

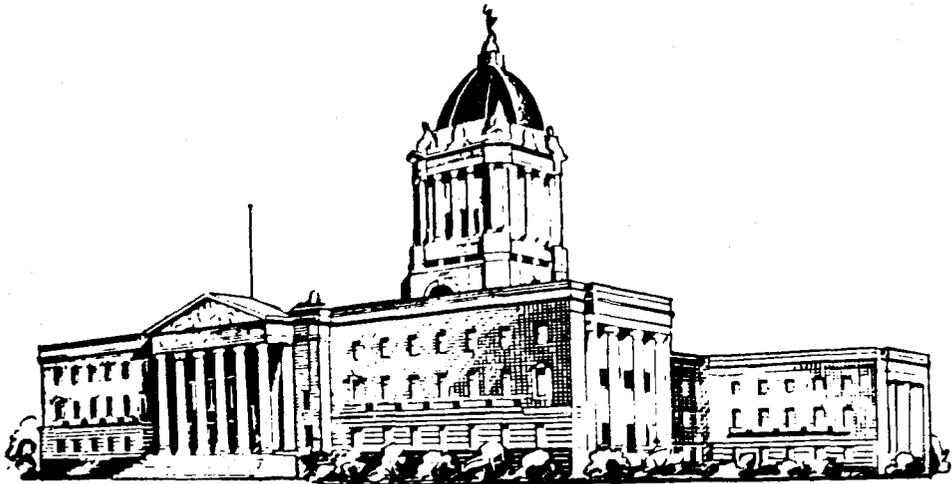


Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XXII No. 70 10:00 a.m., Friday, May 2nd, 1975.

Second Session, 30th Legislature.

Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	ROM 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Robin Pl., Winnipeg	R3J 3L8
BIRTLE-RUSSELL	Harry E. Graham	P.C.	Binscarth, Man.	R0J 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
CHARLESWOOD	Arthur Moug	P.C.	29 Willow Ridge Rd., Winnipeg	R3R 1L5
CHURCHILL	Les Osland	NDP	66 Radisson Blvd., Churchill	R0B 0E0
CRESCENTWOOD	Vacant			
DAUPHIN	Hon. Peter Burtniak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ELMWOOD	Hon. Russell J. Doern	NDP	Legislative Bldg., Winnipeg	R3C 0V8
EMERSON	Steve Derewianchuk	NDP	Vita, Manitoba	R0A 2K0
FLIN FLON	Thomas Barrow	NDP	Cranberry Portage, Man.	R0B 0H0
FORT GARRY	L.R. (Bud) Sherman	P.C.	86 Niagara St., Winnipeg	R3N 0T9
FORT ROUGE	Lloyd Axworthy	Lib.	132 Osborne St. S., Winnipeg	R3L 1Y5
GIMLI	John C. Gottfried	NDP	44 - 3rd Ave., Gimli, Man.	R0C 1B0
GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	R0J 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
KILDONAN	Hon. Peter Fox	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAC DU BONNET	Hon. Sam Uskiw	NDP	Legislative Bldg., Winnipeg	R3C 0V8
LAKESIDE	Harry J. Enns	P.C.	Woodlands, Man.	R0C 3H0
LA VERENDRYE	Bob Banman	P.C.	Steinbach, Man.	R0A 2A0
LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	R0J 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	R0G 1K0
OSBORNE	Hon. Ian Turnbull	NDP	Legislative Bldg., Winnipeg	R3C 0V8
PEMBINA	George Henderson	P.C.	Manitou, Man.	R0G 1G0
POINT DOUGLAS	Donald Malinowski	NDP	23 Coralberry Ave., Winnipeg	R2V 2P2
PORTAGE LA PRAIRIE	Gordon E. Johnston	Lib.	26-120 - 6th St., S.E., Portage la Prairie, Man.	R1N 1E8
RADISSON	Harry Shafransky	NDP	4 Maplehurst Rd., Winnipeg	R2J 1W8
RHINELAND	Arnold Brown	P.C.	Winkler, Man.	R0G 2X0
RIEL	Donald W. Craik	P.C.	3 River Lane, Winnipeg	R2M 3Y8
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	Legislative Bldg., Winnipeg	R3C 0V8
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	R0J 0X0
ROCK LAKE	Henry J. Einarson	P.C.	Glenboro, Man.	R0K 0X0
ROSSMERE	Hon. Ed. Schreyer	NDP	Legislative Bldg., Winnipeg	R3C 0V8
RUPERTSLAND	Hon. Harvey Bostrom	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. BONIFACE	Hon. L.L. Desjardins	NDP	Legislative Bldg., Winnipeg	R3C 0V8
ST. GEORGE	Hon. Bill Uruski	NDP	10th flr., 330 Portage Ave., Wpg.	R3C 0C4
ST. JAMES	George Minaker	P.C.	318 Ronald St., Winnipeg	R3J 3J8
ST. JOHNS	Saul Cherniack, Q.C.	NDP	333 St. Johns Ave., Winnipeg	R2W 1H2
ST. MATTHEWS	Wally Johansson	NDP	418 Home St., Winnipeg	R3G 1X4
ST. VITAL	D.J. Walding	NDP	26 Hemlock Place, Winnipeg	R2H 1L7
STE. ROSE	A.R. (Pete) Adam	NDP	Ste. Rose du Lac, Man.	R0L 1S0
SELKIRK	Hon. Howard Pawley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SEVEN OAKS	Hon. Saul A. Miller	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SOURIS KILLARNEY	Earl McKellar	P.C.	Nesbitt, Man.	R0K 1P0
SPRINGFIELD	Hon. René E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	R0L 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Ken Dillen	NDP	84 Pintail Cres., Thompson	R8N 1A6
TRANSCONA	Hon. Russell Paulley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDOS	Morris McGregor	P.C.	Kenton, Man.	R0M 0Z0
WELLINGTON	Philip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	Hon. J.R. (Bud) Boyce	NDP	Legislative Bldg., Winnipeg	R3C 0V8
WOLSELEY	Vacant			

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Friday, May 2, 1975

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 my gallery where we have 25 students Grade 11 and 12 standing of the North Slope Borough School District from Barrow, Alaska. These students are under the direction of Mr. West and Miss Welch.

On behalf of all the honourable members I welcome you here this morning.

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. The Honourable Leader of the Opposition.

ORAL QUESTIONS

MR. SIDNEY SPIVAK, Q.C. (Leader of the Official Opposition) (River Heights): Mr. Speaker, my question is to the First Minister. It's with reference to the natural gas price increase. The Premier of Ontario has indicated to the First Minister that the Federal Government should disallow the proposed gas increase . . .

MR. SPEAKER: Question please. The statement is not necessary.

MR. SPIVAK: Mr. Speaker, I am now leading to the question. The Premier has indicated to the Prime Minister a request asking the disallowance of the natural gas increase. I wonder if the First Minister can indicate whether Manitoba is going to make the same request?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, it was only a matter of hours after the newspaper story came out indicating that the Alberta Conservation Board was proceeding towards a considerably higher price than was talked about at the Federal-Provincial Conference in Ottawa in mid-April that my colleague the Minister of Industry and Commerce and I met to discuss the story and my colleague was making arrangements late last evening to prepare for the sending of a telegram to the Federal Minister of Energy. Now I would ask my colleague to indicate just when that will take place.

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Yes, Mr. Speaker, the wire is prepared and I would hope that it will be going out within a matter of an hour or so. I would indicate however to honourable members that the Federal Government has now passed a Petroleum Administration Act which gives them authority on retail pricing, so the Federal Government has an additional legal lever if you want to refer to it as such to help control excessive gas price increases. However, I'd also refer honourable members to the fact that both the Federal Minister and the Alberta governmental authorities indicated that they did not expect the huge - what is it 160 percent increase - awarded by the Arbitration Board to be necessarily implemented immediately or quickly and that it would be subject further discussion and negotiation between the Alberta Government and the Government of Canada. And I would hope this would be the case and that reason will prevail.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Chairman, then to the First Minister. The Premier of Ontario indicated that there should not be any increase whatsoever and has asked for disallowance of the natural gas increase. I'm asking the First Minister or the Minister of Industry and Commerce, in the wire that's to be forwarded to the Government is the Provincial Government of Manitoba's stand that there should be no increase and that the matter should be disallowed?

MR. EVANS: Well, Mr. Speaker, perhaps the Honourable Leader of the Opposition is not aware, but we have been making the position of the Government in Manitoba known in many ways over many months, before the National Energy Board, before the Federal Minister of Energy and indeed in discussions with our western friends in Alberta with regard to the undesirability of gas price increases. Obviously we are against any gas price increase because a gas price increase means a reduction ultimately in the standard of living of the people of Manitoba. But I think the reality of it is, Mr. Speaker, and the Honourable Leader of the Opposition was at the Energy Conference convened by the First Ministers where I think it was recognized by everyone concerned that the value of natural gas was relatively underprice

ORAL QUESTIONS

(MR. EVANS cont'd) . . . compared to today's market value of petroleum. But having said that, of course we are against an increase in the natural gas price.

MR. SPIVAK: Mr. Speaker, I thank the Minister of Industry and Commerce for a statement of policy. I am now asking, is he now going to express that by wire to the Prime Minister that there be no natural gas price increase at the present time?

MR. EVANS: Mr. Speaker, words to that effect, our great concern at this increase.

MR. SPIVAK: I wonder if the Minister of Industry and Commerce can indicate what the average family home rise will take place if the proposed increase was to come into force.

MR. SPEAKER: The question is hypothetical.

MR. SPIVAK: Well, Mr. Speaker, the question is not hypothetical . . .

MR. SPEAKER: Order please. I'm not going to debate the matter, but the honourable gentleman said 'if' something occurred. Consequently whatever follows is hypothetical. That's English.

MR. SPIVAK: Mr. Speaker, I'll frame it in another way. The award of the natural gas price increase that has been made, what will that cost the average family in Manitoba?

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

MR. EVANS: Mr. Speaker, the award that is referred to relates to the wellhead price and I suppose one could make some rough calculations and bring it to the retail price level, but I'd also remind him that there are other factors at work such as changing transportation or transmission costs. I would say this, that we would hope that: (a) the arbitration award amount will be not brought into effect but if a portion of it is brought into effect we will endeavour to try to translate this in terms of retail prices. But I would remind the honourable member he can do that himself possibly by phoning up the President of Greater Winnipeg Gas, because ultimately they will be making their calculations.

MR. SPIVAK: My question to the Minister of Industry and Commerce. The Ontario Government has estimated that the increased price will cost the people of Ontario \$550 million. What is it expected to cost the people of Manitoba?

MR. EVANS: Mr. Speaker, yes, you could take Manitoba's percentage of Ontario and perhaps make a rough calculation but then you'd have to subtract transportation costs. The honourable member is interested, as we get more information on this, perhaps next week if there is more information forthcoming we could make an estimate.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Thank you, Mr. Speaker, my question is to the Honourable the First Minister. I'd like to ask him if he can advise the House whether Mr. Murdoch McKay has resigned as Chairman of the Manitoba Labour Board and whether in fact that resignation has been accepted?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, a letter of resignation has been received. I do not believe that it has been acknowledged with the accompanying acceptance, but I assume that that is a matter of course and will be looked after in the next few days.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the First Minister. In view of the statement made by Mr. Danson, the Federal Minister of Housing, that the provinces have used less than 10 percent of their allocation of federal funds for housing, can the First Minister tell us what the percentage of allocation in Manitoba has been used to supply public housing or low cost housing as of the end of April?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I should not reply too emphatically because I'm not sure that I understand the exact purport of the question. May I just indicate to the Honourable Member for Fort Rouge that the amount of funding available for housing construction from CMHC, be it public or be it private sector, is nowhere near adequate. So in terms of allocations not being used, that's not even in question.

MR. AXWORTHY: Mr. Speaker, I find the First Minister's response really to be confusing. The question is, even if the allegation is inadequate, how much of that has Manitoba used up to this point?

MR. SCHREYER: Mr. Speaker, that question is academic, which perhaps is

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(MR. SCHREYER cont'd) understandable coming from my honourable friend. The fact of the matter is that allocations of available federal mortgage funding is used in its entirety because it is so inadequate.

MR. AXWORTHY: Mr. Speaker, I don't think the building of housing is academic. We would like to know how much money has been spent by the Government of Manitoba thus far in the year to build low cost housing in the Province of Manitoba and what percentage of the allotment of the Federal Government has been used, so that we can determine whether you're doing your job or not?

MR. SCHREYER: Mr. Speaker, if the . . .

MR. SPEAKER: Order please.

MR. SCHREYER: . . . if the Honourable the Minister responsible for MHRC were here he would be able to confirm that approximately a month ago we met with senior people of CMHC in order to ascertain if there was any possible way in which the allocation of available funds in Manitoba for housing construction could be approximately doubled, because that is what we realistically anticipate will be needed and will be used for construction if it's available.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, to the Honourable First Minister.

MR. SPEAKER: Order please.

MR. MCGILL: In view of the news stories carried yesterday on FPE Pioneer's participation in the Brown-Boveri Hydro tender and the benefits deriving therefrom locally, could the minister now confirm that the bid which included the Manitoba participation was \$2 million or more higher than the lowest bid?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Negative, Mr. Speaker, there is absolutely no problem in indicating that the bid which was deemed to be the low bid and evaluated and awarded on that basis was the lowest of the alternative that was open to Manitoba Hydro and accordingly was approved by the Board of Directors of Manitoba Hydro. If there is some aspect of this I have not responded to, I assume the honourable member will follow the question up.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, a supplementary question. I wonder, in view of the fact that some correspondence was requested some weeks ago and the request was accepted, whether or not we could expect a return on that within the next few days.

MR. SCHREYER: Mr. Speaker, I do not fault the honourable member for his impatience. His impatience is equalled only by my own in this matter. We have requested the usual clearance from the other level of government party to the correspondence. I can offer this to my honourable friend, that in the interim we can, I believe we can, table correspondence which initiates with Manitoba, with the undertaking that when clearance is received then all of the file of correspondence will be re-tabled de novo. If my honourable friend agrees to that, perhaps we could handle it that way.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): I have a question for the First Minister. The First Minister indicated some degree of rent controls in the Province of Manitoba. Can the Minister indicate to the House that he meant rent controls or that he meant he'll implement rent review procedures of the Rentalsman Act?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, if the Honourable Member for Assiniboia will check back approximately three weeks, he will have seen, for example, a news story carried on the front pages of local newspapers indicating that at the Federal-Provincial Conference on the 9th and 10th of April, the possibility was raised of a national program of guidelines for restraint which included specifically the possibility of rent restraints or controls of some kind. I would invite him to check.

Flowing from that discussion, there has been some additional consideration and review carried out here as to the advisability of formulating some form of rent review and rent control. Obviously we have not come to any conclusions in that respect as yet, and indeed in the month of May we expect to have meetings at the officials level, and at the ministerial level, federally, provincially, to pursue further this entire package, if you like, or guidelines for restraint, including rent controls.

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MR. PATRICK: A supplementary, Mr. Speaker. I believe the First Minister just indicated a couple of days ago about rent controls and my question is specific. Why wouldn't the government use the rent review procedures that are available presently under the Rentalsman Act?

MR. SCHREYER: Well, Mr. Speaker, I would invite my honourable friend to cite the section of the Act that he is referring to that he believes provides remedy. I don't believe that existing statutory provisions do provide sufficient remedy in a context that we are faced today. So accordingly, Mr. Speaker, we are contemplating possible further changes, but all of this in the context really of the Federal-Provincial discussions that are going on with respect to national policies for restraint.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, the Premier made reference to the - my question is to the First Minister - he made reference to the national guidelines of restraint that were discussed some three weeks ago. I wonder if he can indicate whether at that time there were guidelines discussed with respect to wage increases with respect to civil servants within the public service.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, that was discussed in mid-April only in the most general of senses. Subsequent to that, in fact last week, sir, a meeting at the officials level took place in Ottawa which is to be followed up some time in early May, I believe in the first week to ten days in May, with the exchange of certain written and documented material with respect to these so-called guidelines, and we are therefore expecting to receive these in a matter of a few days, which will be followed by a meeting at the officials level again. The process now is one of attempting to quantify reasonable guidelines for restraint with respect to salaries, wages, dividend income, interest and professional fees, and rents. It's quite comprehensive.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: I wonder if the First Minister would confirm that at the official level, in terms of the answer that was given just a few seconds ago, that the question of rent controls was in fact discussed.

MR. SCHREYER: Yes, Mr. Speaker, it was discussed. Unfortunately as in so many of these discussions, the initial discussions perforce tend to be rather general. We do, however, anticipate that it is in the next 30 days that the process of getting down to more precise quantification will take place.

MR. SPIVAK: I wonder if the First Minister is in a position to indicate that equal weight was given at the official level, equal weight in terms of the discussion at the official level with respect to wage increases within the public service and rent control.

MR. SCHREYER: Well, Mr. Speaker, I'm not sure that I understand the question fully. I will answer on the assumption that the Honourable Leader of the Opposition is asking whether equal time or equal consideration or equal gravity was attached to the importance of restraint in respect to salary and wage patterns in the public sector or in the public service as compared to the problems of rents and rent escalation. I don't believe it's possible to say that one was deemed to be more important than the other. My impression is that those who have initiated the discussions with respect to the ways and means of arriving at guidelines for restraint indicate that for it to be at all meaningful it has to be comprehensive enough to include not just salary and wage matters but also professional fees, also rents, also matters having to do with dividend income.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, a question for the First Minister. In view or in light of his answer given to the Member of Assiniboia, could the First Minister indicate to us whether his government intends to implement Section 121 of the Landlord and Tenant Act which calls and gives the government power to set up a rent review process?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, rent review is something which does not by itself connote the ability to provide remedy and so the exercise is one which we are considering right now, what further legislative authority would be needed and advisable and prudent to provide some measure of safeguard against "undue" increase in rent. Let us be clear about that, Mr. Speaker,

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(MR. SCHREYER cont'd) that there is no suggestion that rent increases are unacceptable. It is the degree of rent increases that may prove to be unacceptable, particularly at a time when there is some call for the exercise of responsibility by Canadians in the face of a rather grave problem.

MR. AXWORTHY: Mr. Speaker, a supplementary. While this reassessment is going on, does the First Minister intend, however, to implement the rent review process and apply regulations under this section of the act which gives the government the ability to set up powers and responsibilities necessary to complete a review process? Will that be done in the meantime?

MR. SCHREYER: Mr. Speaker, we would not want to leave the impression that a section of an Act which provides for a review process is by itself sufficient to provide any significant degree of remedy. The Honourable the Minister of Consumer Affairs has been carrying out some analysis and investigation of the pros and cons of bringing forward additional amendments to the Act so that Manitoba could be in a position to proceed more definitively in the event that there is a meeting of minds federally-provincially with respect to the whole question of restraints in the face of the inflation that we are encountering at the present time.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, my question is to the Honourable the First Minister, and I would like to ask him whether any convening of the Standing Committee on Industrial Relations of this House must necessarily await the return of the Minister of Labour or whether the government is giving consideration to convening the committee to examine the whole area of industrial unrest in the province at the present time.

MR. SCHREYER: No, Mr. Speaker, it need not necessarily, but on the other hand, just at this point in time I'm not all that sure about the time horizon that's involved. I would prefer to ponder the question and perhaps reply to my honourable friend next week.

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

MR. EVANS: Mr. Speaker, a few moments ago, the Leader of the Opposition asked me a question with regard to the impact of the recently announced arbitration award price on gas. And in the interim I have communicated with my staff and I'm advised that their preliminary calculations indicate that if the entire award was put into effect, the annual cost to Manitobans, given the present level of consumption, would be approximately \$44.8 million.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, my question is to the Minister of Industry and Commerce and it relates to his absence from the House for several days or a week or so following the Energy Conference in Ottawa. We expected yesterday, Mr. Speaker, with the Minister's introduction of his estimates that we might have some announcement such as Brown-Boveri might be moving its head office from Switzerland to Brandon . . .

MR. SPEAKER: Question please, no speech.

MR. CRAIK: Mr. Speaker, the question is that in view of this enigma and determination that he now wasn't in either Russia or Cuba, nor had a major announcement, could he advise the people of Manitoba what good news he could bring from that trip wherever he was for that week or so following the Energy Conference.

MR. EVANS: Mr. Speaker, it may be that the discussion of estimates is a more appropriate time to discuss this in detail and we are on them now, but very briefly, I was with a group of Manitobans, including city officials and our own provincial staff, to see how we might implement a district heating system in the City of Winnipeg using garbage as a fuel. This very increase in the price of gas and oil that we're witnessing today is making, believe it or not, garbage a valuable source of energy. The City of Stockholm has presently an incineration system which enables it to use its entire garbage output to produce energy in a system of district heating plus the production of some thermal electricity, and we're hoping that eventually Winnipeg will solve a pollution problem and get some more or less free energy or a new source of energy which will be hopefully of benefit to the citizens in Winnipeg and possibly to other cities subsequently.

MR. CRAIK: Mr. Speaker, I thank the Minister for solving that quiz. Could he advise how many government officials he had with him on his trip to Sweden and whether he judged it a success.

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MR. EVANS: Mr. Speaker, I believe there were three provincial staff members with me - there were three provincial staff members with me and there were three representatives of the City of Winnipeg. I would say that I am very hopeful that something very concrete is coming of this. We are in stages of discussion with the city to set up a preliminary feasibility study of this particular proposal and we are getting some assistance initially from Swedish technology.

MR. CRAIK: Mr. Speaker, I have one final. I wonder in view of the great amounts of garbage that the Public Works Minister has to deal with whether he would keep him posted and informed of all progress.

MR. EVANS: Just on that point, Mr. Speaker, I believe the Director of Operations, I'm not sure what the exact title is, but a senior official of the Minister of Public Works Department accompanied us on the trip.

ORDERS OF THE DAY - BUDGET DEBATE

MR. SPEAKER: Orders of the Day. Proposed motion of the Honourable First Minister, the amendments thereto by the Leader of the Opposition and the amendment by the Honourable Member for Fort Rouge. The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Thank you very much, Mr. Speaker. As we've been debating on the Budget, the Member from Wellington made reference to great orators and how they could spell-bind audiences so as to get their point across and the next day when it was assessed by somebody else, he hadn't really said so much or promised so much. And I suggest to you that this is just what we went through the other night, because the First Minister had his cheering section here and he done a remarkable job of presenting his budget as if it was a Utopia for all Manitoba, but when it was looked over by the papers and by people the next day they were not agreeing with him. And I have here a copy of the Brandon Sun where it says the mayors don't agree and it says that there's little aid for the city, and it says here very little for municipalities and every place you read in it rural areas get nothing for their libraries. So it seems as if the days of the great orators isn't completely gone and we have some of them around here who from time to time try to do a masterful job in brain-washing the average fellows and making them think that they're doing everything. I suggest to the Member for Wellington that we have these people today and they're still trying to do a remarkable job.

I have to think that the present NDP Government when it came in probably came in at a very fortunate time, and particularly these last years with inflation going on and higher prices even though we've been having trouble with it, it has given them a great deal of extra money to spend. In particular like getting in the neighbourhood of \$90 million more than they expected from the way the federal revenue is shared. It gives any government a great chance to be a Santa Claus and to hand out a lot of small parcels and to look like as if they're doing a good job, but the thing that always comes to my mind is well what would happen, you know, when things start going the other way. How are you going to get out of this squeeze where you got yourself in where you're spending so much money in so many ways. What's going to happen then? Because inflation has helped you through higher wages causing more income tax to be paid and you've put on the production tax which has brought you more money, people have had more money and prices have raised so they've bought more stuff, you've got more from the sales tax, you've got more out of the liquor tax, the Federal Government brought in capital gains tax in revenue sharing which makes that part bigger again, so you've had a lot of remarkable things help you to get extra money as a windfall and this you can distribute. And the actual truth of it is, like where your budget would be \$834 million last year, now your estimate is \$127 million, a total increase of over 160 million or about 22-1/2 percent. That's a great rate of inflation, you just got a terrific amount of money to spend and I don't care what anybody says, I think maybe governments are leading the field in inflation and I think possibly that they could put on the brakes. I am not one of these that think that governments should yield to all pressure groups and to keep giving in to everybody and keep dishing out more.

MR. SCHREYER: Hear. Hear. I agree with the last sentence.

MR. HENDERSON: The government has been assisting education to a small degree

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(MR. HENDERSON cont'd) throughout the province and nobody can say that that isn't true, and I wouldn't say that they're taking their fair percentage of the increase - and I'm particularly thinking of high assessed rural areas now, rural property - because the way assessment is on this rural land and the education tax, that proportionately it doesn't mean because you have a lot of land that you have a lot of income. I think that there has to be a different way for the rural people because the taxes are just becoming too much on the rural resident. And in connection with your assessment on which your taxes are based, I wish to goodness you'd get some of these people who are called unemployed or on PEP grants or assistance grants or whatever you call them, get them out in some of these areas and get caught up with your municipal assessment. Do you know that some of your municipalities are 12 years behind in their assessment? Twelve years behind in your assessment. Now what's fair about an assessment that's 12 years behind in the days of inflation like we have? And then in another area like some of ours where it's pretty well, you know reasonably up to date. So when it's not assessed, and I got this the other day from a person in municipal work, and you're 12 years behind, now those people are not paying their fair share. And I wish that you'd get some of these people who you called unemployed or on some of these government programs so as you can say that you've got less employment, or whatever you want to say, I wish you'd get them out on some of these kind of things that really make things fair for the rest of the people in Manitoba.

MR. SCHREYER: Give me one example.

MR. HENDERSON: Where the town of Ethelbert is, whichever rural municipality that is, I think that's the one I'm referring to. Now your property tax rebate and your credit plan on income tax to a degree it's pretty good. But in rural areas we actually have many people who are paying no taxes at all. They aren't paying a cent of taxes. Now even those elderly people or these people that are in there, they aren't all elderly, they don't believe this is right. They don't believe it's right. You politicians are pushing it on to them like as if there's so much for somebody that's an underdog or something like this, you know. But you're just overdoing it. There's no need of that and none of these citizens - because many of them have grown up and are pretty proud and they say well it's there, I'm going to take it, but I don't believe that I should be living in this town and not paying taxes. And many of them have money and I'm sure you're aware of it if you're aware of rural areas.--(Interjection)--I'd like to inform you too that, that there is an awful lot of conscientious people and they do believe in paying their share. And then when they see in your local rural areas where the businessman is being taxed like he is with his high mill rate and they're sitting there, sitting pretty comfortable and paying no taxes, they know darn well it isn't right and many of them tell you. So I wish you'd quit listening to some of your social planners and just use a little bit of good judgment. And in particular the small businessmen in the rural area are really having it very tough these days, and if a person was to come along and ask your loaning institutes for a million dollars it would seem as if he'd have a better chance to get help than if he was wanting to make an addition or to repair his store so it would be more convenient, or if he wanted to put in, you know, something in the way of more self-serve counters or a new heating system or this there seems to be help available, but to the local businessmen, these small businessmen in a town there doesn't seem to be assistance available to them. And they really in the rural areas are the backbone of the town because every local businessman can't have something like a shopping mall and it's just not so. So if you believe in then the famous words of "stay option" I think that you should be considering the small businessman a lot more than you are. If they would start and practice their stay option in a different way I would be much happier about it.

The government has brought in a three cent tax on gasoline. Two cents of it now is to pay for Autopac. I know it will be a very small amount, whether it's used for motor boats or whether it's used for skidoos or whether it's used for other things or whether it's tourists.

A MEMBER: Not so, George.

MR. HENDERSON: Am I wrong? If they buy it through the pumps I understand they'll be paying that three cent tax, sir. Two cents is going to Autopac and one cent to general revenue. This is the way I understand it. So these people to a degree will be helping to pay for Autopac. I've never said that Autopac rates shouldn't have went up the way labour went up and parts went up and the cost of cars are up, but I always say just let's be honest about it, let's put the premium on cars and make the people who are driving pay instead of beating

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(MR. HENDERSON cont'd) around the bush and talking about other programs or relating it in a different way. You just may as well come out when you need an increase and put it on and make it pay and run the business right. You know, do away with a lot of your --(Interjection)--well, I don't know, I'd say you're poor managed but I realize it's been something that's been starting up and something that maybe needs a lot of correction but it's sure going to need it and you're sure going to watch out that later on you don't get more hanky panky going on than ever went on on a lot of other things.

And then your library program where you give one million to the Province of Manitoba which is supposed to be . . . but it only helps the town that has over 10,000 of population. Now that means that towns like Winkler and Morden where they have even gone together, and they're two very noticeable towns in Manitoba, very prosperous towns and they're going ahead. But actually you have done nothing for them. You've done nothing for the rural areas in your library program. And I wonder why. You just tell them they have to continue on the old formula but the big places get bigger and the smaller gets smaller, and where's your stay option again, you see? Where you're talking stay option, keep your local small places going, give them equal opportunity and that, you aren't practising it either. It's like many of your other programs, you give great lip service to it but in reality it doesn't come across.

I have to think what are you doing for your small businessmen who are local gasoline dealers now, with the squeeze that's going on them. They're getting pressured by big companies, the local independent dealers, and the government isn't doing anything. What's the Minister of Consumer and Corporate Affairs doing about it? I actually don't think that he knows hardly anything about it. --(Interjection)--Pardon?

MR. SCHREYER: Filling station operators?

MR. HENDERSON: Yes. Have you never heard of it? The local independent filling station operators have a terrible bind on them right now and it's because of the large gas companies who have the bulk outlets and own the service stations, they're putting the squeeze on them. You're forever preaching that it's the large corporations you want to try to take down but you're not doing anything. You haven't done a thing, the Minister of Consumer and Corporate Affairs, he hasn't done a darn thing to help them.

MR. SCHREYER: In other words you do want the government to interfere here?

MR. HENDERSON: Yes. Yes I do. Where you get large corporations in different ways - I've always said this and this is my firm belief and I'm not going to say different - it's the government's place to come in and regulate. You don't have to come in and buy them out and try and run them and then have a bigger monopoly and bigger rip-off going on, but you have the power to regulate those places. --(Interjection)--Well, I'm just going to say it. I'm saying it and I have a very strong conviction on that. The local Minister of Consumer and Corporate Affairs he does nothing except try to say his department should be expanded. But for what he's doing 2.2 million is a lot of money. What has he done when it comes to talk about the price of anti-freeze and the large variation? He hasn't even informed the public as to just really why and how . . . why it's going on. What did he do about fertilizer when there was the large variation in price between one province and another, between the States and us? What did he do about baler twine? What did he do about sprays and chemicals? What does he do about informing the people when the price of butter is so much difference just across the line to what it is here? He doesn't even tell them how it is in the world markets or our trade policies. I'd say that you have a Minister of Consumer and Corporate Affairs that has done very little for the people of this province, and these are the average Joes who are looking for him.

And about the only place where he seems to have done something and seems to have got carried away, I don't know, is in trying to get after landlords. Now I'm not saying that the Landlord and Tenant Act isn't a good act, I've said it before, but in the reality of enforcing that act, it is not a good act and it has ended up that the average person who is a good rent payer and a good type of a renter has had to pay more because there's people being able to abuse landlords since this Act went in. And I'm sure that you must be aware of it. I don't believe that the Minister of Consumer and Corporate Affairs is aware of it but I believe the First Minister must be aware of it. For a government that's supposed to have been for the working man, for the average person who's been anxious to get ahead and to work and to pay for his home and to raise a family and save a few dollars, your budget really hasn't done very

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(MR. HENDERSON cont'd) much. Your propaganda always goes the way that, you know, help the poor, you know, and you go so far on that that you're doing away with the initiative and the things that should make a difference to these people and you're really hurting the middle class people. I hear so many people who were good workers saying, why should I do it now? Why should I do it? And I'm very concerned about how this will all end.

I was very surprised, too, to see in the Budget that actually out of your budget there's only 7.9 percent of it spent on highways. And yet when you look at it Health and Social Development get 30.1 percent of it, Education gets 27.8 and so on. But I mean highways which is an important thing to our way of life and to our progress as a province and everything only gets 7.9. And this is wrong too. Then we come back to tax credits which can get 12.4 and all these others and then we can go . . . --(Interjection)--Pardon?

MR. SCHREYER: We wanted to pave and cement our roads with good health and prosperity.

MR. HENDERSON: No, but I'm fully convinced that you get carried away in another direction of where you think you're correct in a program and you're making it worse. Now we have your government going into the Manitoba Agriculture Credit Corporation where they're purchasing the land and leasing it back and you had your great orators going all through the country, you know, telling their side of it to people that never heard about it much before, only read it. And they're only telling one side. The people that overheard your side made the message very clear, when you had the public hearings the message came across loud and clear. Your Minister said there's no more use any more of those hearings because the headlines always come out they don't want the government buying land so he said we'll have to go about it a different way. We'll send out our paid orators, we'll send them out with all the literature, we'll tell them all the good things about it. Somebody that wouldn't tell the bad things.

The Minister of Agriculture he's the fellow that's in charge of that program. And I wonder how much we're paying for the advertising of that program? T.V., the choice spots on T.V. and all the commercials you see every place, you'd think that it was . . . Now I'll tell you this is one thing, this is one thing that I don't believe is that the government should be going into the purchasing of land and leasing it back to farmers. I'm very much against it. Now if you would at least say, if we have very small percentage of this land there's a few individuals, you know, that maybe you could help, but you aren't saying that. And we don't know, nor the public don't know how far you want to go before you stop. They don't know how much of it you want to control. --(Interjections)--No, the public don't know how far you're going to go and they're very concerned about it. And I can see in this program where the political patronage, as you could call it, and other things which come in, and I don't think it's fair that our tax dollars should be used in competition to this. You're actually to a certain extent doing away with a person who had some pride in keeping some land till he died or till he got up in his old years keeping it. Because if you're going to be wanting to get control of land so bad that you're going to rent it out at five percent, nobody, you know, is going to want to hold onto their land and try to compete with a government that's letting somebody rent it at five percent. And those people that are leasing it and paying that five percent, they are not going to become owners of this thing. And if you people were sincere and believed in ownership you would have that program right now, that whoever leased property from the government, that if he happened to fall heir to money or something happened that he wanted to go ahead with the purchase and was prepared to do it, he should have that option right now, if you're sincere that you believe owners are the best people to have on the land. --(Interjection)-- He has not that until five years time. And by the way, your propaganda agency, and I think it was the Minister of Agriculture himself was on the radio the other day and he was so convincing the way he told it, that he had somebody really believing that the people had the option of being able to buy it. Keep the family farm together and all this stuff. Actually when the government gets it that might be the end of that family farm, he might be there for awhile but then it's really actually - if you want to talk about inherited from one generation to the other, this is destroying it. And he was telling it in such a way . . .

MR. SCHREYER: Would you permit a question?

MR. HENDERSON: I'd prefer you'd wait till I was done. He was telling it in such a way that this person was saying to me that the Minister says we can buy it. This is our program but you can buy it from us. And he thought he had that choice at any time. Now your people aren't telling the other side of it at all, and as the Member for Gladstone says, in certain

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(MR. HENDERSON cont'd) areas you have your people who are doing the purchasing for the MACC who are running around looking for land. Now I don't believe . . .

MR. A. R. (Pete) (ADAM) (Ste. Rose): He won't document that.

MR. HENDERSON: He said he could document it.--(Interjection)--Oh you keep quiet, we heard enough from you when you were talking. Now I realize that any government that's in with the unrest we have at the present time, and I think that people are pretty demanding and wanting too much and with inflation and the labour and the unions and the strikes, that they're in for a very difficult job. But I think that you have to take a very firm stand as far as I'm concerned where labour is concerned and unions are concerned, because we just cannot continue an inflation and a spiral like we're getting now where we got people continually asking for strikes. And by golly I'm glad I haven't got to solve it but I say you really got a problem. Labour unions which really had a useful purpose and done so much good, have really got now so as they're running every government whether they're here or whether there in Ottawa, and I say that I'm worried about it and I'm sincere about it.--(Interjection)--Well, I'd be taking a pretty strong approach on it, I'm telling you. I wouldn't have been like you people. You people asked for it over there. You people asked for it. You promoted this so much even to people in essential services and all this here, you were promoting it. You were going to do so much for them and now you've really got to . . . you've got your - what do you say? - your chickens coming home to roost or something, you're getting a taste of . . . Yes, you got caught in the wringer. You've been caught speeding or something like this. So you've really walked right into this and, you know, it's really going to be a problem in the years ahead. I think it must be a worry to you and I don't know how you're going to get out of it, but don't ever forget that you people helped push it to the extent where they got this power.

MR. SCHREYER: Where haven't they got this problem?

MR. HENDERSON: Pardon?

MR. SCHREYER: Where haven't they got this problem?

MR. HENDERSON: I won't go into all this. I know it's more or less - well the darn trouble is half of the world, the biggest half of the world is becoming too socialistic. That's one of the things I don't care a darn which part . . . the whole bunch of them. I'm ashamed of them at times.

We've all become socialists, to quite a degree, you're right and I'm not too sure that it's good. We came along with so many government programs that help promote socialism, even from, we'll say unemployment insurance, to hospitalization, to medicare and to generous welfare programs, giving to ethnic groups, STEPS and PEPS and LIPS and all the other stuff that you have. It's been a kind of manoeuvring tactic and you know it's almost like a master plan that you think somebody had really planned it. And it's moving in and makes me think of the story that the Member from Sturgeon Creek told about the pigs.

A MEMBER: Rest easy on the little red hen.

MR. HENDERSON: Well it's still a very good story. But it makes me think of the story that the Member from Sturgeon Creek told about the pigs, you know how they just built the corral slowly and put some feed out each day and they kept depending on the feed and they kept building the fence until finally they couldn't get out. You know this is what worries me.--(Interjection)--Yes, we have got all these programs going on and we have higher rates of income tax coming for the people that are aggressive and who try to save and we've got a government now that believes in looking after people from the cradle to the grave. They've got - Oh gosh they've got care from the day they're pregnant on nowadays.

MR. ADAM: They don't pay the funerals.

MR. HENDERSON: Yes you do. You take care of the whole works. You're doing away with this thing where people should be caring for themselves and feeling they should contribute. You've got young people growing up today the way things are going that they think the world owes them a living. They haven't done nothing yet, they have done nothing but had money handed to them from somebody and they're saying "The world owes me a living". And this is a bad class of people to be coming along because for now - I wish the Member from Ste. Rose would shut up because he had his chance and I listened to him although it was very hard to do.

Yes I think we've been caring for people from the cradle to the grave and we've got them

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(MR. HENDERSON cont'd) thinking we owe them a living, we've got people expecting more money and they don't believe in more productivity, and it's been shown. So there's many people, and I hope there's some over there something the same, have grown up like myself in a society where people believed in working and believed in making a go of it. That they believe that they should do something, that they should make their own progress. I think that this has been good for the country and this is why Canada has gone ahead a lot.

MR. ARNOLD BROWN (Rhineland): They don't know what you're talking about, George.

MR. HENDERSON: I feel there's some of them that don't. But I think that this is the proper type of a society we should have. And for the socialist - and we have them in all parties, especially around here - who think that they can do so much . . . Oh I won't do that. I haven't learned that thing being nasty to people the way some others can - and by the way I notice on both sides that they're becoming better orators all the time and that they're doing a pretty masterful job, but you have to just sit down after a while and think it over and see just what it meant and then use a little bit of common sense and you're just about as far ahead.

The socialists believe that they can bring about an equal society where there's nobody poor and there's nobody - you know nobody has more, rich or whatever you want to call it. And you know this just isn't right - I'm not saying that the idea isn't right but in reality it isn't right.

MR. BROWN: It's discriminating against the poor.

MR. HENDERSON: No, it's not discriminating against the poor. There's a class of the poor people that don't seem to mind being poor. Some people say that you can do away completely with the slum areas or the north of the tracks or the core area. Let's say that. Let's use that for an example. But you know every city of any size has to have what you could call its area north of the tracks where the people who come in from other ethnic groups who aren't familiar with the type of society where they can more in or where ethnic groups of different - you know where they want to congregate, or for poor people. But under our society --(Interjection)--north of the tracks, south of the tracks or in the centre, I'm just using the term - but in the type of a society that we've had in Manitoba and in Canada . . . anybody that came in there didn't have to stay in there. And a lot of those people came in there. Maybe they thought it was more economical and maybe . . . many of them came out of there, they came out of there and became very good citizens and they took a part and went ahead and got businesses for themselves.

So I'd say that some of these social planners . . . you know, I don't know what's wrong with them, they just get carried away in a direction. They've got a job and it's their pyramid or something. I'm not saying, and I suppose I'd better correct it here, I'm not saying that the people who are in need or who are misfortunate shouldn't be helped. I believe in this. And you people needn't say that you're the only people that believed in this because that's not so. But the social planners that think that they can do everything for everybody and that you haven't got a class that's more or less satisfied with that . . . this is their way of life and maybe they'll change, maybe they won't - think that you can force everybody into different things. You can't.

Another thing that's really concerned me in connection with all the strikes and the way they effect people, how one union can tie up so many. I'm very concerned about us in Canada losing world markets, and if our labour force keep demanding more and don't increase their productivity I wonder what it's going to do to Canada. You know, because I think we're an exporting, in particular an exporting province, very much so, and when I think of what the strikes at the Lakehead have done to the rural people and what money could have come into our hands and the multiplying effect of it, I just think it's been a terrible thing that, we'll say people even like the graders, the samplers, were able to tie up the whole business. I think that there should be something done there. I even have to criticize people like Manitoba Pool Elevators who own the terminals out there and they own the elevators and there's farmers producing it and we've lots of people in the wintertime doing nothing, and their people go on strike out there and we miss markets and we have to pay demurrage charges and it comes off our final payments and such like, and our pool people do nothing about it.

MR. WILLIAM JENKINS (Logan): Why don't you throw them out?

MR. HENDERSON: I think that they should be getting into that. If a person wants to

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(MR. HENDERSON cont'd) strike I am not saying this, they might have grounds for it, let them keep going with their negotiations, but I don't say that it has to tie up things that effect the whole economy of the province.

I think I'll just close on the note that I think that a government that tries to be too protective of the people is doing wrong. I think that it's just like your child. Everytime he goes up by the fire are you going to run up to him and say "now keep away from here" and have somebody looking after him. You might be just as well to go up and let him touch his hand, get a little bit of a burn and you won't have any more problem.

And I think it's the same in some of your welfare programs and I think it's the same in some of the others and the same in some of your consumer protection act things you know. Let people learn through a bit of experience and then they'll say, well I've learnt the hard way and I remember. But if you think from time to time that you can be there and guide them through you're going to have more people looking after them and that it doesn't really work out. Thank you very much.

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

MR. D. JAMES WALDING (St. Vital): Thank you, Mr. Speaker. It's always a pleasure to follow the Honourable Member for Pembina and I don't intend to reply to any of the points that he brought up. It was my hope today that I would be able to join in the sort of on and off debate on inflation that's been going on for this session and a good part of the session of last year.

Some honourable members opposite, Mr. Speaker, have talked at great length about inflation and have tried to convey the impression that it was all the fault of the Government of Manitoba. The inflation now rampant in Canada and the United States and indeed the western world can all be laid at the doorstep of the Government of Manitoba. Now maybe they believe that, Mr. Speaker, but I can assure them that the people of Manitoba do not, and they are only deluding themselves if they continue in that particular vein. Some members have commented on the low opinion that members of the public have of politicians. I would suggest to them to continue those sort of remarks will only make that low opinion even lower.

I was tempted a few weeks ago to respond to the Honourable Member for Morris when he spoke on inflation and he quoted from a book, "The Rise and Fall of the Third Reich", which I intend to quote back to him a little later.

The Honourable Member for Morris, Mr. Speaker, is the only member on the opposite side who has had the courage to recognize and acknowledge the customary government response to inflation, although he didn't go so far as to advocate that course of action. None of his colleagues on the other side have recognized that and of course none of them would suggest that there be increased taxation and credit restriction and that a deliberate policy of unemployment should be embarked upon.

The term inflation has been widely used and no one has attempted to define just what it is or just what constitutes it. And doing a little bit of research on it, I came across this book, just a slim book called "The Myth of Inflation" and it was written in 1966 or '67 by an economics professor in response to the economic situation that was prevailing around that time, the mid-sixties. And members might recall, Mr. Speaker, that there was something of an inflation scare there and that due to the government's reaction to that situation we very rapidly had an unemployment rate running to around 650,000 or 700,000 Canadians. So the book was written to get some background and to define some of the terms.

I remember personally being told at a very early age that inflation was too much money chasing too few goods and it seemed at that time a very simple but a very reasonable sort of definition. One could imagine very easily at that time that a shortage of goods and services would cause the price offered for them to be increased and to be bid up. It was never made quite clear to me how people would get this too much money but in a wartime economy and the empty shelves in the stores and a rampant black market it was easy to appreciate the fact of too few goods. It was an explanation that I lived with for quite a while and never really thought too much about it, although in the years following the war and the increase in production in the consumer goods it was somehow difficult to see any shortage of goods, any too few goods, when we were living in such an advertising oriented society. If there really is any shortage of goods no one is going to spend money on advertising urging people to buy more and more of something that there is a shortage of.

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(MR. WALDING cont'd)

However in reading the book, Mr. Speaker, I did find that inflation is really not quite as it had at first been explained to me, that it was not just a matter of too much money chasing too few goods, and the professor, Dr. Charles who wrote the book says, and I quote, "Broadly, three different varieties of inflation can be identified. First, demandful inflation; secondly, cost-push inflation, and thirdly, demand-shift inflation." He goes on then under the first heading of Demand-pull inflation to show that there are two theories to explain this, both the monetary theory and the Keynesian income expenditure theory. And the cost-push inflation, he says that's not quite as simple as it sounds either because that can be further divided into different types, such as import price-push inflation, wage-push inflation, profit-push inflation, ignorance-push inflation and inefficiency-push inflation, with a page or so of explanation for each one. And finally, the third variety of inflation is a demand-shift inflation. Having simplified the matter by splitting it all up he then goes on to complicate the matter and say that some of these can occur at the same time, and I'll quote just one further paragraph. He says the demand-shift theory of inflation is really a variant of the cost-push thesis. While the cost-push and demand-pull inflations are analytically distinct, in practice it is quite difficult to tell them apart. This is because when inflation is due to demand-pull factors, cost-push factors very soon enter into the picture. And the resulting situation can no longer be explained in terms of demand-pull. Similarly, when cost-push forces produce an inflation, a public authority conscious of the need to reduce the level of unemployment soon initiates expansionary monetary and fiscal policies which is what makes the continuation of the inflation possible, while at the same time making the inflation cost-push plus demand-pull. I trust that's clear to members.

I want to quote a little further from what he says on a different topic a little bit later. But whichever of those categories we wish to put the present inflation in, there can be no doubt that we are facing an inflation. I see the Honourable Member for Morris has left, but I hope that he will be interested enough to read a quote that I'd like to make concerning inflation in Germany at the beginning of the 1920s. The honourable member mentioned this and used it as part of his argument. I learn, from reading, that inflation is not a 20th century phenomenon. It was known as early as Macedonian times. It also was in effect in Rome; it was also rampant in France in the 18th Century, and of course a good deal of difficulty in America following the Revolutionary War. But the quotation concerns the state of affairs in Germany in the early 1920s following the end of the First World War. And if I might just digress for a moment and go back a couple of pages here to mention the constitution of the government of that time. It was something new for the country. They had never really had a proper democratic system before that. And I'd like to quote what it says here:

"The Constitution that was adopted and passed on July 31, 1919, was on paper the most liberal and democratic document of its kind the 20th Century had seen, mechanically well nigh perfect, full of ingenious and admirable devices which seemed to guarantee the working of an almost flawless democracy. The idea of cabinet government was borrowed from England and France, of a strong popular president from the United States, of the referendum from Switzerland. An elaborate and complicated system of proportional representation and voting by list was established in order to prevent the wasting of votes and give small minorities a right to be represented in parliament. And further, the wording of the Weimar Constitution was sweet and eloquent to the ear of any democratically-minded man. The people were declared sovereign. 'Political power emanates from the people' is a quotation, and men and women were given the vote at the age of 20, and 'All Germans are equal before the law. Personal liberty is inviolable. Every German has the right to express his opinion freely. All Germans have the right to form associations or societies. All inhabitants of the Reich enjoy complete liberty of belief and conscience.' No man in the world would be more free than the German, no government more democratic and liberal than his, on paper at least."

There's perhaps a lesson there to those who would put their confidence in a written constitution or a written bill of rights when that constitution, which was, as it said "mechanically well nigh perfect," seemed to guarantee the working of an almost flawless democracy, and in fact failed to do that.

Very shortly after that, the Treaty of Versailles was signed, which was a treaty following the First World War, and under the terms of that treaty required Germany to return

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(MR. WALDING cont'd) various lands to Denmark, to Belgium, to France, to Poland, and also to make certain reparations in terms of coal, ships, lumber, and a first payment of \$5 billion in gold marks. The treaty also was a disarmament treaty which caused an immediate howl of anguish throughout the country as both the army and the industrialists and the judiciary were united in their desire to overturn the new government under its new constitution which had signed such an agreement, conveniently forgetting, Mr. Speaker, - and this is perhaps of interest to honourable members - that a bare two or three years before that, Germany had imposed upon a defeated Russia a peace treaty which has been quoted as "a humiliation without precedent or equal in modern history." And these are some of the terms of that treaty. It deprived Russia of a territory nearly as large as Austria, Hungary and Turkey combined, with 56 million inhabitants or 32 percent of the whole population, a third of her railway mileage, 73 percent of her total iron ore, 89 percent of her total coal production, and more than 5,000 factories and industrial plants. Moreover, Russia was obliged to pay Germany an indemnity of 6 billion marks.

However, I'd like to quote further from what William L. Shirer has to say about the situation 1921. "The mark, as we have seen, began to slide in 1921 when it dropped to 75 to the dollar. The next year it fell to 400, and by the beginning of 1923 to 7,000. Already in the fall of 1922, the German Government had asked the allies to grant a moratorium on reparation payments. This the French Government refused." When Germany defaulted, the French sent its troops into the Ruhr and cut that off from the rest of Germany.

Just further to this: "This paralyzing blow to Germany's economy united the people momentarily as they had not been united since 1914. The workers of the Ruhr declared a general strike and received financial support from the government in Berlin, which called for a campaign of passive resistance. With the help of the army, sabotage and guerrilla warfare were organized. The French countered with arrests, deportations and even death sentences, but not a wheel in the Ruhr turned. The strangulation of Germany's economy hastened the final plunge of the mark. On the occupation of the Ruhr in January 1923 it fell to 18,000 to the dollar; by July 1st it had dropped to 160,000; by August 1st, to a million. By November, when Hitler thought his hour had struck, it took 4 billion marks to buy one dollar and thereafter the figures become trillions. German currency had become utterly worthless. Purchasing power of salaries and wages was reduced to zero. The life savings of the middle classes and the working classes were wiped out. But something even more important was destroyed - the faith of the people in the economic structure of German society. What good were the standards and practices of such a society which encouraged savings and investment and solemnly promised a safe return from them, and then defaulted? Was this not a fraud upon the people? And was not the democratic republic, which had surrendered to the enemy and accepted the burden of reparations, to blame for the disaster? Unfortunately for its survival, the republic did bear a responsibility. The inflation could have been halted by merely balancing the budget, a difficult but not impossible feat. Adequate taxation might have achieved this but the new government did not dare to tax adequately." This was a sentence that the Honourable Member for Morris left out of his remarks when he was quoting from these same two pages. I thought it was rather odd that he didn't suggest that the government was under-taxing. It says: "Adequate taxation might have achieved this but the new government did not dare to tax adequately. After all, the cost of the war 164 billion marks had been met, not even in part by direct taxation, but 93 millions of it by war loans, 29 billions out of treasury bills, and the rest by increasing the issue of paper money."--(Interjection)--Yes, I would.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Would he not think that the situation that we're faced with today is even the double crime? Not only do we have high taxation but we also have inflation, which is a most iniquitous form of taxation.

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

MR. WALDING: I thank the member for his observation. I hope to refer back in a few minutes to the other little book that I have here on inflation and it may answer the point.

MR. F. JOHNSTON: Five years of misleading advertising.

MR. WALDING: If I can get back to the quotation that I was trying to make. It lists in here the cost of the war and the means by which it had been financed. "Instead of drastically raising taxes on those who could pay, the republican government actually reduced them in

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(MR. WALDING cont'd) 1921," which the Member for Morris, I'm sure, accepts as being quite contrary to the traditional methods that government choose to control or even to affect inflation.

I continue: "From then on, goaded by the big industrialists and landlords who stood to gain though the masses of the people were financially ruined, the government deliberately let the mark tumble in order to free the state of its public debts, to escape from paying reparations, and to sabotage the French in the Ruhr. Moreover, the destruction of the currency enabled German heavy industry to wipe out its indebtedness by refunding its obligations in worthless marks."

It's been suggested on different occasions by different persons that inflation has been caused by governments; it's been suggested that it's caused by the demands of labour; it has been suggested it has its roots in excess profits. Yet other experts have suggested that inflation is caused by too much money being printed. My colleague seatmate has suggested that inflation has its basis in the policies of a federal Conservative Government. I would like to suggest possibly one other cause of our present inflation, or at least the basis of it, which is really not new - it's been suggested before, I understand - but I would like to go back to this other little book called *The Myth of Inflation*, and remind members that it was written in 1967, and its facts are up to the preceding year 1966. I would like members to listen carefully to what Dr. Charles has to say about the situation as of that time.

He has spoken of the different types of inflation, and under Chapter 5, *The Inflation Myth in Canada Further Examined* - and I remind you he's talking about the myth of the mid-1960s - he says, "We may now examine the strength of inflationary pressures arising from cost push forces. It has already been noted that the Canadian economy depends heavily on imports and that in the post-war world, rising prices have been universal. Import price push, therefore, could account for a substantial share of recent price increases that have occurred in Canada. In view of the close integration of the Canadian economy with the United States, inflationary pressures in that country would naturally radiate into the Canadian economy."

He goes on: "The war in Vietnam could well generate an inflation in the United States. That the United States could fight a lavish capital intensive war in Vietnam without inflation, is a tribute to the prodigious productive capacity of her economy, although perhaps not to her political ambitions and designs in Asia. If this war continues, there is no doubt that it will at some stage produce an inflationary situation in the United States, because production of war goods generates increase in demand without adding to the productive capacity of the nation."

He quotes a few figures and goes on now, on the next page: "In view of the enormous potential productive capacity of the United States, large military expenditures have so far had the effect of stimulating the American economy to higher levels of activity. The enhanced military expenditures stimulated by the Vietnam war proved to be a shot in the arm to the stagnant American economy of the Fifties. The prolongation of the Vietnam war, however, is likely to generate gradually heavy inflationary pressures on the American economy. In the long run, the large defence expenditures cannot fail to generate inflationary pressures in the American economy. Moreover, wars also take away the cream of the nation from the civilian labour force, which at some point could adversely affect the economic growth of the nation. In 1966, nearly 70 percent of Canadian merchandise imports came from the United States, while 60 percent of Canadian merchandise exports went to the United States. Canada has also been selling military hardware to the United States, which in 1966 accounted for more than \$1 billion of her exports. In view of the close integration between the two countries, it is inevitable that if price increases in the United States become inflationary, they would be passed on to Canada. There is no doubt that the Vietnam war has contributed a great deal to the recent increases in food prices which have occurred in both countries. If that war continues, at some point price increases in both countries may well reach inflationary proportions. Such an inflation, of course, cannot be held in check by tight, fiscal, monetary policies."

That was written in 1967, Mr. Speaker, and a remarkable prophecy for the ensuing eight years, for we have seen estimates of the cost of the United States military effort in Vietnam totalling something in the order of \$135 billion.--(Interjections)--I hear different and higher amounts being suggested to me, Mr. Speaker, amounts of \$145 billions and \$155 billions, but 135 just shows a rather conservative perhaps estimate, Mr. Speaker. And 140 or 150 billion dollars which has been expended on a war effort without the citizens being taxed to pay for it.

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(MR. WALDING cont'd) That newly-completed disastrous war in southeast Asia cost the people of the United States some 140, 150 billion dollars, financed not by taxation, but by a rather cynical move by the government of that country to allow this demand to force up its prices, to allow its currency to become devalued, and to allow the value of the dollar to decline in exactly the same manner as the government of Germany in 1921 and 1922 allowed its currency - but not to the same extent, of course. That inflation that we saw predicted as far back as 1967 has in fact come about and has affected the whole of the North American economy, including us in Manitoba, and has spilled over to affect, possibly to a lesser extent, the remainder of the western world.

When we look at our own situation in Manitoba, we can consider it only within the context of the total Canadian situation, the total North American continental situation. Our population is something like 5 percent of Canada's, and its population is in the order of 10 percent of the total for the continent, which makes Manitoba's population and approximately its economy to less than one-half of one percent of the total population and the total economy of this continental area. So it becomes obvious, when seen in those proportions, Mr. Speaker, that Manitoba itself can do little to affect matters outside its borders and is, in point of fact, very much at the mercy of events outside the borders of our province and outside of the borders of our country.

In point of fact, Mr. Speaker, if we were to look back through the history of this province, we would find that all of the disasters and the hard times, the afflictions that have affected this province, have been caused by events outside of the control of this province. You can go back many many years and find disasters caused by flooding and by fire, by crop failure, by plant disease which have caused crop failures. At other times we have been afflicted by wars and depressions. We have also suffered from the CPR and from eastern business, from the railways and from the Panama Canal opening - all of these things coming after a few years of what might be considered the good time, and all of these things affect us from outside of Manitoba's borders. So, Mr. Speaker, we do our population no benefit at all to simply hide our heads in the sand or to turn our backs on the rest of the country and the rest of the world. We realize very much that conditions in Manitoba will be affected by those prevailing throughout the country and throughout the continent.

The Budget recognizes this fact, as previous budgets have recognized the fact of inflation, realized that inflation could not be cured in isolation in Manitoba, and have in fact recognized that, in general, the income of Manitobans over the last two or three years has kept up fairly well with inflation, that a number of sectors have advanced in excess of that inflationary rate. But governments do in fact profit by inflation, as has been pointed out by some members, even taking into account the additional costs that governments must pay for its own goods and services. And previous budgets have passed back to the taxpayers some of that excess in the form of transfer payments through the two credit taxation schemes approved as a matter of policy decision by this government. We do not accept the across-the-board income tax cut nor an across-the-board dollar amount returned to the taxpayers. The two tax credit programs were specifically designed to return to those on low incomes or fixed incomes those additional revenues that had accrued to the government because of inflation and the increased revenues due to additional sales tax revenues.

In reading through the budget this year, additional notice has been taken of the additional revenues of last year and the anticipated increases of this year, by expanding both the cost of living credit tax and the property tax credit plan, more or less to take care of inflation. Other than that and the move to give the municipalities two percentage points, there is not a great deal of any substance in the budget. Most of its provisions tend to be of a rather minor nature. We notice that there are signs of a turn, or of a slowing down in the rate of inflation. We find that food prices have moderated slightly over the past few months, that the commodity prices of primary metals have shown a decline at the end of last year, and we learn from our neighbours to the south that real growth has declined practically to zero and that they are facing a level of employment currently estimated around the 7-1/2 or 8 percent, which same effect is carrying over into the eastern part of Canada and can perhaps be expected to extend to the rest of the country at a later time. A close reading of the budget will show that it has made continued allowance for the inflation rate of the last year, but that it

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(MR. WALDING cont'd) also shows that the government and the Minister of Finance is prepared should that recession spread itself across the prairies and affect us in Manitoba. The surplus of the previous year has been used to return money in additional tax credits, and the very minor or very modest deficit forecast in the budget is an indication of this government's readiness to take rapid and very substantial action, if necessary, to provide an impetus to the economy and to keep down any threatened rise in unemployment.

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MR. DEPUTY SPEAKER: The honourable member's time has expired. The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): Mr. Speaker, I rise at this time to participate in the debate of this session's Budget, and I would like to direct my remarks particularly to one general area as it affects the budget, or a matter of the estimates related to the Budget and as it affects it, namely, Mr. Speaker, the matter of costs of education, the budgetary provision in our revenues to provide adequate funds for the funding of education, and in particular post secondary education.

This is a matter of particular concern this year, Mr. Speaker, as you well know. I'm not suggesting in any way that education is never a matter of concern to government. In fact, it always is. It's a matter of top priority with us and no doubt a matter of concern to honourable gentlemen of the Opposition. But in recent years, as universities and other post secondary institutions have begun to feel the financial squeeze with increased severity, it certainly has proportionately acquired a greater measure of public attention and debate.

Now there are probably a number of reasons for this, Mr. Speaker. Going back 25 years or so, at that time our universities commenced gearing themselves up to (1) provide a post-secondary education, the increased demand for post-secondary education, rather, that would no doubt arise from the post-war baby boom, and coupled with that, with the Sputnik race, the scientific explosion, and suddenly the awareness to gear up our science-related or applied science faculties. But then, I suppose, Mr. Speaker, there was just the need for the normal catch-up after World War II, during which period of time any growth or development was at a relative standstill because of other more pressing and necessary priorities which would have to take precedence, and so certainly after that lapse of time - and not to mention, of course, the fact, Mr. Speaker, the economic condition of this country and others during the decade prior to World War II.

So all of that occurred, Mr. Speaker, and then of course over the past few years we have seen a gradual levelling off of university enrolment. The escalation ceased to continue. In fact in some areas there may even have been a slight decline. But this occurred at a time when the universities were probably geared up to deliver, to serve the needs of a greater number in total, because one must bear the fact in mind, Mr. Speaker, that even though there may be a total levelling off of enrolment, but still within that total there may be increases in certain particular areas and certain particular faculties, which of course generate their own needs, but speaking in total there was a levelling off and, that being so, there is need for universities to consider and to look to a turnaround, as it were, of a general thrust in which they may have been moving, and the time that would be required for that. And once a university gears itself up to function at a certain level, develops a certain momentum, we all recognize and it is impossible to make just a sudden turnaround right there and then, and to reverse one's operations, which may reflect themselves in whatever way we may wish them to reflect themselves in terms of dollars and cents. So hence the predicament that universities find themselves in all jurisdictions, and if we look to the east, if we look to the Province of Ontario, you will find that the deficit positions of the universities there are running, even in proportion to their enrolment, in proportion to the number of programs that they deliver, are probably even more severe than that that is being anticipated by some in the Province of Manitoba.

And then of course, coupled with that, were collective agreement negotiations, one of which - well, a number of which are on track at the present time, but one of which reached a strike situation a number of weeks ago. And I believe, Mr. Speaker, that the government did make its position quite clear on that issue a few weeks ago during debate on a motion to go into Supply, when a number of honourable members of this House rose to speak on a grievance. And you may recall, Mr. Speaker, that at that time the government explained its position vis-a-vis the Universities Grants Commission, the general structure of the Grants Commission, the Boards of Governors of the universities, the responsibilities and the duties of each, and the duty and responsibility of government.

But I have the impression, Mr. Speaker, from listening to the debate in this House, hearing some of the comments made by honourable members of the Opposition, reading comments made in our press and hearing comment made on radio and television, that there is still prevailing some misunderstanding as to the role and function of government vis-a-vis our universities. And the attitude in the minds of some that still seems to prevail is that which . . .

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(MR. HANUSCHAK cont'd) . . . And I believe the Honourable Member for Fort Garry rose on a grievance; I believe that he got up and he said that here is a union group asking for more money. They're a union whose membership consists of the lower-paid staff employed at the university, and because the union is asking for more money because they are the lower-paid, then we should in whatever way - and he didn't exactly spell that out, but he said that we should give the university more money to enable the Board of Governors to pay this union more money regardless of whether the Board of Governors of the University of Manitoba has asked for more money or not.

Well, Mr. Speaker, we find that some colleges and universities are able to live within the budgets that they prepare for themselves and which are approved, which are examined and reviewed by the Universities Grants Commission, and upon such an examination review, the Grants Commission makes its recommendation to government as to the level of financial support for - I want to make this point clear, Mr. Speaker, and I'll come back to it a bit later - but the Grants Commission makes a request for the total level of support for all post secondary institutions, all colleges and universities, and not on a college by college, university by university basis. But anyway, the fact of the matter does remain that there are some in the Province of Manitoba who are able to live within their budgetary limits. One university indicates that it may have a problem, has indicated that it has had a problem during the last year, although the audit of the books for the year which just ended four weeks ago, a calendar month ago rather, I do not believe that the Grants Commission has had an opportunity to examine that audited statement at this particular time.

Well, so some can live. Some are having a problem, and perhaps because of a diversity of programs that they are offering there may be some perfectly valid justification for the difficulty that they're having in attempting to live within their budgetary limits. And I underline the phrase "there may be justification" because one cannot make that decision, one cannot come to a conclusion on that matter, without having had someone examine the financial operations of that particular institution.

In the course of expressing this misunderstanding and the confused comment that has been published over the past few weeks, there were also charges made that the Government of the Province of Manitoba is not concerned about post-secondary education, that the government has failed to provide sufficient funds for post-secondary education and so forth. Well I just want to remind you, Mr. Speaker, and I believe that I made this comment during the debate of the Estimates of the Department of Colleges and Universities Affairs, that over a four-year period, from the academic year of 1960 to 1961 when the Grants Commission provided a level of support amounting to something in the order of 39 percent of the post-secondary institutions' operating expenses, that 39 percent had risen to 77 percent for the academic year just ended. And, Mr. Speaker, this level of support accounts for something in the order of about 7.8 percent of our total budget - about 7.8 percent. And if you were to make a comparison with other provinces in Canada, you would find that all provinces are in that range, plus or minus one percent; in fact, at our 7.8 percent we're probably a bit in the top five rather than near the middle or near the bottom.

Mr. Speaker, we have been in that range, fluctuating a fraction of a percent from year to year but in that general range, in that general range all along, in relation to our total budget. So, Mr. Speaker, much as we had recognized the need for an increase in the expenditure on other socially and economically useful programs, we have not overlooked our universities. The universities did receive their fair share of the increase in the level of support.

I should also mention, Mr. Speaker, and you no doubt may know, that in the field of post-secondary education there is federal support, and the federal authorities impose a limit of 15 percent on any increase in expenditures over the previous year, so any increase over and above that, Mr. Speaker, has to be absorbed by us. So this year when the Grants Commission prepared its Estimates for presentation to government, or its request for an appropriation from government to it, in considering that figure, that amount, the Grants Commission estimated its requirements applying the same formulae, the same criteria, as it had in previous years, in other words taking into account . . . I don't want to go into all the intricate details of the formula for calculating level of support where you take into account the enrolment translated into full-time students, and then of course the different costs attributed to different programs. No doubt an Arts program is cheaper to offer than one in the Faculty of Medicine or Engineering,

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(MR. HANUSCHAK cont'd) . . . Architecture and so forth, and their varied costs. And there is a formula which had been used in previous years and the same formula is being used this year. It was in using that formula that we arrived at the figure which was contained in this year's Estimates. But of course, as we all know, this year we are faced with perhaps a state of affairs of a more rapid escalation in inflation and this, one of the universities indicates to us, it fears may present a problem to it.

So now, Mr. Speaker, we come back to the request that was made that the University of Manitoba should be given more money.

MR. SHERMAN: I never made that request. Never made that request.

MR. HANUSCHAK: My question is, how much money? My question is how much money? The honourable member says he never made that request. The honourable member said, when he got up on a grievance motion, that the University of Manitoba is strapped for funds; the government isn't giving it enough money to pay an increase to the members of the AESSES union. And the honourable member also accused the government, and I can read Hansard back to the honourable member, where he also accused the government, he and his party and others accused the government of failing to provide the Grants Commission with sufficient funds to enable the universities to pay the unions whatever the unions are asking for.

MR. SHERMAN: We asked them to spend it wisely.

MR. HANUSCHAK: I would suggest to the honourable member that he re-read some of the speeches made by him and other honourable members of his caucus. Yes. And I would hope that he would re-read them back in the House for all of us to hear them. --(Interjection)-- Yes, and I have, and I will suggest that the honourable member do likewise.

Now, Mr. Speaker, I've indicated to you the mechanism that the Grants Commission uses in determining the amount of money that it would request from government to fund the universities, but at this point in time, as you will know, Mr. Speaker, and as honourable members know, the Universities Grants Commission does not know the exact amount of money that the University of Manitoba will require for the operation of its affairs during this fiscal year. The Universities Grants Commission has not seen the university's budget for the year commencing April 1st of this year. When the Grants Commission met with the University of Manitoba, Mr. Speaker, it gave the university three months to come up with a balanced budget. Whether it will succeed in coming up with a balanced budget or not, I don't know. Indications seem to be that the university may find it difficult to come up with a balanced budget. But whatever the budget would look like, the university still has to come up with a budget, and I would hope, Mr. Speaker, that if the university is anxious to resolve the problems facing it - and I have no reason to doubt its sincerity in being anxious to resolve its problems - that it would probably even attempt to complete its budget within a shorter space of time in order to bring it to the Universities Grants Commission for its perusal, to enable the Grants Commission to determine more precisely whether the level of support that it offered the University of Manitoba is adequate or whether the Grants Commission ought to further review it.

Now, Mr. Speaker, as I said, the Grants Commission has not seen the university's budget. This is a responsibility of the Board of Governors of the University of Manitoba to prepare its budget, not ours. It is not up to government to tell the Board of Governors to in any way exert any pressure on the Board of Governors to prepare its budget, or to instruct it how it should prepare its budget, or to instruct it in what manner it should spend its money, in what amounts and for what purposes. That, Mr. Speaker, is the responsibility of the Board of Governors, and after the Board of Governors has done that, then it comes to the Universities Grants Commission, and it comes to the Universities Grants Commission in accordance with the provisions of the legislation which is presently in effect, which was brought into being by the previous government under which we are acting. There has been no indication from anyone that the Universities Grants Commission Act should be repealed or that it should be amended in some fashion to allow for a different method of the handling of university budgets. The Act is quite clear that the Commission shall inquire into the financial arrangements and requirements of the universities and colleges, and shall advise the Minister as to the amount of financial or other assistance that the government should provide to the universities and colleges from time to time - and I repeat, to the universities and colleges. And hence, Mr. Speaker, in the Estimates book - one line. The total level of support that the government grants all universities and colleges that come under its jurisdiction, not on a line by line per university basis, but in total amount. So . . .

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MR. SHERMAN: . . . Annual Report?

MR. HANUSCHAK: Yes. Yes, Mr. Speaker, they only report to me, and if the honourable member wishes to make a speech I will give him an opportunity to make his speech, and I would now be glad to hear his rebuttal, or from anyone else on behalf of this party. When I'm through, Mr. Speaker. Yes, and the honourable member is holding up a report and saying, "Look at the chain of command." Yes. There's no error in the diagram that is shown there as to the structure of my department. And then the honourable members should also read the Act that he passed - no, not he, I'm sorry. He hasn't been in the House that long, but his party passed, and it hasn't been changed in that section.

Now, Mr. Chairman - I'm sorry, the honourable member had a question I wish to answer. I'm sorry. I was just going to accommodate the Honourable Member from Pembina. I thought he had a question to ask.

Now, as I've indicated, Mr. Speaker, at this point in time the Universities Grants Commission has no evidence before it on the basis of which it could review the level of support that it estimated ought to go to the University of Manitoba or the University of Brandon or the University of Winnipeg.

MR. SHERMAN: How can it? The Board of Governors doesn't report . . .

MR. SPEAKER: Order please.

MR. HANUSCHAK: The Board of Governors, Mr. Speaker, on matter of finance, reports to the Universities Grants Commission, and I would suggest to the honourable member that he read that report in conjunction with the legislation that we administer, and then perhaps what he is attempting to read there will become more meaningful to him. If the honourable member wants me to take the time to explain the structure of the Department of Colleges and Universities Affairs, the structure of the Grants Commission of the universities, I'd be only too glad to enter into that debate with him, but I would doubt very much, Mr. Speaker, whether you would allow me to get into that type of a discussion on the Budget Debate, where . . .

MR. SHERMAN: Why not?

MR. HANUSCHAK; . . . we're talking about financial support. Where we're talking about financial support. And the Honourable Member for Morris says you can talk on anything, and I recall the Honourable Member for Morris rising on a point of order, directing honourable members' attention to the fact that may have strayed somewhat from . . . I know that there's considerable latitude, there is considerable latitude in the budget debate, but there are certain limits. The honourable member certainly would not give me the 40 minutes to talk to discuss the weather.

MR. SPEAKER: The Honourable Member for Morris state his point of privilege.

MR. JORGENSEN: The honourable member has asserted something which is not in accordance with the facts. He has said that I have, during the course of Budget debate, complained on points of order that members are straying, and I want him to identify any time that I have made any such suggestion, during the course of either the Interim Supply debate, during the course of the Budget debate, or during the course of the Throne Speech debate. As the honourable member should know, these debates are wide open and encompass all aspects of government.

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Well, Mr. Speaker, if the honourable member insists on my quoting chapter and verse when he had risen, or any member of his party may have risen, that I will do. That I will do, but for the meantime I will withdraw that remark, but that I will do at the first opportune moment that I will have, Mr. Speaker. Yes.

Now, Mr. Speaker, may I repeat again that at this point in time the Universities Grants Commission has not seen the budget of the University of Manitoba to determine the adequacy or the inadequacy of the level of support that it had assigned to it. As soon as the budget is complete, then the Grants Commission will have an opportunity to review it, and under the provisions of the Act - and the honourable member should know because, as I said, it was legislation passed by his party, he knows the broad powers that the Grants Commission has to inquire into the financial arrangements and requirements of the universities and colleges, which is a power given to it by statute - so at that time the Grants Commission will be in a position to make a more thorough and accurate review and make whatever recommendation that it will deem it should make to government. But not at this point in time.

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(MR. HANUSCHAK cont'd)

So, Mr. Speaker, that really is the long and the short of the matter insofar as the relationship of government to the University of Manitoba with respect to the existing strike situation. Because I'm certain, Mr. Speaker, and honourable members know that, if government were to do otherwise, if government were to say, "Well, it appears to us that that university ought to receive an additional "x" number of dollars," the honourable members in the Opposition would be the first to criticize us. They'd criticize us for bypassing the Grants Commission because they would say that here's a Grants Commission established to perform a certain role and function, we've ignored the existence of it and have taken upon ourselves the responsibility for doing that which by statute was granted to it. They would criticize us for ignoring the Board of Governors. The Opposition would then say that, without really knowing what increase the Board of Governors wants to offer any group of employees employed by it, that we in fact are going to the Board of Governors and saying to it, "We the government want you to pay these employees an additional "x" percent or "x" number of dollars." And the honourable members would criticize us for that, and properly so. Properly so, if we were to have done that, Mr. Speaker. And hence we haven't done that.

So, Mr. Speaker, to sum up, I want to state that the matter is not as confused or as complicated as some would make it, or would want to make it appear to be. We are not in a position to issue anyone a blank cheque, nor do we intend to issue anyone a blank cheque. The University of Manitoba has been instructed to present its budget within three months and, as I have said, I would hope that under the existing circumstances the University would exert every effort possible to present its budget even within a shorter space of time than that. The Universities Grants Commission, then would have the power, or would scrutinize the budget, and has the power to inquire into whatever aspects of the financial arrangements of the University that it feels necessary and desirable. Then, Mr. Speaker, the Grants Commission would be in a position to report to me and I would then be in a position to take the matter to Cabinet for a decision by it, which would be a policy decision of this government.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, if no one else wishes to speak, I'd like to move, seconded by the Member for Gladstone, that the debate be adjourned.

MR. SPEAKER: Moved. . . The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, in making my contribution to the budget I was caught just a little bit short, but I wasn't certain to speak, but last night watching the Merv Griffin show sort of brought me to a point of what has maybe been troubling me or what the problem was here in the Chamber to some extent. And he was interviewing a particular newsman, and never did I think I would come to the day that I would take advice or listen to a newsman, but in this case I think he had a very good point. His point was that really - and he's written a book "Will America Be the Death of the English Language?" And I thought, as he went through his comments, I couldn't help but look at different members here. He was saying how the professor used certain language not understood by the people, or the philosopher had another one, the play actor, the showboat actor. All had ways of doing it so far from the people. And I think the one message that I get, if the politician would only talk in layman language, clear, that we would be more appreciated.

MR. JORGENSEN: . . . also be out of order. (laughter)

MR. MCGREGOR: Well, he might be so, and my honourable colleague from Portage says, "And they'd lose the next election." Well, I'll take him up on that challenge. You know the way I talk.

But getting back to other things around here, and I couldn't help but think, as I've been here for awhile, to the civil servants. The ones that I had a great admiration for were ones that probably were hired in the Doug Campbell era, and they were true civil servants, to my thinking. And I can think of two that we all knew, or a lot of us knew - Don Stephens at Hydro and Mr. Fallis, the late Don Stephens and the late Mr. Fallis, and many others. And almost if you go down in that coffee room and having a spot with them during lunch and listening to their conversation, you almost don't have to ask what year they came into the civil service. I think the next regimes tried to follow that but I don't think followed in the same class. And the modern day regime, it falls far short of that, because today I can think of many faces here, and I occasionally ask them how's things going, and often their comment. "The job is nothing but the money is good." And we wonder what today's administration is doing toward inflation

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(MR. MCGREGOR cont'd) . . . and I wonder if this area isn't a big chunk of government spending. If they were moved into some insignificant little job, a new name to the particular position, but really are not contributing to our better government. Why? Because this administration believes in going for the political approach, their political philosophy, not on their ability, not on their production ability. And I think somewhere, somehow, it's got to be returned, to let civil servants do their job fully as civil servants.

There hasn't been too much mention on the oil and the one cent a gallon that is going to be put back, and I give this administration credit for that. --(Interjection)-- If it's done in the proper form. If they're talking \$2 million to be spread over only some producers, I'm not sure of that success. I have much question. If the full one cent is put back, spread a portion over all producers, and considering the small producer as getting a bigger corner of that, and also that would satisfy many farmers and many people in that westerly area that have a royalty interest. If it's just the one class of producer, then you're going to bypass many of the royalty owners, and we know, with the tax structure, Ottawa and provincial, the real hosing these people get. And I don't blame this administration for what's happened to the oil people because a great lot of that was done in Ottawa. They are trying to come back, hopefully with a full cent given to the oil industry in a formula that we don't know. I just came off the phone talking to oil people. At this hour they don't know the formula, so hopefully it is a full cent. Hopefully it's spread across, that all producers . . . because if you catch just the little guys, you help them fine, and they need help, but also you have to be thinking of across-the-board to encouraging also exploration. And I might say that we have no oil producers there as often heard, the multi-national companies. There is no such. The biggest is Chevron-Standard and it's far from a multi-national company.

Regarding some assistance to the municipal people, it's true, as my honourable colleague from Pembina said, that municipal people are not happy. But I talked to them and I think my point has been that they do have a toe in the door, and no matter what the program, people today generally want more than what is offered, and that's true of many things.

The library program, it's good for the big centres but again, the libraries like Virden and a smaller library like Elkhorn, that has a record of use per capita that's not quite top in the province but very close, there's really no change there. They are in a financial bind and if they change this formula into less than a 10,000 people operation, there would be some help. Because what this program is saying, helping the bigger centres, and I thought the philosophy of this government was to spread this, to get it out to the smaller centres, to help de-centralize rather than centralize. And this has all the earmarks of centralizing.

Regarding the other two cent and the one cent on the tax, personally to me it is not of great concern, because when I look at my province and I can have a variation from 17 to 20 cents on No. 2 gas, there's no way anybody can really come crying to me about that three cents. There's something wrong here and certainly I don't want government to control this, but I think government should have enough legislation to make this not a possibility. And I'm sure if you go out here on west Portage Avenue, or you go to maybe Virden or Boissevain, you can get a spread. Or even in Brandon. You can go in downtown Brandon and I believe get it for something in the order of 57.9, and you go up on No. 1, Brandon north, and you'll pay almost 15 cents more. Is there any reason for that? I see not.

And certainly the other thing is why, in heaven's name, we see on the Marketplace and a bunch of other programs, of this great Autopac, it's the lowest or second lowest in Canada, and that is something to be reasonably proud of. I don't like it. I think I had a better deal before - I know I had a better deal. But if this is so good, why do they want a subsidy? Put the price up, and supposing they come in fourth place in Canada, it's still something to be reasonably proud of if it's satisfactory. But take this summer with the great tourist trade. They come in here - and who gets hosed more in a province than the tourists when they go into the hotel rooms? I've said this before. Go to the Holiday Inn in Minot, go to the Holiday Inn in Winnipeg, and I'll tell you it's doubled. The one in Minot hasn't got a pool and one is more than. . . so we hose these tourists. And I know a convention, two conventions that's coming from the States up here to Manitoba, and I'm almost embarrassed to meet some of them. I know a lot of them personally, to look at them, and it's "Great, John so and so from Texas, you're here. I'm glad to see you're putting some money in the pot to fix my car next summer," you know, and that's what I'll be thinking. I probably won't say it but it's a fact. And really, if you're running it

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(MR. MCGREGOR cont'd) . . . right, I think there's a lot of tightening up to be done.

Now I was speaking on the Throne Speech and I reared at the Minister about a particular deal I was getting out of Autopac. The next day my car showed up. I took it and had a few minor things. They were not hard to deal with. In fact, I would have to say they were probably too generous. And really, they could have been tougher and they should be tougher at their auto body shops. --(Interjection)-- No, but there's a difference from the new price and the pay off price, because the waste is in the repairing.

And certainly we're all concerned in the labour situation. We like to think we want to be popular no matter what the situation. In this case I don't think it's a case of being popular, I think one has to be right with what he thinks and says and stand up to the people, and if his people are as sincere as mine are, I think they will accept that. And the labour thing is one that certainly is a great concern to me. When we see what happened in Ottawa the other night, what we see happened to the nurses, the doctors, this huge increase, and why would a little man that earned \$6,000 or \$7,000 a year not expect that same kind of rate increase? And honestly if I was in the labour field today, I would not accept less than the increase in Ottawa. And that's not popular. But at the same time, I think management has got to instill in labour more responsibility. I worked in the mines in my younger life and I knew what it was to work with the bonus system. If your cross shift didn't break enough ore, it wasn't long until arrangements were made that he wasn't your cross shift. And that was a case of "you produce." If you produced you got more than if you didn't produce. And somehow shouldn't this be instilled with management and with labour? And if labour wants a 30 percent strike, you expect him to produce more; and maybe management has got to look at a little bit of slice in that pie at the end of the year. If the profits are there, share it back to labour.

Somewhere the formula has got to change to make this work. And I don't believe in these great financial statements with so many millions of dollars profit. Certainly those people are going to ask for a bigger increase, but if they had a share of that profit maybe they'd be more sincere when they met their wage agreements. --(Interjection)-- No, that is not socialism. That's paying as you're paying for the way you go, and I can think of a couple of things I said in my Throne Speech and I put it in all my local papers. I urged - well, one was a firmer Juvenile Court action, and I talked to my young people and, you know, I was into Virden and it was surprising how many young people called my first name, and I went and sat and had coffee and no one attacked me on this theme, being firm.

The other point, and I'll quote just exactly what's in the press, it seems to be that we have lost a whole avenue of operating when today we run to government for money rather than attempting to handle the load ourselves. And really, I thought I would get blasted for that, but either my people aren't talking to me or writing to me, I have had not a phone call, not a comment contrary to that. And I do think people are responsible. I think with these new grants almost weekly, they're going for them. They're going for them because it's quick bucks, and often it ties those communities in a program; with inflation at 10 or 15 years later it's a real economic jam for that municipality or town to handle even though the first outlay looked pretty good coming from the treasury. And certainly with our power rate increase, again how many artificial ice plants and hockey rinks picked up the recreational grant and were happy to get it? And I worked on some of them. But today, with this new hydro rate and the future rate increases, it's making them communities look real tough. How can they muster, how can they keep the lights on, keep the artificial plants going for their winter activities?

So again getting back to the Merv Griffin Show, and I'll close with that, he was saying that society today expected great leaders, and great leaders only come once in many many years, and it's been my philosophy, and I think I got in some jams about it saying at election time I can do my thing, I can do it my way, and I don't necessarily need my great leader at that hour in my constituency. The press, it got sort of twisted around and I got lots of static, but really that's what I say. I think the people who have some faith in their member, they don't need a great startling leader to make a party work, and I think that that interview did bring home that point to me, and we do, generally speaking though, think, "Well, is your leader the greatest? If he isn't, you can't win," and I say hogwash. If I want to win I could well win whether it be good or not good. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, it's my good fortune to have an

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(MR. ENNS cont'd) . . . opportunity to add a few remarks to the debate on the Budget at this particular time. I was wondering, however, Mr. Speaker, whether there would not be a disposition to join the gathering storm at the front of the building, show our support in whatever fashion we . . .

MR. SPEAKER: Would the honourable member like to call it 12:30?

MR. ENNS: You cut me off.

MR. SPEAKER: I call it 12:30. I am leaving the Chair to return at the hour of 2:30.