be made in that particular way. But a worse way and even stronger case is that when a group of people simply re-name or re-zone or allow new uses for a particular piece of land by some sort of magic of decision, then that land may double, triple or increase five or ten times in value, that that is indeed an unearned increment and that that increment should perhaps best fall to the authority who made that particular change and not to the individual who benefitted from that particular change.

Well I think there again, there's a proposal from the Minister of Finance to the City of Winnipeg and it seems to be receiving a lukewarm response, but every day I pick up the paper and I read about new re-zonings, and the city is losing the opportunity for acquiring hundreds of thousands of dollars - it's not millions of dollars - of increased revenue. I think a year or so ago a proposal was also made for another form of taxation and this may not really apply until another year or so - I think it was thrown out - the hotel or bed tax which is related to the Convention Centre, the Convention Centre will undoubtedly stimulate a great deal of tourist traffic in the City of Winnipeg and the fact is that people in the hotel business will benefit, among many others, and their hotel rooms will be full and their restaurants will be full and their gift shops, etc., and it seems to make eminent good sense that if they are going to benefit directly from this multi-million dollar project, heavily supported by the province, that it would be a good new possible source of revenue for the city to, say, tack on an extra dollar per night per room or per bed, and that that money would accrue to the Convention Centre, and there again that several hundred thousand dollars could be raised.

Another possibility, and I don't know whether this is my own thinking or my own proposal - I don't like sales taxes either, and I'm afraid when I say this the Minister of Finance might choke on his polyethylene cup - and I don't know whether this is feasible or not, Mr. Speaker, but we're not hearing too much from the city. You know, we're not hearing new proposals from them so we have to put the proposals to them and get their response. But I suppose it could be possible, and I'm not sure what the Minister of Finance would say about this, it might be possible to allow the city to increase the sales tax within the perimeter. If that were done, if there was an additional one or two percent of sales tax added on, then perhaps this money could accrue to the City of Winnipeg and that would amount to many millions of dollars per year.

The final thing that I just wanted to mention, the final area when we talk about negotiations I just wish to touch on this - is the question of Winnipeg Hydro, which to me is very similar to the question of Assiniboine Park. I myself acquired some of the brochures from Hydro, which has long been recognized as an outstanding public utility, one which has provided the city with revenue and good service, and if you look at one of their brochures, it's very interesting, full of interesting colored photographs, pictures of their plant at Pointe du Bois, Slave Falls transmission lines, and then farther on their central steam heating and emergency standby plant, and their merchandising and home service, and if you were to acquire one of these handsome brochures you would see a picture of vitality and health. I think that one has to sometimes be careful when one is examining one's assets, because at a certain point in time an asset can be worth a great deal, at another point in time it can become a liability. I'm reminded here of a book by a distinguished American senator, one of my idols, Senator William Fullbright, who wrote a book a number of years ago called, "Old Myths and New Realities", and I think that there are some myths around that have to be swept aside on the part of the City of Winnipeg and some new realities faced. And I believe that one of the most difficult will in fact be the question of the future of Winnipeg Hydro, because to look at a brochure on Hydro everything is rosy, but the fact of the matter, Mr. Speaker, is that there have been significant

## BUDGET DEBATE

(MR. DOERN Cont'd) . . . . changes in the last few years and there will be more significant changes in the next few years.

The store that is included in this particular brochure has now been closed, and I might say that some of the personnel have been dislocated as a result. I think some people have found it very difficult to readjust or have had to take jobs in the city with which they were not suited for, perhaps, or not happy with, taken cuts in pay, and in a few cases let go. But that portion of the Hydro operation is gone. The other portion that's in here is the central steam heating and emergency standby plant. Now that has served Winnipeg since 1924 and you are in effect operating -- don't tell me it was the year that my honourable colleague was born, in which he was born. Well, happy birthday. Mr. Speaker, this particular plant which had two purposes: 1. To provide standby power; and 2. To service a number of buildings in the downtown area including the Centennial Centre, the Concert Hall and related facilities, has provided a valuable service, but now the equipment is getting old. The Clean Environment Commission --(Interjection)-- Yes, and perhaps my honourable friend or his equipment is also getting old. So, Mr. Speaker, the emergency standby feature may go by the board if the plant is not rebuilt. As I said, the Clean Environment Commission has lowered the boom on the plant because it burns coal and it pollutes, and given modern standards there's now a requirement for them to either install expensive equipment that stops anti-pollution, and reconstruct their plant, which is going to cost a great deal of money. And then they will be confronted with another problem: would it be possible to go from, say, from coal to gas? Well at this point in time, Mr. Speaker, it seems that conversion to gas may be a diminishing possibility.

I wanted to deal in my remarks today, I'm not going to have the time to deal with Eric Kierans' statement in the Canadian Forum on gas reserves in Canada, which were originally predicted at 725 trillion cubic feet, when certain companies wanted certain approval and then were sharply adjusted downward a couple of years later to about 50 or 60 million - pardon me, 50 or 60 trillion cubic feet. So what happened to our 725 trillion cubic feet? Well, 660 million of it, 660 trillion of it went by the boards, and many of us, many of us who thought that we could perhaps convert from oil to gas or employ gas as an economic and first order fuel, may now find out that supplies are limited and prices are rising, as they are rising in the case of gasoline and oil.

Well, Mr. Speaker, the other point, as I said, that has to be seriously considered, not frivolously but seriously considered by the city, is the whole future of Winnipeg Hydro and whereas it has produced profits year after year for the city, the city I think is now going to be faced with a situation where the utility will lose money on an annual basis and that the capital equipment and the buildings of that first-rate public utility are going to have to be replaced, and when that day comes somewhere in the next decade, that cost is going to be exorbitant. If you look at this brochure, you get a totally mistaken impression of what it costs for these plants. For instance the Pointe du Bois plant, it says total capital expenditure for the plant to date exceeds \$7.8 million. Well you try to build that plant today for 7.8 million, it will probably cost 50 million or 60 million or more. And the Slave Falls Generating Station, it says the capital expenditure to date is approximately 8.3 million. Well there again, if that has to be replaced you're talking multi-millions of dollars. So I'm simply saying that the citizens of Winnipeg today, whether they know it or not, whether it has been drawn to their attention or not, whether their leadership is in fact acquainting them with the facts of the matter, they are now confronted with rising costs and obsolete equipment. And I think that the council should examine the problem carefully, they will have to decide whether they are going to go it alone and make that kind of an investment to improve their own operation, which is substantial, or whether they are going to conclude an agreement with Manitoba Hydro so that the Hydro can in effect provide them with the power.

Now if this is seen in terms of a takeover or "you're not going to take our Hydro away from us," then I think the answer's very simple. Forget it. If the city wants to go it alone, if the city feels that that is the best approach, then they can proceed. No one will stop them. But I think it is a myth that Hydro has produced profits and will continue to produce profits and that everything is fine. I think it is a reality to say that the plant is outworn, the costs are escalating and the rates are going up, and that there has to be a complete re-examination of that particular utility.

Well, Mr. Speaker, to conclude, I think that on the point of the province's dealing with

## BUDGET DEBATE

(MR. DOERN Cont'd) . . . . the City of Winnipeg, the province has given greater assistance to the city in the last few years, has backed certain innovative programs, and has offered to the city new fields of taxation. I think it's up to the city to carefully assess those new fields, come up with some of their own, and stand up and simply accept the responsibility for the taxation, for the money which they require to operate Winnipeg in 1974.

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. I rise on a personal privilege, Mr. Speaker. I did not want to interrupt the Honourable the Minister of Public Works during his debate, but in regards to his statement with my participation in the presentation of the Eric Curry Report, he made a statement which is totally incorrect, that there would be 2,000 jobs or 2,000 people affected with this report. And I think it should go on record that this is incorrect, and that as a matter of fact the council at that time passed a motion declaring that anybody employed by the city at that time was guaranteed employment and would not be affected by the Eric Curry Report, so I wanted to go on record at this point of correcting the Minister's statement.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Thank you, Mr. Speaker. I wanted to begin my remarks this afternoon by referring, as a number of my colleagues have done, to "the day the Budget came down" - that was a week ago today - and to just review the very impressive sequence of events that occurred on that day, more or less in chronological order but not necessarily in order of importance. In the morning in the Committee of Public Utilities we had the announcement by the Chairman of Hydro of the substantial increase in rates to users of hydro energy in Manitoba, nearly 20 percent increase, and of his further statement that we could expect rate increases in the ensuing years annually of approximately 10 percent as he saw the situation at this time. In the afternoon, of course, there was the other important event, that is the presentation of the policy on mineral resources in Manitoba as presented by the Minister of Mines. And in the evening the Budget came down.

Mr. Speaker, I think it was in perhaps one of the very first actions of this government when they came to power in 1969 that they put out a contract on Manitoba Hydro. Mr. Speaker, I am aware that I am using sort of an underworld term there when I say they "put out a contract" but in some ways it seems appropriate. I hope that I won't be, during the course of my remarks, in any way guilty of using unparliamentary language and I rely on your guidance, Sir, to assist me in that respect, because I would not in any way wish to impinge upon the rules of order in the House. But I do say that in 1969 there was a contract on Hydro and they were able to get a hit man from Saskatchewan by way of Ottawa.

Now I don't know what the terms of the contract were, Mr. Speaker, but I would suggest that from hindsight, looking back at it now, and from the revelations of the Chairman of Hydro that the contract was somehow to eliminate the carefully built-up lead time and the careful advantage that Manitoba Hydro had over practically all other hydro-electric facilities in Canada, a lead time that had been built up through efficiency and good management, good decisions, and one that we counted upon to be the basis for an increasing industrial development in our province.

Mr. Speaker, the announcements of the Chairman of Hydro on Thursday morning in Committee on rate increases serve to bring down to some extent the veils that have been erected on the actual procedures going on in Manitoba Hydro. They revealed for the first time some of the results of a development and of decision-making in Hydro that have been very expensive, that have added greatly to the costs, and the rate increases that we have been advised of now are just the beginning of what may be the elimination completely of the advantages which Manitoba Hydro has long enjoyed in Canada over other provinces and other hydro-electric developments. We had a source of energy that we could have counted upon, I think, to have been a major attraction for industry coming into Manitoba.

Mr. Speaker, the evening affair was when the Budget came down, and I don't propose in the course of my remarks to dwell at great length on the Budget of the Honourable the Minister of Finance, because I would say that it floated down rather gently upon the people of Manitoba. It was light, feathery, and it didn't in any way produce any great hardship directly upon those people that it would affect. I would only say, Mr. Speaker, that it seemed in my view to be somewhat irresponsible in that it did not attack in a direct way the basic symptoms and the basic malaise in our society.

## BUDGET DEBATE

(MR. MCGILL Cont'd) . . . . .

It is a popular thing to say that provincial governments can't really do much about it because inflation is an international thing, and so that we can proceed on our way to enjoy the fruits of inflation, because indeed they do come to provincial tax-gathering jurisdictions, we can continue to enjoy those increased revenues and we can continue to spend money in greatly increased amounts without any real regard for the effect which that will have and that effect which it is having upon our economy. I think it would have been responsible of the Minister had he restricted his spending, had he announced in his budget that he was doing his part to quell the fires of inflation and to assist in a provincial way, even though it might mean reducing next years tax revenues.

Mr. Speaker, we, the Government of Manitoba I should say and the province are profiteers of inflation. Other levels of government are unfortunately caught in a squeeze because their tax bases are relatively fixed, they are required to work from year to year on relatively stable tax incomes whereas the province and the Federal Government enjoy greatly increased revenues and are then called upon to hand out in the way of grants, assistance to those jurisdictions municipal that are caught by the inflationary squeeze.

Mr. Speaker, it would be using a cliché to say that the Minister's Budget was a bandaid approach to inflation. I've heard it described by some commentators as a budget to fight inflation. I don't think the Minister would even accept that as a reasonable interpretation of what he did but I would say that it is a bandaid approach. He has provided a sort of a healing device to prevent undue bleeding on the part of the people of Manitoba, to in some way stop that inevitable process that is reducing their income to very low buying power and a very reduced ability to live within the limits of the budgets which they have heretofore found adequate.

So, Mr. Speaker, that would be the extent of the comment that I would make at this time on the budget, but I would like to get down to what I consider the main hit of the day, and that was the presentation by the Minister of Mines on the new mineral policy in Manitoba.

Mr. Speaker, there is no question that this announcement and this statement and all that it implies will have a greater lasting impact on the economy of Manitoba than either of the other two events.

MR. SPEAKER: The hour being 5:30, I am now leaving the Chair to return at 8:00 o'clock.