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Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

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TIME: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Honourable Peter Fox (Kildonan): Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 50 Selkirk Senior Citizens. This group is from the constituency of the Honourable Member for Selkirk, the Honourable Attorney-General.

We also have 55 students, Grade 6 standing, of the Robert H. Smith School, under the direction of Mrs. MacEwing. This school is located in the constituency of the Honourable Member for River Heights.

On behalf of all the honourable members of the Legislative Assembly we welcome you here today. Presenting Petitions.

READING AND RECEIVING PETITIONS

MR. SPEAKER: The Honourable Member for Radisson's petition.

MR. CLERK: The petition of The Society of Industrial Accountants of Manitoba Praying for the passing of An Act to amend An Act to incorporate The Society of Industrial Accountants of Manitoba.

MR. SPEAKER: Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports.

RETURN TO ORDER NO. 5

MR. SPEAKER: The Honourable Minister for Agriculture. Order please.

HONOURABLE SAMUEL USKIW (Lac du Bonnet): Mr. Speaker, I wish to table the Return to an Order of the H use No. 5 on the motion of the Honourable Member for Morris.

MR. SPEAKER: Any other Ministerial Statements and Tabling of Reports? Notices of Motion; Introduction of Bills.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. STERLING R. LYON (Souris-Killarney): Mr. Speaker — and I hope I'm speaking loudly enough — Mr. Speaker, I have a question for the House Leader in the absence of the First Minister. In view of the fact that the First Minister has made an announcement to one of his nominating conventions about the Universal Accident Insurance Plan for Manitoba and the likelihood of a White Paper being presented to the House this session in lieu of legislation, could the House Leader advise when the members of the House may be favoured (a) with a statement on the White Paper or (b) production of the White Paper itself.

MR. SPEAKER: The Honourable Minister for Labour.

HONOURABLE RUSSELL PAULLEY (Transcona): Mr. Speaker, as the Minister designated by the First Minister to become involved in this whole proposition, all I can indicate to my honourable friend is that we are in the process of giving deep and earnest consideration to the production of a White Paper dealing with various aspects of accidents and/or inclusive of each, sickness insurance. I want to assure my honourable friend and members of the House that this is a matter of great importance to the people of Manitoba and it's anticipated that before too long a definitive approach or a definitive indication will be made in the House. My honourable friend refers to the question of a White Paper, there most likely will be and whether or not it's accompanied by possible legislation has not as yet been firmed up.

MR. LYON: Mr. Speaker, I wish to thank the Minister of Labour for his comments. I was wondering if the Minister of Labour could give an indication to the House, Sir, as to whether or not private carriers will be participating in the proposed plan, they being the ones who have the most experience in this kind of underwriting of any group extant in North America?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, may I indicate to my honourable friend, if I indicated an answer to his question I would run into condemnation of my honourable friend, because at one stage in the game, I did disclose possible contents of possible legislation and documents to be tabled in this House. So I must say, Mr. Speaker, to my honourable friend, I cannot give him any definitive reply.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS: Mr. Speaker, I direct a question to the Minister responsible for Transportation. Has the Honourable Minister made any direct contact with the officials of the CNR having to do with their withdrawal from the upgrading of the rail line between The Pas and Churchill? Is his Ministry involved in any direct negotiations with the CNR at this time to have the CNR officials revert that decision?

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

HONOURABLE LEONARD S. EVANS, (Brandon East): Yes, Mr. Speaker, we have communicated the concerns of the Government of Manitoba to the President of CNR, Mr. Robert Bandeen, indicating our concern re this matter of upgrading of the line to Churchill, between Gillam and Churchill. I have received a reply, and the reply is to the effect that he will have senior officials of the CNR meet with us in the near future to discuss the matter. I cannot say that I am hopeful. Mr. Speaker, because of the attitude that's been taken by the CNR in this particular matter. I'd also advise the House, Mr. Speaker, that I have also written to the Minister of Transportation indicating similar concern and urging him to use his influence to insure that this line is upgraded because of the importance of the Port of Churchill to the prairie farm community and indeed to the Province of Manitoba.

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

MR. HARRY E. GRAHAM: Thank you, Mr. Speaker. I have a question for the Minister of Labour. I would like to ask the Minister of Labour when he expects the report of the Fire Commissioner into the investigation of the Portage fire?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: I anticipate the investigation almost momentarily, Mr. Speaker, but I want to indicate to my honourable friend that the investigation report to me is not a Public Report at this particular time because the legislation pertaining to fatalities such as occurred at Portage La Prairie are subject to a review and a preview by the Courts. I want to assure my honourable friend of the deep and earnest concern of the Department of Labour insofar as the occurrences at Portage are concerned. I regret, Sir, that I was not present in the House for the last couple of days due to personal reasons and was not able to participate and try and answer some of the questions that were raised pertaining to the same.

MR. GRAHAM: Mr. Speaker, I want to congratulate the Labour Minister for his return to good health. I would like to ask the Minister of Health if his investigation into the Portage fire is dependent on the findings of the Fire Commissioner in his report.

MR. SPEAKER: The Honourable Minister of Health.

HONOURABLE LAURENT L. DESJARDINS, (St. Boniface): Well, Mr. Speaker, I think it goes without saying that we are interested in seeing the report of the Commissioner, and also through the Attorney-General's Department. I think it would be unacceptable not to wait, and to rely on some of the findings of these reports.

MR. GRAHAM: I would then like to ask the Attorney-General if his investigation under the Fatality Inquiries Act, if the date for the inquest will be held up pending the report of the Fire Commissioner's Office.

MR. SPEAKER: The Honourable Attorney-General.

HONOURABLE HOWARD PAWLEY (Selkirk): Mr. Speaker, it is my understanding that the date of the inquiry into The Fatality Inquiries Act will take place, the establishment of that date will take place upon the return to the department of the police reports pertaining to investigation by the RCMP. I suppose it may involve also receipt of the Fire Commissioner's report. I am informed this morning that it is expected that the date of a hearing into The Fatality Inquiries Act will be about a month hence for the hearing, about a month hence, the specific date to be established shortly.

MR. GRAHAM: Mr. Speaker, then I ask the Minister of Health if his investigation which he promised this House earlier will wait more than a month, pending the outcome of the inquest?

MR. SPEAKER: The Honourable Minister for Health and Social Development.

MR. DESJARDINS: Mr. Speaker, let's get this clear. I didn't say that we would start another investigation, I said that as soon as we could get the report from the Fire Commissioner that I would inform the House. I don't know why we are going to talk about months, as soon as these things become available then, as far as I am concerned if it is a public document the House will be informed.—(Interjection)— That is up to my friend.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE: Thank you, Mr. Speaker. My question is to the Honourable the Minister responsible for Industry and Commerce and also Transportation. It follows the question of the Honourable Member for Lakeside. I wonder if he can confirm that the refusal of the CNR to upgrade the rail line to Churchill, is this the reason for the cancelling of some \$80,000 to \$100,000 worth of grain handling facilities in the Port of Churchill.

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

MR. EVANS: Did the honourable member use the figure \$82,000.00?

MR. BLAKE: Eighty to one hundred thousand.

MR. EVANS: Eighty to a hundred thousand. I am not aware of that particular detail but I can advise the member that the Federal Government did have plans to spend \$12 ½ million of upgrading of the port facility at Churchill. There has been some delay in this due to technical difficulties, not because of a policy change but I understand that is proceeding. I am not aware of the specific item that the

honourable member raised, Mr. Speaker.

MR. BLAKE: , to Mr. Speaker the same Minister, I wonder if he might take the question as notice. I have understood that there is \$80,000 to \$100,000 worth of upgrading work that was planned that has just recently been cancelled, to the grain handling facilities at the port by the Federal Government.

MR. SPEAKER: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY: Mr. Speaker, I have a question to the Minister of Mines, Resources and Environmental Management. Can the Minister indicate what was the licence applied for in 1969 by the previous Tory administration for the CRD?

MR. SPEAKER: The Honourable Minister of Mines, Resources and Environmental Management.

HONOURABLE SIDNEY GREEN (Inkster): Mr. Speaker, I believe that information is on the record. I believe that it is 869. The record would be more reliable than my memory.

MR. SHAFRANSKY: A question to the Minister of Mines and Resources. Can the Minister indicate what was the situation that led to the change? Were there any considerations made at the time of the application for the licence and the effect it would have on the environment, on the resources and the communities along the Burntwood River, which the CRD route would take?

MR. GREEN: Mr. Speaker, I am not going to be answering that question in that I regard it as introducing a debate into the House.

MR. SHAFRANSKY: Mr. Speaker, a question to the Minister of Mines, Resources and Environmental Management. Would he agree then that the Leader of the Official Opposition didn't know what he was talking about when he talked about the waste of some . . .

MR. SPEAKER: Order please. The question is argumentative. The Honourable Member for St. James.

MR. GEORGE MINAKER: Thank you, Mr. Speaker. My question is to the Honourable Minister of Mines and Environment. In view of the fact that the Souris, the Assiniboine and Red Rivers are at their lowest level ever, can the Minister advise if his department has reviewed what effect this will have on the drinking quality of the water consumed by various towns, due to the fact that dilution will be reduced from waste water that is now being presently dumped into these various rivers?

MR. SPEAKER: The Honourable Minister for Mines.

MR. GREEN: Mr. Speaker, the matter of low levels of water was discussed with the Drought Committee and it has not been brought to our attention that there would be any problems with regard to drinking water for any of the towns that require it.

However I am aware that the towns themselves and the provincial department which deals with water quality would be taking such precautions, I am confident, as are necessary to see to it that there is no problem associated with the drinking water. None have been brought to our attention.

I might say, Mr. Speaker, that the honourable members who are asking me these questions will recall that two years ago they were asking me questions about what we are going to do about the high water.

MR. MINAKER: A supplementary question to the Honourable Minister. Would the Honourable Minister check with his department to see if they are reviewing this question and report back to the House on this subject?

MR. GREEN: Mr. Speaker, I am satisfied that the Drought Committee which is dealing with this matter is taking all matters into consideration. I also would advise the honourable member that they read the questions and answers in Hansard in my department and if there is something that I said that is incorrect, they will bring it to my attention, as is their constant instruction since I don't want to be incorrect, even by accident.

Mr. Speaker, I was asked by the Member for Rock Lake whether aeration equipment was placed in Pelican Lake last winter. I am advised that aeration equipment was placed in Rock Lake in the winters of 1974-75 and 1975-76, that the program was not considered to be very effective, but they are still considering the effectiveness of aeration programs in the Department of Renewable Resources and I cannot say whether it would be continued next winter. I can certainly tell him that if it is not considered effective, it would not be continued. If it is considered effective, then it is likely that the municipality will be told that it is effective and will be asked to assume their responsibility with regard to that lake.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Mr. Speaker, I have a question for the Minister of Tourism. Could the Minister confirm that his department is planning to spray in the Whiteshell reserve the chemical malathion, which has highly toxic effects upon human beings?

MR. SPEAKER: The Honourable Minister for Tourism and Recreation.

HONOURABLE BEN HANUSCHAK (Burrows): Mr. Speaker, I have to take that question as notice. I am sorry to admit that I do not know the chemical names of whatever chemical that is being used to control whatever.

MR. AXWORTHY: Mr. Speaker, perhaps the Minister, and when he begins to investigate what his department is doing in this area, might determine whether there has been proper testing based upon

Tuesday, April 26, 1977

American reports about the effects of malathion on human beings and whether in fact that information was provided for people who have cottages in the park area to determine whether they will suffer effects from it.

MR. HANUSCHAK: Mr. Speaker, I can assure the House of this, that whatever chemical my department is using to control the infestation of insects, that it would be a chemical that would not be in any way harmful to the environmental conditions in general, and whether it be the chemical that the honourable member refers to or not, I will check that out and I have taken that as notice.

MR. AXWORTHY: A final supplementary, Mr. Speaker. I would just ask the Minister them, if in undertaking that procedure of checking things out, whether he would seek to obtain reports from several American states where in fact that particular chemical has been banned because of its toxic effects upon human beings?

MR. HANUSCHAK: Mr. Speaker, I will do that and I would also check into the reasons why it was banned.

ORDERS OF THE DAY 8- BUDGET DEBATE

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker, I once again have the opportunity and I would say almost a privilege of speaking on behalf of my party in this, perhaps the most important debate that takes place in this House on an annual basis.

I believe that the times that we're in require that each of the political groups in this province be able to present their particular view of economic state of affairs in the most clear and responsible fashion possible. I looked forward to this particular occasion because of having a new Minister of Finance; a Minister who I personally have always held in the highest respect and have always considered to be one of the most forthright and fair-minded of the Ministers on the opposite benches, in terms of saying things as they are and being relatively candid and open with his comments.

And therefore I must express, Mr. Speaker, my own great sense of disappointment, even surprise, at the Budget that he brought forward. In reading it over on first glance, I must confess, Mr. Speaker, even to suffering certain pangs of indignation as I read it because I felt that the Minister had not really levelled properly to the people in this province, in putting forward his document at a time when I think that that kind of candor and statement of realistic conditions was absolutely essential.

And when the Minister calls it a people's Budget, I prefer to say it would be a Budget more accurately defined as a "fool the people's Budget;" one designed really to hide and evade rather than to state clearly and logically what was going on. And for that reason, Mr. Speaker, I must really confess to suggesting that in many important respects it is not a credible document. It is not a credible document based upon, sort of, the kinds of objective evaluation of conditions in this province. And therefore, because it's not credible and not candid, it doesn't allow for the kind of presentation of a blueprint or a set of prescriptions about where the province should go.

First I suggest, Mr. Speaker, that this Budget does not provide a fair description of the state of the Manitoba economy. It leaves too much out. It doesn't talk about the major mine projects that have taken place in the province over the past year. Four major mines are closed in the province of Manitoba; a substantial loss in this kind of area. There has been continual decline in the net income on farms from about \$320 million in 1975 to \$217 million in 1976. And certainly we would all hope it wouldn't happen, but if there are severe dry conditions this year that decline could even go further.

And here, Mr. Speaker, are two major props upon which our economy is based. Farming and mining have been the two staples in the natural resource field and yet there is very little statement as to the health and vitality that those two areas have. —(Interjection)— Perhaps, Mr. Speaker, the Minister could wait to the end of my remarks.

Mr. Speaker, as well there has been no significant expansion in the forest industry; another major area in which this province has and still depends for its economic health and vitality.

Well, Mr. Speaker, I'm sure we wouldn't like to have Mr. Kasser back but just simply because once there was a trauma effected by the shenanigans of the man from Switzerland it doesn't mean to say that we have to stop developing forests for time immemorial. Surely with that as one of our major resource products, we shouldn't become frozen in our tracks, unable and unwilling, it appears, to try to improve upon the record of the Conservatives in attracting forest development in this province.

There has been, perhaps most serious, Mr. Speaker, a 24 percent decline in capital investment in manufacturing in 1976. And this is representative of a general program and pattern of decline as enunciated by the government's own Economic Development Advisory Board in the conference it held last September where it pointed out that the Manitoba average of manufacturing, as compared to the national average, has been declining really since the 1950s and nothing has been really happening to correct or provide remedial steps in that area.

Perhaps most serious, Mr. Speaker, is we're running into an absolute decline in the number of housing units available in the City of Winnipeg. Since 1973, we've had a shortfall of 2,000 units of rental accommodation per year. We made a certain amount of gain last year by having investment of

public housing moneys, but we're still a shortfall in relation to demand, plus an additional demolition of 1,000, which means that we are running on an average of deficit of about 3,000 a year. So that if one is looking to provide for some answer of what happens in the next five years, we're talking about a combined deficit of close to 15,000 and perhaps 20,000 rental apartments in the City of Winnipeg over the next five years; at a time when there is a great deal of consternation about the application of a rent restraint program and an acknowledged recognition that the only way out of that program is to increase supply. There is simply no response to that fundamental economic fact; nothing offered, nothing proffered about how we begin to deal with one of the most serious shortages of accommodation that this province has ever experienced.

Now these, Mr. Speaker, are facts that are hidden in the appendices. I was somewhat taken by the Member from St. Johns yesterday who said, "Why don't you go and read what's in the back of the Budget document? Go read the appendices." Well, I took him at his word, Mr. Speaker. I went and read them last night. He would have been much better if he hadn't offered that advice because in fact what the appendices do is hide many of the facts that are very critical to show that what we are really facing in Manitoba is a stagnant economy. An erosion of investment; poor housing production; no money investment; really a very sick provincial economy, that's what those appendices show. That's the conclusion that one draws when one goes in the back of those Budget papers and reads them with a degree of care.

Secondly, Mr. Speaker, and this is where I again found some surprise and disappointment with the Minister and his Budget document. And that is he was relying upon the time-tested provincial ploy of let's find a scapegoat. And of course there's always that handy scapegoat called Ottawa, that they can become the repository of all ills. And the Minister was absolutely scathing in his denunciation of the federal parsimoniousness when it comes to Manitoba. These are the guys who are taking, right out of the mouths of babes, in Manitoba because they weren't giving us our fair share.

Mr. Speaker, when you go back into those famous appendices that the Member for St. Johns was so anxious for us to look at, what we really found is that the proportion of federal funds is going up this year. Not only in absolute terms of about \$30 million dollars, but in proportion of revenue; that the revenue is not declining, it is in fact improving this year. The revenue Estimates of 1977-78 have an increase transfer of funds from the Federal Government not a decline. So all that, you know, strong language and pious indignation that we heard, and cracking of jests about the sort of ill effects of federal financial maneuvers means that what we're ending up with is more money than we had last year not just in absolute terms but also in proportionate terms in the overall revenue.

Well, Mr. Speaker, how does one come to believe the veracity of a document if in fact what it said in a statement is not proven out in the facts and figures that are in the back of that document.

In effect, Mr. Speaker, when you begin to look even further and you begin to find not only that the matter of direct revenue operating estimates have gone up but when you begin to look at that public housing program which the Provincial Government is so proud of; 90 percent of it is paid for by the Federal Government. Ninety percent of the capital loan goes into public housing. No matter how you cut it, 90 percent of the capital is supplied by the Federal Government plus a number of subsidies on the rent; 50 percent of the subsidies on the capital operating costs; 50 percent of the subsidies; 50 percent of the neighbourhood improvement programs.

Furthermore, Mr. Speaker, you find that whatever industry has located in Manitoba, it has located primarily because of federal subsidy support. The Minister of Industry and Commerce has been so proud to take credit for the plantation of McCain Foods in Portage la Prairie. Sure they came in, with a \$2.5 million grant from the Department of Regional Economic Expansion, no moneys from the Provincial Government.

So in fact, Mr. Speaker, if you look even further at their own document supplied by the province you'll find that Manitoba has the fourth highest level of transfer payments of any province in Canada. Only the three Maritime Provinces which have very severe economic conditions, receive more in transfer payments. So in fact, Mr. Speaker, all I'm saying is that one has to balance what is said with what is there, and what we're saying is that there seems to be a discrepancy between the kind of rhetoric that was being used, and what the facts really produce.

Further, Mr. Speaker, we have what I can only say is really a cynical avoidance of detailing of spending for the new job programs. I would suggest that this is really a serious imposition on fiscal integrity in this province, that rather than putting forward in a straightforward way, what in fact this is going to cost as part of the Budget exercise, which everyone expects so that it can be properly debated and discussed in this House, the Minister and the Government are going to hold back on their little package of goodies — that package of goodies by the way, which the Minister of Mines and Resources said they wouldn't be able to deliver this year, obviously a set — up for the blow rather than doing it as one should do it, and allowing for proper discussion in this House, it's going to be sort of announced probably at a Sunday night Nominating Meeting, when there is no critical voice available to begin challenging, and then the plug gets pulled and the bells get rung, and we march off into

battle waving our sign of our new Job Program without having had any opportunity to make any comment, to examine or analyze the effectiveness, and all we have is a big bill that's going to have to be paid elsewhere. This is part and parcel of the old deferment principle that this government has been practicing for a long time on Student Aid, if you don't want to pay the bills now, defer it till next year. You know, let the Federal Government pay for all that Student Aid, we'll defer the bills till after the Election, and this deferment principle has become a standard operating procedure with this government. Let's hope that we can build up a lot of programs, not pay for them now, wait for after the election and then let the bills come due, and then hopefully, if we are back in, people will forget, or someone else will handle it, that's their worry. That's the kind of economics, Mr. Speaker, that has got cities and states and provinces and countries into a lot of trouble. When you start paying today's bills by putting sort of an advance cheque on it, and that's the kind of principle we're running into in this Budget.

Mr. Speaker, I think that it's easy to explain the reasons for this state of evasion and this straying from fiscal integrity. It's a malady that has been widely accepted around this place, called Election Fever, but it's saddening to see government really sink so low that it must resort to tricks and not to propose a proper mandate, to give people of this province an honest reckoning of what the books count up. Now, Mr. Speaker, this is not an excusable fact, but it is not the only serious charge that can be laid on this Budget. Duplicity should not be tolerated, but neither should the failure to lead, and perhaps that's the most serious problem with this Budget.

No one denies that the times are troublesome, and the economic times in particular and any budget needs to display strong elements of leadership within it. Unfortunately, Mr. Speaker, those who appear to be most fooled by the "smoke and mirrors" game of the Budget, are those who actually wrote it. They have begun to believe their own fantasy, and therefore by believing that everything was so gosh-darn-good, they didn't see the need to do anything much about it. As a result, this Budget does not prescribe, does not stimulate, does not provide clear answers to serious issues.

And again I was partially amused by the remarks of the Member from St. Johns who suggested to the Leader of the Conservative Party, where are your programs? It seems, Mr. Speaker, the question to be asked in return, where are yours?

There are some partial answers in this Budget of which we approve in our Party. The catch up to the federal tax position of eliminating low income people from the tax rolls is something that was overdue, that those 70,000 people that were announced will be taken off, something that could have easily been done last year, but it simply brings it in line with federal practices.

The increase in the tax credit, again we think is a useful measure. The property tax deferment for senior citizens, again we'll wait to see how it works, but it is a gesture in the right direction.

But these, Mr. Speaker, are only inklings of what they might have been, and we should also remember, Mr. Speaker, not to be fooled again by suggesting that these are in any way cuts, even small cuts in the tax rolls because what the Minister didn't talk about is the effect that inflation has upon people's income, and what really is taking place is the well known practice that in order for a school teacher in the Province of Manitoba to make \$10,000 seven or eight years ago, needs close to \$20,000 to have the same standard of living today. But as he moves up that income ladder, the income tax bite gets heavier, and therefore, really the tax bite it just returning in small part what is being taken away from them in a higher tax rate. And so they're really not sort of "give backs" at all, they are simply partial compensation for a heavier bite that people must experience as they attempt to go. . . . In fact, if one sat down and did a parallel ratio between the increased tax bite as people pass from one income level to another, to maintain their standard of living, and compare it with what's being returned, the ratio would not in any way be equal. And so, Mr. Speaker, again let's not be fooled by that fact. But nevertheless, those are small measures which we have no argument with and are prepared to accept.

The Minister pleaded that he could do no more than these, however, because he didn't have the fiscal room to move. But we suggest he didn't need to stick to dead centre as a result. The reason why there was such an immobilization such a freezing in the tracks, was because this government is afraid. And this particular fear of what's to come, Mr. Speaker, can be seen in the strange paranoia, perhaps, enslavement, psychological enslavement, to past history. It was a remarkable document in one sense, that time began in Manitoba, according to this Budget, in 1969 — it's like everything up to 1969 was sort of before the NDP, and everything after 1969 is after them. That seems to have become the bench mark by which we have to measure economic change in this province. There are times they even reverted back to 1959, and even dug up sort of the elements of Mr. Campbell's budgets in 1952 or periods thereabout.

But, Mr. Speaker, there are far more critical economic bench marks by which we measure our Budget. I would suggest that 1973 was a much more important year than 1969, because that was the year when we had to come to recognize, that the days of cheap energy were over.

In 1974 when the bottom fell out of the Housing Market in Manitoba, never yet to recover, that's a

far more important bench mark in this province.

In 1975 with the imposition of the Anti-Inflation Program which became the most important economic fact in our existence, that's a more important bench mark.

In 1976 when a new government was elected in Quebec, and a very needed change was on in the National Accounts and National Arrangements, that becomes a far more important bench mark, and yet these were all ignored.

But even those bench marks of the past are not nearly as important as the ones in the future — bench marks of 1978 and 1979, and 1980 and 1981. What happens in the future, because even more serious changes and adjustments will be required. But again, there is nothing said, there are no plans for the future, no ideas on how to create a balance between growth and opportunity, and yet how to manage our resources and to protect our environment in a proper way; no accent on how to deal with a phase out on price controls in the province, how to deal with labour relations, only the tired battle songs of 1967, 1969 echoed by the even more tired men of 1977.

And this is our major concern in the Budget, Mr. Speaker, let it not be mistaken, is that this government has become traumatized by past events, and that two other parties in this House, like old Generals, are really engaged in fighting past wars, . . . to say in what comes in the future.

Let me point out, Mr. Speaker, the kind of failures that we have seen in this Budget, and in the other responses, and the kind of answers we would offer. The single most important economic fact in the National . . . is still the Anti-Inflation Program. Costs have come down in the past 14 months; it has given us a necessary pause in the spiral of upward escalating prices, which was what it was intended to do, but we have paid a serious price for that pause. Unemployment is serious, no one denies that. Capital investment of the Private Sector is down. There is an increasing erosion of many of our economic institutions that we have established.

So it really is required during this period of transition, the time that the pause gives us, it is beginning to work towards a different economic system, that will provide a sane and stable economic growth, and to move out of it will require very careful planning, between all sectors before the year is through. But, Mr. Speaker, nothing is said about how that is going to happen in the Province of Manitoba. It is as if Anti-Inflation Programs did not exist, it is as if there is no such things as Wage and Price Controls. Not a word was mentioned, nothing to indicate what is going to happen in our own province, to work out voluntary restraints in different sectors so we can restrain prices in our provincial economy.

The announcement of an extension of a Rent Control Program — an announcement which had to be wrestled and wrenched out of the Premier, reluctant as he was to even talk about it, was not accompanied with any kind of description or idea of how they are going to increase the supply of housing, an absolute essential complementary addition to any Rent Control Program. No indication of what the rates are going to be. Is it going to be six percent according to the Phase III of the Anti-Inflation Guide Lines? No answers to these; no suggestion of where we go from here. And yet, Mr. Speaker, if you look at the record almost every other province has now announced very clearly as to what its intentions are. Manitoba is lagging, the Province of Alberta has just announced its program, the Province of Ontario has announced its program, has introduced legislation. Mr. Speaker, again we are falling behind and again and obviously there the trauma, the paralysis is taking place is a need to put into place the means of dealing with continuing restraints on prices.

One thing is very clear in this province. There may be irritations and reactions against the wage and price controls, but the one thing people want about it is they want the continued restraint on prices. They do not want inflation back. And yet this Budget says nothing about that problem and how this government intends to do it.

Now in the past, Mr. Speaker, our own party has recommended a number of steps. We have recommended a Wage, Price and Productivity Commission, composed of business, labour, public servants, to work out agreements in different sectors of the economy based on the sharing of information and working out productivity measures, a kind of instrument or mechanism that has worked in several European countries where their rates of inflation have begun coming down and are being restrained on a stable basis. We're not talking about it here. Even when this has been taken to the federal level to provide those kinds of agreements nationally are not being paralleled or in any way copied here.

We have proposed in the past a Phase III rent program that would combine a continued restraint on housing but also include investment measures to begin bringing up the housing supply and introduce the ability to have rent supplement programs for those who cannot keep themselves up with costs. And we've suggested a very clear formula that could be applied, that when vacancies reach four or five percent then the program can be transferred into a rent review program which has a much milder form of restraint and allows a much freer play of the market.

We have talked in the past about strengthening the role of the Public Utilities Board to try and bring utility rates into line, providing more aggressive consumer advocacy and representation on those boards to make sure that there are alternative points of view and fair representation of

Tuesday, April 26, 1977

consumer interests. add up to a Mr. Speaker, that begins to basic approach on how to deal with the problem of continuing a control and restraint on prices in this province, but we hear nothing of it in this Budget.

There's also the question, Mr. Speaker of government itself. Everyone, certainly in this House and I suppose across the country, calls for belt tightening, restraint and cutbacks. That's become the political sort of hymn of 1977 but that is a minus kind of record unless it's also accompanied by very specific ways of doing it. Across-the-board cuts make very little sense in a provincial economy because they affect the good programs as well as the bad. They penalize the efficient and effective as well as the useless and non-essential. They have nothing to do with the productivity of government and therefore the good programs get hurt and the people who need them are penalized just as much as the non-essential frills and fluff that is so much apparent in government are not penalized to the extent that they should.

To cope with this particular problem we again have made several recommendations. Major reorganization of government into functional departments such as: Energy, Transportation, Housing and Urban Affairs and Environment, Education and Manpower, Human Resources, Agriculture, Economic Management, Governmental Services, Northern and Native Affairs. Ten departments, Mr. Speaker, not the odds and sods and sorts and ends and pieces that have been put into a ramshackle structure simply to accommodate the peculiar individual ambitions of members opposite. That we don't create departments to give people jobs, we create departments to produce services, to supply products; to make plans, to function effectively and that's not what we have here. So we think that one of the first steps is a major reorganization of government itself into tough, hardline departments that will deliver the goods and be able to have the ability to plan, not having energy policies made in four or five different areas, transportation in six or seven, housing in seven or eight. Let's consolidate, bring together, reduce the duplication and apply resources in a concerted way.

A year ago, Mr. Speaker, we proposed the idea of zero base budgeting. Note: a year ago. The purpose of that program is to eliminate low impact programs and to transfer funds into higher impact programs and again there is no indication that any form or effort or initiative is being taken to bring about modern management in Manitoba. There has not been any mention, direction, or program of how to bring the expenditures of public service institutions into line, things like hospitals, universities and other groups that have now become dependent upon the public purse.

We have known, Mr. Speaker, going right back to the university strike of two or three years ago, that something fundamental had to be done in reorganizing the way that we budget for those particular agencies that now depend upon public expenditures. But again nothing is done, again the old incremental budgeting — ten percent this year, eight percent next year, add more people to the department, add a new program sort of fight with the Grant Commission, 'do a little bit of bargaining, but nothing that enables those institutions to have a clear indication of what resources they will have. Then to give them the autonomy to set their own priorities; to know where the buck stops and how much they have to spend and then let them determine how much they put into teaching and how much into research, and how many beds to have and what services they provide; to require them to make their budgeting, not to have a continual interference by one civil servant or one department or one minister after the other so they don't know when to turn around.

Mr. Speaker, then there's the matter of energy, an interesting topic because the Premier has advertised himself to eastern media as being the spokesman and Canadian expert on the field of energy and he preaches a good game. He doesn't practice so well, however. This government has made a great pretense about being interested in conservation, but has not been one to tackle the tough issues of conservation. Do the cosmetic stuff, do the easy stuff, do the flimflam stuff, but don't do the hard stuff. They've made very little effort to shift the energy consumption pattern or to improve our supply position.

First, Mr. Speaker, they do the political expedient thing of castigating the Federal Government for the gradual rise in oil prices and natural gas prices that have been allowed over the next two years, saying, "What a horrible travesty this is, "without " suggesting that at the same time we are now importing 40 percent of our gas at the international price of \$14.00 a barrel and that those costs have to be subsidized from the general revenues of the Government of Canada. They don't make mention of that fact nor do they suggest, in any way, Mr. Speaker, that if you are really interested in consumption, a price mechanism is the best way to begin to control consumption. That is a consumption measure.

The whole concept of user-pricing is one that every economist and everyone that looks at the problem said, that you have to move towards it. It's the only way to bring about supply and you would expect, Mr. Speaker, that this government and this Premier who have sort of offered themselves as the experts on energy, would have at least been prepared to make some acknowledgement of that basic fact of our life. No one likes high oil and gas prices. No one is happy about it, but the fact of the matter is, Mr. Speaker, do we have a choice or do we simply keep embedding deeper and deeper subsidies and encouraging, therefore, continual wasteful use of those fossil fuels? Well, Mr. Speaker,

bad economics, bad energy policy, very little concern about conservation.

Mr. Speaker, a much more constructive approach to the position would have been to work out, and begin suggesting both on the federal level and provincial level differential pricing policies for different kinds of uses. To set alternative rates for alternative users depending upon how they use energy and what degree it becomes wasteful or not. Again, no great innovation; beginning to be applied in other areas by Public Utility Boards, offering lower rates at off peak hours, preferred rates to customers who accept the interruptible services, providing certain controls over peak load capacities. There are steps that can be taken to provide for reduced consumption. These steps are not contained or anywhere mentioned in this Budget or anything else the government says.

Another particular notion, Mr. Speaker, is to ask Hydro to begin doing its energy audit; to allow homeowners, for a fee, to begin to see how they can begin better managing their energy resources in their own home. But again, no mention of that kind of service being offered.

On the conservation side, we welcome the measures to encourage home insulation, but we suggest they are very limited in scope. There is no incentive for industrial users to change over plant facilities and equipment which are one of the largest wasteful users of energy in the province. There is no major changes in building codes to eliminate energy wasting practices. There is no willingness to curb the energy wastefulness of our present transportation system. Our automobile system is involved with close to 30 to 35 percent of our energy consumption but nothing is said about it. A 55 mile per hour speed limit results in a 20 percent saving on gas. The United States have saved two billion gallons alone since it brought its measures in. This government is not prepared to do anything in that area.

There are no new initiatives in public transit, such as setting up neighbourhood jitney services to provide for localized control and save on the use of cars. No acceleration in the development of public transit corridors to speed people back and forth.

In fact, Mr. Speaker, this government is encouraging and supporting the opposite. What we have in Winnipeg, rather than measures to cut back on automobile consumption, we have the continued construction of new parking structures. The Minister of Public Works shook his head in woe when they said to him that he couldn't have his new parking structure in the downtown. He was planning one. We've got the Trizec centre, the new library centre, all designed to increase the use of the automobile.

The major housing productions that the province wants to get to in the suburban areas are not accompanied by any high speed public transit corridors. South St. Boniface, the kind of demands that that development alone will create on St. Mary's, Pembina and elsewhere, will totally swamp our transportation system. Nothing is being offered to provide for an alternative public use for people to move back and forth from those developments.

Mr. Speaker, energy is only one of the overall requirements to orchestrate the emergence of a more healthy economy. One of the government's fundamental tasks is to maintain economic growth, maintain a balance between creating opportunities for work and yet preserving and maintaining our environment. Yet again this government is entirely silent on the matter with the exception of its still yet announced temporary Make-Work Program.

Mr. Speaker, make-work programs are very poor substitutes for permanent work. They are stopgaps, a clearer sign in fact that the economic performance of the province is poor. It is like the chronic depressive who keeps swallowing more pills, an addictive just to keep on going rather than eliminating the cause of depression.

The reason why the government is silent on the issue of economic growth is clear. Their own pet prescriptions of public ownership have failed and they have nothing to put in its place. They have been forced to dismantle the showcases of public ownership like Saunders because it hasn't worked; the Manitoba Development Corporation is now engaged in a holding action trying to cut its losses. But this government can't bring itself to admit that public ownership is not the panacea, it must work with the private sector, so instead it does nothing. And that's the reason why we have a stand-pat nothing Budget.

In the meantime, the indicators of continued trouble are there. That's why capital is leaving the province. The place and position of Winnipeg as a centre of finance and management is fast being eroded. We are being by-passed and nothing is being done. Manitoba is no longer a part of the Island of Prosperity that once was the condition of all prairie provinces. To quote from a recent study the Manitoba Economic Development Advisory Board on manufacturing trends in Manitoba, "The Manitoba economy since at least 1952 has been declining in relative importance in the Canadian economy in terms of employment and real domestic product, in other words, Manitoba during the period grew at a slower rate than the Nation." And they go on to mention that a decided shift of the other western provinces is taking place and that what we need is an industrial strategy, except, Mr. Speaker, we don't have one here.

Even the opportunities offered by others are spurned in this Budget. The Federal Government, in its latest 1977 Budget, gave Manitoba a preferred 7-1/2 percent investment tax credit on capital

expenditures in manufacturing and mining as compared to 5 percent in the neighbouring provinces. But there is nothing in this Budget to build upon that base because that particular incentive is ignored because they, again, don't like dealing in those areas. "If you can't own it, don't do it" is their motto. And this points to a serious lack of incentive for investment in productive forces.

Now to solve that problem, Mr. Speaker, we would propose a major incentive for the investment of risk capital. One way is through the establishment of Venture Investment Corporations. Investment made in such corporations would have preferred tax rates so that the investment incomes would be deductible from taxable income as long as they retain their shares. A full recovery of those deductions would be made if shares were sold or transferred. The importance of such a measure would be to dramatically demonstrate that investment in the province is encouraged, not looked upon as a capitalist curse. It would provide new pools of capital and provide private resources to small and medium businessmen who are in most serious need of that kind of financial infusion.

Beyond that, Mr. Speaker, we'd like to see a rationalization in the services offered the small businessmen. Many of the programs offered by the Provincial and Federal Government are good but there are so many it is totally confusing. We suggest the federal and provincial services combine to set up a small business centre in the province to provide a central well-publicized location for getting information, advice and assistance, rather than having the 15 or 20 programs that now exist.

We would also hope that one of the major by-products of this kind of co-operative venture would be the reduction in paperwork and duplication in forms that bedevil so many small businessmen.

In respect of the taxes imposed upon small business, the imposition of the capital tax, especially as it applies to dead capital, is a penalty that is not needed and should be removed.

Mr. Speaker, let's come to the issue of job creation and manpower programs that have been of special interest and concern to our party for the last several years. We have presented, since 1974, a series of resolutions on this area. Just two weeks ago, the government backbenches and I suppose front benches defeated a proposal calling for a program of job training for the chronically unemployed. It will be interesting, Mr. Speaker, if that same idea reappears a week from now in a slightly altered form. In fact, Mr. Speaker, I would predict that it will. And at that point it will be interesting to see what the Minister of Public Works and the Member from St. Matthews, who are so scathing in the idea that one should provide on-the-job training with private employees, will have to say when their own government brings in such a measure.

Actually, Mr. Speaker, temporary make-work programs as promised in this Budget are only expedience. They do not provide the longer term opportunities that are needed in the province. Any evaluation of Manpower Programs shows that temporary work programs do not supply the level of salary, the training, or the opportunity for advancement that enables someone who has a poor work record, or suffers disadvantages, to gain a secure toe-hold in the job market.

We therefore would advance the following principles and programs that we feel should be part of a manpower policy. One, the major problem is the lack of a Manpower policy in the province which seeks to fit people to the jobs that they have.

We have argued that institutional training is not enough and we want to have an employment program that would develop on-the-job work study programs in co-operation with private business with assistance for those salaries; an argument that we have now made, Mr. Speaker, in this House for the last three years.

We believe, Mr. Speaker, that not enough effort has been introduced in work programs to upgrade the status of women, handicapped or minority groups. Equal opportunity conditions should be part of government contracts and grants for work purposes and special training programs included in this . . . contracts.

All the public works programs, Mr. Speaker, have not helped at all to improve the conditions of those particular sectors of our economy and we feel that that should be part of the condition of any of those programs.

We believe that new economic opportunities can and should be introduced at the community level through the use of the Regional Development Corporations which have been in existence for ten years, and are being allowed to erode, we feel can provide an important vehicle for public-private co-operation in economic development. They should be revived and given the capital resources to invest in programs to small town main street redevelopment and implementation of NIP Programs.

The same concept could and should be applied in the inner city of Winnipeg; again an argument we have made many times in this House.

These are the kinds of measures, Mr. Speaker, which we suggest would provide a far more important stimulus to the general economy and provide a far more effective means of producing jobs than dealing with temporary summer work-make programs.

Finally, Mr. Speaker, we have the question of housing which we think, as well, could become one of the major stimulants for economic progress and vital economy and, at the same time, provide a necessary needed good. I pointed out at the beginning of my remarks that we now suffer an annual

deficit of 2,000 to 3,000 units of housing in the rental area, perhaps resulting in a combined deficit of 15,000 to 20,000 over the next five years.

We also suffer from a tremendous shortage of improvements in older housing, and a deterioration in older neighbourhoods. And yet, Mr. Speaker, nothing is being offered, in fact, it is even being avoided.

A case in point is in the issue of land. A grand announcement was made in the Throne Speech that a new land program would affect the cost of housing. Yet in discussing it under the Estimates, the Minister admitted that provincial land bank sales would have little or no effect at all in the housing market.

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

MR. AXWORTHY: With leave, Mr. Speaker, could I have a couple of minutes, Mr. Speaker, with permission?

MR. SPEAKER: Does the honourable member have leave? (Agreed) The Honourable Member for Fort Rouge.

MR. AXWORTHY: Thank you, Mr. Speaker, and then I will complete.

So, Mr. Speaker, what we think is that there can be a major stimulus to the economy and we can bring about a much firmer kind of economic program than the one that has been offered in this Budget.

As a result, Mr. Speaker, we would like to move, seconded by the Member for Assiniboia, an amendment to the sub-amendment, reading as follows:

The amendment be further amended by adding the following:

5. The government has failed to apply effective measures to improve energy supply and upgrade conservation efforts, having only talked of cosmetic measures and not bringing in concrete proposals which would show firm leadership in this most important field.

6. The government has ignored the needs of those who aspire to own their own homes and has failed to stimulate the production of an adequate supply of rental housing; and

7. The government has, through lack in its programs and a lack of concern, totally ignored the needs of small business entrepreneurs in this province and has not established an effective manpower training program.

MOTION presented.

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

MR. WALLY JOHANNSON: Mr. Speaker, I think that the Manitoba Budget of 1977 is a good budget. I think that the Minister of Finance, given a difficult position throughout the country, has done an excellent job. However, Mr. Speaker, I don't find that I can approve of everything in the Budget. This is one of the characteristics of what happens in a parliamentary system, one is part of a caucus; one debates issues within caucus, some you win, some you lose. In this case, Mr. Speaker, I think I lost a few and therefore I find that I can't approve of everything in the Budget.

I, for example, have spoken in the past against the sales tax exemption for insulation materials. There was a —(Interjection)— Well, if the Minister will wait for me to make my speech, he can then make his comments. I spoke against it in previous years. I spoke against it when the Official Opposition presented a resolution this year. Now the Official Opposition was presenting a resolution that would remove the sales tax on all insulation materials. This measure is restricted to residential insulation materials and in that respect it is better than the Opposition proposal, although I still can't bring myself to support the measure. —(Interjections)—

MR. SPEAKER: Order please.

MR. JOHANNSON: However, what the government has done, which makes a great deal more sense than this measure, is the loan program to people who do want to provide insulation. The sales tax exemption only covers five percent of the cost of doing insulation improvements in a house. The loan program covers the other 95 percent. The 95 percent I can approve of; that makes sense. The five percent exemption, I frankly can't support.

The second measure that I have no great enthusiasm for is the prohibition of assessment increase for solar energy equipment in residential premises. Again I don't think this is going to have much effect. The major deterrent for installation of this kind of equipment is the capital cost and the prohibition of assessment increases, I think, will have little effect.

I am not terribly keen on, in fact I am very reluctant to see the loss of income through the increased exemptions in the succession duties. I think that we had to make some adjustments but the loss of revenue, frankly, I can't particularly approve.

And I am concerned about the fact that the tax relief that is provided through income tax adjustments tends to go more to upper income levels than lower income levels. It is, in other words, not equitably distributed. That disturbs me.

However, having made my criticisms, I still think that the Budget document is a good budget document. In the major leagues, if a batter bats 300, he is considered to be a star, a very good performer. I think this government and this Finance Minister are probably batting over 900 and

consequently, I think they are doing a pretty good job.

The Budget will have some helpful effects on, for example, home owners in my constituency. Most of my homeowners live in relatively modest housing and the Property Tax Credit increases, the Cost of Living Tax Credit increases, will have the effect of probably producing a lower municipal tax bill for most people in my constituency. And if it is not lower, it will probably be just about the same as last year. That is a remarkable achievement when one considers that things like coffee are escalating at amazing rates. The average homeowner in my constituency will get \$120 in tax relief. Well, that is some help. Tax levels have been held steady. The Insulation Loan Program will be helpful and when this is added to the Critical Home Repair Program, it will be extremely helpful to homeowners in my constituency.

The Job Creation Program will be useful and I am waiting anxiously —(Interjection)— If the honourable member will await his turn, the rules provide that any member of this House has the opportunity of making a speech on the Budget Debate and he will have his chance if he will just be patient. The rules also provide that a member is not to interrupt another member while he is speaking.

If I may proceed, Mr. Speaker, I would like to get to some of the remarks of the Member for Souris-Killarney, the Leader of the Opposition. The Leader of the Opposition is remarkably consistent. He is remarkably consistent and he is remarkably repetitious. Now, there is a method to his madness because the Tories believe in repetition. They believe that if you repeat something over and over and over again, eventually, whether it is right or wrong, whether it is a lie or the truth, people will start believing it. And this is the Tory tactic.

I would like to go through the honourable member's speech and count the number of times that he talked about the spiteful envy of the Socialists. The member sounds like a record that is stuck. He has a remarkably limited repertoire of words of invective and he tends to use the same sort of invective over and over again.

However, one of the things that he is repeating constantly, and the Tories have been repeating this over the years, is the theme that Manitoba is the highest taxed province in Canada. Mr. Speaker, this is simply a big lie. It is a big lie, but the Tories think that they can get away with it by constant repetition. It is a simple line; it is repeated constantly and through this constant repetition, the Tories think they are going to gain votes.

And what they do, the Tories select one tax, they talk only about the income tax and they point out the fact that we did have supposedly the highest income tax rate in Canada. They forget to mention that Quebec was higher even prior to this year because it was based on a different tax base. In their advertising, for example, I noticed that they conveniently omitted Quebec but they continually repeated the refrain that Manitoba is the highest taxed province in Canada.

Mr. Speaker, the claim is absurd. If you make comparisons, we simply are not the highest taxed province. For lower income people, for moderate income people, average income people, we are one of the lowest taxed provinces in this country. If you contrast, Mr. Speaker, the taxes, personal taxes today — and when I talk about personal taxes I am including income tax, the Medicare premiums or lack of them, and the Property Tax Credit and the tax credit programs — if we compare taxes today with the taxes under the Tories, we find that there are very substantial savings for most average income people and in fact even at the \$50,000 income level, there are substantial savings over what these people would have paid under the tax arrangements prevailing under the Tories in 1969.

Now, Mr. Speaker, that disturbs me a little bit, that we are providing such large tax savings for people in upper income brackets. But it certainly puts the lie to the line the Tories are constantly parroting, constantly repeating. Personal taxes in Manitoba are lower than taxes in Ontario up to over the \$25,000 income level. They are lower than B.C. up to about the \$25,000 income level. And they are lower than Alberta up to about the \$15,000 income level. Mr. Speaker, we are the third lowest province in terms of revenue, in terms of expenditures. I am not particularly proud of that fact, Mr. Speaker. I am not particularly proud of the fact but it does put the lie to the Conservative line that we are the highest taxed province. How can we be the highest taxed province if we have the third lowest expenditures, the third lowest revenues?

We are supposed to be the highest taxed province in Canada, yet *per capita* incomes after tax are above the national average now for the second straight year. And for the last eight years or so of Tory rule, they were below the national average. Now how on earth could that have happened, Mr. Speaker, if we are taxed that heavily? It could happen if we are taxed not very heavily, if we are among the more moderately taxed provinces, but not likely if we are the most heavily taxed province, if the tax rates are so penal as the honourable members opposite indicate they are. The fact is that this year there is no tax increase and there are some small tax decreases.

Now a second big lie that the Tories are constantly repeating is the line that this government is mismanaging the province. Now, Mr. Speaker, I don't claim that we are perfect. I don't think we are anything close to perfection. We have made mistakes, but once again our mistakes are very heavily outweighed by the good things we have done, by the correct things we have done. And again our batting average is very high.

In fact, Mr. Speaker when you look at the appendix to the Budget Speech, the record of this province under this government is remarkable and it is much better in most respects than the record of the previous Conservative government. So if we are bad managers, Mr. Speaker, then the previous government must have been awful, because the performance of the economy has been much better under our government than it was under their government.

The total output of the provincial economy has more than doubled. *Per capita* income before and after taxes has almost doubled. The cost of living in Winnipeg is the second lowest — it is tied with several other cities — among the major cities in Canada. The second lowest cost of living in Winnipeg of all major cities in Canada — that's not perfection, Mr. Speaker, but that's not bad. The total investment and private sector investment have almost doubled. And in fact, Mr. Speaker, when I looked at the tables of the appendices of the Budget, I was rather shocked. I was a bit appalled, Mr. Speaker. The Honourable Member for Souris-Killarney constantly tells us that public investment is an indication of creeping socialism.

Do you know what has happened, Mr. Speaker? During the years that the Tories were in government and the investment tables show this, public investment grew from less than 50 percent to more than 50 percent of total investment in this province. That is interesting, Mr. Speaker. Here we have these staunch free enterprisers who tell us that increasing public investment is a sign of creeping socialism. Under their government, public investment grew to more than half of the total investment in the province.

A MEMBER: Creeping Roblinism.

MR. JOHANNSON: Now what I find in this year's appendix is that, and this is Appendix A of the Budget, what I find is that public investment has fallen under our government. It has fallen in the percentage of total investment in this province. It has fallen to probably something close to 40 percent. And in fact what is happening . . .

A MEMBER: That's mismanagement for you.

MR. JOHANNSON: I'm beginning to wonder. What is happening, Mr. Speaker, is that public investment has been pretty constant over the last few years, but private investment has been increasing sharply. Private investment has been increasing sharply, and now it is probably around 60 percent, I haven't done the calculations but it must be close to 60 percent of the total investment in the province.

Mr. Speaker, according to the Member for Souris-Killarney this government is moving rapidly in the direction of, I guess, galloping free enterprise, and that shocks me a bit.

Now, the Budget also pointed out that over 65,000 jobs have been created during our period in office, double the rate of job creation during the last eight years of the Tory government. Agricultural and mineral production have doubled. Manufacturing and retail sales have more than doubled since 1969. Retail sales have doubled since 1969. About 80,000 new housing units have been built since 1969 and, Mr. Speaker, this is about double the rate of construction. Now this is both public and private, largely private construction. But this rate is double, just about double the rate of housing construction during the similar period of Tory government. The public housing stock, Mr. Speaker, has not merely doubled, it has increased 20-fold from around 600 units to something in the nature of 11,500 units.

We have for the first time in the history of our province received a "AA" rating from the Moody Bond Survey. In other words, we have increased confidence in the Government of Manitoba from the international investment community who obviously either don't read the speeches of the opposition members or who treat them with the respect that they deserve, which is absolutely none.

Mr. Speaker, the Member for Souris-Killarney constantly accused us of regarding businessmen as being evil. And he talks about the spiteful envy of socialists. Mr. Speaker, we don't regard businessmen as evil. They're human beings just as all of us are, and I have a great deal of respect, probably more respect for businessmen than members opposite, because I don't think that they need welfare in order to do a good job for themselves. I don't think they need welfare in order to do a good job for themselves. I think that they are better businessmen than the opposition members give them credit for. Not only do I think this, Mr. Speaker, but business has prospered under our government. Retail sales have doubled; private investment has climbed very sharply. Now, Mr. Speaker, I'm not claiming our government is perfect but surely if business has prospered as much as it has this must be at least partially due to our good management of the economy and to our expansion as to economic policies.

In fact the redistribution policies that we have adopted have helped business. When you place property tax credit, cost of living tax credits in the pockets of low income, middle income people they tend to spend that money and that money tends to go to the local businessman. It tends to provide a good turnover in retail trade. So, Mr. Speaker, the Minister of Finance in his Budget Address listed about 21 social programs which this government has carried out and I think those social programs are the best programs in Canada. Not only, Mr. Speaker, do I think that they are the best programs in Canada, but the Opposition must agree because they have adopted most of them.

They now talk about our programs which they used to describe as socialist as being good social programs, social reform, programs that are good for social welfare, the welfare of the people in this province. And, Mr. Speaker, we have achieved these programs, I think, with a remarkably low level of taxation. We have achieved great social programs with per capita provincial expenditures among the and I think that's a great achievement, lowest in Canada' and that I congratulate the Minister of Finance for as a member of the Cabinet that brought about these programs.

Mr. Speaker, the Leader of the Opposition also criticized our proposed job creation program and he listed a series of supposed components which I haven't yet seen in caucus, but he seems to have seen; which is a remarkable achievement. I have not yet seen the programs yet the Honourable Leader of the Opposition is listing them off presumably in the Legislature. Mr. Speaker, the major thrust of the Leader of the Opposition was that these programs were "make work" programs in the public sector, that they would be government jobs, and that's an interesting kind of criticism. Because, Mr. Speaker, this government has made efforts in the past to create long-term, highly paid, high technology jobs, and we tried to create these jobs in Saunders. We tried to create these jobs in Flyer, and those two operations alone, Mr. Speaker, employed around 1,000 people. Around 1,000 people were employed in high technology jobs, highly paid jobs, which were long term or at least the hope was that they would be long term.

And, Mr. Speaker, what was the tactic of the opposition when we tried to do this? They systematically sabotaged those programs. They systematically sabotaged those programs. They questioned the quality of the product. If they had done that same kind of questioning about a private concern they would have been sued. But they indulged in irresponsible criticism of the product being produced by Saunders and by Flyer, and they did it deliberately to try to destroy those enterprises. They did it deliberately, Mr. Speaker, to try to destroy those enterprises, and they did it, Mr. Speaker, because of political partisanship, political opportunism. They didn't give a damn, Mr. Speaker, they didn't give a damn about the people at Gimli, about 500 jobs being created for the people at Gimli. They were concerned about political advantage. They were concerned about political advantage. They would do anything, anything, Mr. Speaker, to damage the reputation of this government including the destruction of an enterprise that employed 500 people.

Mr. Speaker, when the Tories were the government of this province the Member for River Heights — the drummer boy — used to stand up in this House and tell the members of the opposition that they should be cheerleaders, that they should be encouraging the government in its efforts to create jobs to attract industry to Manitoba. The opposition was expected to be cheerleaders. If they ever said anything critical they were accused of damaging enterprise in this province.

So what happens when the government changes? The rules change. Anything is now permissible. Anything is permissible as long as it is calculated to damage the reputation of this government.

Now, Mr. Speaker, one would think that the members opposite would be happy about the fact that we have a "AA" credit rating, because this is a reflection — not merely on this government — it is a reflection on this province. It is a mark of confidence in the international investment community conferred upon this province.

MR. SPEAKER: Order please.

MR. JOHANNSON: So what do we find happening? We find the Honourable Member for Morris attempting to undermine the reputation of Moody's, and we find the Free Press attempting to sabotage our credit rating. —(Interjection)— You know, the process of news creation in the Free Press is remarkable. They write a series of articles on Hydro without ever consulting the Minister responsible for Hydro, without ever consulting Hydro, without ever going to the Hydro library, without ever, in fact, attempting to get both sides of the story. They write a series of articles that are intended as a hatchet job on Manitoba Hydro and this government.

MR. SPEAKER: Order please.

MR. JOHANNSON: The Free Press then sends copies of these articles to Moody's, either sends articles or informs them about them, and then prints a distorted version of the reaction of Moody's to these articles. —(Interjection)—

MR. SPEAKER: Order please.

MR. JOHANNSON: Mr. Speaker, this is supposed to be a free press. This is supposed to be the impartial printing of the news as it happens.

You know, Mr. Speaker, not only are the Free Press trying to sabotage our credit rating, the Tories are, of course, trying to destroy any public enterprise because by doing so they can damage the government. It's remarkable how consistent the Tories are, because in checking back I found out, Mr. Speaker, that in 1931 under the Bracken Government, Manitoba had a very successful provincial savings bank. It had about \$15 million in assets, the savings of the ordinary citizens of Manitoba. It was a thriving enterprise. And do you know what happened to it, Mr. Speaker, do you know what happened to it? There was a run on the bank, there was a run on the bank, and because of the fact that most of the assets of the bank consisted of non-liquid assets, that is, provincial and municipal bonds and debentures, they couldn't meet their obligations immediately. —(Interjection)— It was. It was

highly successful.

MR. SPEAKER: Order please. Order. Order please. I wonder if the honourable gentlemen who have differences of opinion would wait their turn and express them on the floor so we can record them later. The Honourable Member for St. Matthews now has the floor.

MR. JOHANNSON: Yes, Mr. Speaker. The reaction of the member is interesting. You know, a lot of financial institutions went bankrupt. This one did not go bankrupt. It was liquidated without a loss to any depositors, and it was liquidated because first of all the R.B. Bennett government refused to give it a short-term guarantee which would have permitted it to endure this run on the bank. But there was a report of a select committee on the provincial savings office, a report of a legislative select committee on this. Do you know what that report found? It found that that run on the bank was created by the Tories — by the Tories — who were determined to do anything to damage the government of the day. And they haven't changed, Mr. Speaker, they haven't changed. They will still do anything. They will damage any institution in this province if they can gain power by doing so.

You know, Mr. Speaker, some of the names are rather interesting. They're listed in this report. One of them for example, is Eric Willis, M.P., who was found to be one of those people who created the run on the bank. Another was a John T. Haig, MLA, John T. Haig, MLA; and there were four other names listed, an F.Y. Newton, a Dr. L. R. Wilmot, a Mr. Schweitzer, a Dr. Rice, all this bit in a legislative report. The Tories, Mr. Speaker, haven't changed.

Finally, Mr. Speaker, I want to get to the succession duty and the criticism of it by the Leader of the Opposition. I am not terribly keen on the increased amount of our exemptions. I think that we are being a little generous. I agree that they should be adjusted for inflation, but I think we've been a little overly generous.

But the proper policy at the present time would be for the Federal Government to again enter the field of the estates tax, set up a federal system and collect for every province in the country. But the Federal Government, unlike most western countries in the western world, have chosen to abrogate its proper responsibilities.

We are going to keep the succession duty. What will the Official Opposition do? They say they will eliminate it, and I'm happy that they say that, because I will love to fight the next election on this issue. I will love to fight it. Because I think, Mr. Speaker, that not only is our position correct but I think that the people of this province will support it.

Now, Mr. Speaker, the taxation of estates, the taxation of the transfer of wealth is not a socialist measure. It is not a socialist measure. It was introduced by Liberal and Conservative governments of various stripes in various countries in the western world. The estates tax was introduced because it is an equitable tax; it prevents the accumulation of vast amounts of wealth in a few families; and it provides a good source of revenue on the ability-to-pay basis.

Now, Mr. Speaker, we've had two principal arguments advanced by the opposition against the succession duty. The one is that what we're doing is harming the small farmer and the small businessman. Now, Mr. Speaker, that is so much "bunk"; it is pure garbage. What the Tories are doing is they're trotting out their skirmish line of the widows and orphans, the little children and the women, only in this case they're trotting out the little farmers and the little businessmen. These are supposedly the people that the estates tax is hitting and harming. And that is simply garbage.

What are the facts? The facts are the following: Only 2 percent of deaths in this province involve any tax at all; 98 percent of the people who die either leave no estate or they leave an estate that is not taxable; 98 percent of the people who die, and you are telling me that we are going to harm the small businessman and the small farmer.

The members opposite are always talking about cases of hardship being created by this tax and yet the strange thing is that there are no cases of hardship reported to the Department of Finance. Now, in fact, we have had generous provisions for deferral of payment of the succession duty. The deferral permitted the payment over a six year period of the estates tax. Now, these deferral provisions have been made even more generous, so in a case of hardship there can be infinite deferral.

It's interesting, Mr. Speaker, our committee on land ownership went out to the Town of Morris and one of our members asked the audience there, when the question of succession duty was raised, how many of them had estates over \$250,000, or over \$200,000.00. And, Mr. Speaker, you know it was amazing. There were either no hands put up or very few.

MR. SPEAKER: Does the honourable member have a point of order?

MR. WARNER H. JORGENSEN (Morris): Yes.

MR. SPEAKER: The honourable member state his point of order.

MR. JORGENSEN: I am sure that the honourable member would not want all of his speech to be inaccurate. —(Interjection)— The committee on land use never did hold a meeting in Morris.

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

MR. JOHANNSON: I am corrected, Mr. Speaker. I did mean to say Morden. But the fact is that that

meeting was held in Morden, the question was asked about how many of them had assets worth above and beyond liabilities, over \$200,000 or \$250,000, and no hands went up, Mr. Speaker. And this was an audience in a relatively prosperous part of this province.

Now, the second argument, Mr. Speaker, is that there's going to be a flight of capital and a flight of people to Alberta, and that again is so much garbage. The fact is that we have not been given specific evidence about either a flight of people or a flight of capital to Alberta. Secondly, we have had increased revenue from the succession duty which hardly implies that there is a vast flight of capital. Thirdly, there has been vastly increased levels of private investment in this province which again doesn't imply any flight of capital.

What is happening in some cases is that paper corporations are being set up in Alberta, federal corporations with a domicile in Alberta, but the farms and the businesses are staying here. The economic activity is staying here. The jobs are staying here. So, Mr. Speaker, there is no proof of any flight of capital other than the kind of flight that has been occurring.

Mr. Speaker, people have always been leaving this province. A good part of my family, on my maternal side, left this province during the days of Douglas Campbell. When the Honourable Member for Morris said that any young man could get into farming, during that period when any young man could get into farming according to the Honourable Member for Morris, there was a huge flight of people out of this province into B.C. Why? Because wages were higher, because opportunities were better there, because there was a much better climate there. There have always been people leaving this province.

The Liberals used to accuse you people of being guilty of a constant drain of people out of this province, and now you have adopted their tactic, and that argument makes as much sense now as it did when it was applied against you. The fact is, Mr. Speaker, that the Member for Morris and the Leader of the Opposition basically want to create a class of wealthy families who don't have to pay taxes on their earnings when they inherit their wealth, while my people in St. Matthews not only have to work for their money, but have to pay taxes on it so these people can receive huge estates without having to pay anything for them.

And, Mr. Speaker, my people in St. Matthews won't buy that, they won't buy that at all.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I have had the occasion to follow the Member for St. Matthews many times in this House, and I am going to change the habit because what he is saying these days is not really worth much comment. — (Interjection)—

MR. SPEAKER: Order please.

MR. F. JOHNSTON: Mr. Speaker, I have now heard from the Member for Radisson from his chair, and I would like to say for four years in this House he has done nothing but bark from his chair; only on one occasion when he stood up when the House was ending one night and he couldn't even get his speech off then because of his colleagues; and now because he's in an election campaign and his people don't even know him in his area, he is doing anything he possibly can to try and get his name in the paper.

Mr. Speaker, I think that this Assembly should be used for better reasons than that. — (Interjection)— Mr. Speaker, I have no . . .

MR. SPEAKER: Order please.

MR. F. JOHNSTON: . . . complaints about what he has to say about me because I have stood on the floor in this House and spoken and if I do it from my chair I'll get up and explain it after.

Mr. Speaker, I've never heard anything like it in my life. I think there's a song about it, "I've never heard anything like it in my life." It really carries on, you know, the story about it all depends on whose ox is being gored. It just is amazing what you have from the socialist friends on the other side who turn around continually and criticize, and have for the last two months within this Assembly got up and attacked, not talked about what they have done to that great an extent, but got up and have attacked history and the Progressive Conservative Party in this province because they are so damned scared. They are so scared right now that they don't know whether they're coming or going. There's no question about it. There's a young gentleman in St. Matthews who has the Member for St. Matthews running up the pole, he doesn't even know whether he's coming or going.

He's now started to use things in the House that he's never used in his life before. He has become fairly vicious, a different speaker than he ever was before. Now that we have a 1931 Legislative report would you like for me to go to my file and get the Legislative report that I could table about the MHRC and the Land Evaluation Branch? Would you like to have that? Would you like to have that? Well, I mean I can dig a few out if you like, if you want, you know. Then we get a Legislative report from 1931.

You know I ran in the 1969 election, I know what the honourable members on the other side went out and said about CFI. I know what they said. And the building is there and there's jobs being created, yet the Member from St. Matthews gets up and says that we, on this side of the House, should not criticize the fact that this poor little bunch over here have gone out and wasted all this money on these other corporations and they shouldn't be criticized for it. Aren't we being real mean, fellows?

Oh, goodness gracious, we're really being a terrible terrible bunch of people. You know, I can tell you honestly I have never heard, as the member took it from me because it used to be my statement, bunk — I won't use it that often, but that is just plain nonsense. You know, with what he presents to this House regarding the Budget, I feel sorry for the Minister of Finance. I have never heard a more lack lustre defence of a man's budget in my life. It was not that good a budget. —(Interjection)— There's no question about that but I would have expected that I would have heard a better presentation other than I don't like most of it, but there are some things. You know, I think the Minister of Finance is going to have a pretty tough time if he's going to hear from us on one side and have these others on the other side get up and say, "Well, I'm really I really am not that much in favour of it but . . ."

Mr. Speaker, I really think that you are really getting down to business when we see the fact that they just didn't really want to talk on the Throne Speech all that much other than talk about the previous government. They've got up on this Budget now and all they've started to do is talk about the previous government and be critical of the fact that we are critical of government businesses. In other words, that we are the ones that tore them down.

Mr. Speaker, if government is going to go into business, they have to be examined by the Opposition, that's the right of this Legislature, that's the duty of this Legislature. As a matter of fact, the Minister of Mines and Resources gets up in his chair on many occasions and says, "You people have never had more of a chance to examine than you have at the present time." And what are we supposed to say, we won't examine? You can examine, but we're not supposed to. Are we not supposed to point out the fact that there is bad management and bad things going on within government businesses? Are we not supposed to do that?

Mr. Speaker, I once made a statement in this House that I wouldn't want those men for Opposition because they do not believe in the role of the Opposition in government. They do not believe in the role of Opposition in government. They don't think that they should be criticized at any given time. Quite frankly I'll tell you, in a short while I will love to have an Opposition that will get up and keep me in line. I'd love to have an Opposition that will keep the government on its toes.

Mr. Speaker, I just tell you, this Socialist bunch don't believe in opposition. They don't believe in opposition. They don't believe when the press decides to take the government for a wallop. He talks about the Free Press being tough on the NDP. My god, he can't . . . when were you born? When were you born? It's been a lifetime with the Conservatives. You know, ask him. As a matter of fact, you know, we may be a little famous within our party for creating news once in a while but we sure accept the fact that the press has every right to do whatever they please when they are writing their stories, or write the stories as they please to write them. But we don't go crying. We don't go crying. You know, we just don't go crying. —(Interjection)—Yes, letters to the Editor, cry all over the place. In other words, you know, you gentlemen over there think that you can get away with saying anything about anybody at any time, but you act like a bunch of big cry babies when you get it given back to you.

Mr. Speaker, when we spoke about the different things the Minister has within his Budget Address, he mentions all of the different programs that have come forth by the NDP government. I'd like to remind the Minister that many of these programs were began by a Progressive Conservative government in this province. We were not in a wilderness before you came to power and, as a matter of fact, as a matter of fact the years of the Progressive Conservative government compared to the years before in Manitoba, were probably far more reaching for the benefit of this province than this government has done, and I know there will be disagreement on that point. A road program which was started by us and I might say, practically ruined by this government. They've worked on No. 1 and they've worked up north, but the road program of this government, if you drive around the country, has not been carried on.

The school program —(Interjection)— What road? —(Interjection)— The road to Wabowden, Mr. Speaker, I'll tell you about the road that goes up to Thompson.

MR. SPEAKER: Order please.

MR. F. JOHNSTON: Mr. Speaker the road that went up to Thompson wasn't a road when it was first built it was a miracle. It was put in so fast to Thompson, I don't think any other government could have done it. And it's there. And all of you knew because it was there. You walk around and you have to criticize and there again, Mr. Speaker' have we never heard any criticism from this side of the House? We're not supposed to criticize, but they can. But they can. You see, I even get it when you're speaking.

Mr. Speaker, the school program was . . . in this province. We started building schools and you carried it on. Not to as great an extent and you're not supporting the school system as well in the foundation grants as percentage-wise as you should be.

Nursing homes were started with organizations in this province under us, but you have expanded them and I credit you for doing so. We did start the medical program. We had a premium and you took it off and nobody voted against you on this side of the House when you did.

Then you go down to the Pharmacare program, you go down to many of these programs and tell me the ones that we voted against in this House. —(Interjection)— No, I said you put it in, we voted for

it. Show us where we have been opposed to the social benefits that you put in that have been logical. But yet you stand up and you say, you say, "Now, now, Mr. Speaker, we are now thinking this way all of a sudden." For heaven's sake, you fellows couldn't carry the shoes of most of us where social reform is concerned. I'll stack my reputation and the reputation of my colleagues up against any one of you at any time.

Mr. Speaker, then we have the situation where we're not supposed to criticize. Mr. Speaker the businesses that were a failure in this province after this government had come into power in 1969, it wasn't three or four years later then the Progressive Conservative Party got up and said the MDC should be closed and there should be a reassessment of government in business in this province. Who listened to us on that side of the House? And what kind of a mess are we in today with the businesses that we are in? Who listened over there? Here's a group of people who can stand up and realize that what maybe happened in the past is not maybe the right thing to be happening today. We made the suggestion that it should be closed and there should be a reassessment. Who listened on that side of the House, Mr. Speaker?

A MEMBER: Nobody.

MR. F. JOHNSTON: Nobody listened. They just went merrily out and kept spending it on a Saunders Aircraft situation. I won't even mention Flyer, but I will tell you this, that I have told people many many times that the government, the Federal Government Ministers at a meeting I was at in Ottawa told the Minister of Industry and Commerce sitting there, that the aerospace industry was the worst industry that there was at the present time in Canada and he came back from that meeting and this government went into that business and they stand up and they say now that the Federal Government didn't support them and they support organizations down in Eastern Canada. Those organizations in Eastern Canada were there long before the aerospace industry got into trouble. There were employees that would have had to be laid off, but no, and so the Federal Government helped them. But what did we do in Manitoba? We came out and started a business in an old World War II hangar that would never work, that would never work after you'd been told not to and we on this side of the House said, don't go, let's get out of business.

Mr. Speaker, the Unicity Bill, the structure of Winnipeg. We warned them that the structure that was going to be put in as far as the City of Winnipeg would be concerned, would be a bill that would take rights away from people, that they would have less control over the governing of themselves within their community, and that is fact today. People are saying we do not have an input in our government, we're not close to our civic government, and what did this side of the House say? We told them, don't put in that particular structure in the City of Winnipeg but no, did they listen on that side of the House? For eight years they haven't listened to anything.

Mr. Speaker, the Stay Option Program. We pleaded with them, we went out into the country and to meetings in the Stay Option Program with the Farm Committee. The people in the country told the NDP members of that committee that they didn't want the government to be the biggest landlord, or the biggest farm owner in this province. Mr. Speaker, did anybody in that side of the House listen, until this year when it became an election year? No. They refused to listen and they were told it was a bad program. The MHRC Housing Program which we have never criticized, we've said people have to be housed and in the committee meetings I said that the place in the market for the MHRC — or let's put it, the place in the industry for HMRC is there and it's a responsible place and a big place. But when the Minister has to practically admit to me that there has been a problem between the Land Evaluation Branch, the Land Appraisal and Evaluation Branch and the MHRC which has been an ongoing battle between those two departments of this government for at least eight years, and it hasn't been solved yet and it's been to the detriment of the people of this province. I wonder why the Cabinet on that side hasn't really solved that problem, but they've been told, they've been told in two reports, but they haven't listened. This government does not listen. We've told them on many many occasions.

Mr. Speaker, we have spent many many times listening to the ideology and the philosophy of the NDP Party this House. We've had it for eight years, for eight years we've had to listen to it. Mr. Speaker, the government has never really taken into consideration any briefs, reports or anything that has been presented to them in Law Amendments, or from this side of the House, that make any sense at all, they just throw them out. They vote just according to their ideology and their philosophy and they will not use common sense when it's presented to them. And you say we shouldn't be critical. Mr. Speaker, you say we shouldn't be critical.

Mr. Speaker the Progressive Conservative Party believes in creating jobs in this province as our Leader said. I said the other day, when you finish building these buildings and you're finished with this program that they are bringing forth at the present time, where are the people going to work then? Where are they going to work when the program is over? Do you know, that is the problem with this government. That's the problem with their ideology, because they know that after that program is over and the people have nowhere to work it will be on them, it will be their great duty to come forward with another program, getting the government more into business and getting the government being

the biggest contractor and getting the government being — I think it's house builder. You can almost see the plan, because if you don't start to have private industry come in, if you don't start to create small business where there's jobs, there will be no place else for the people to work other than for the public sector and that's really what will happen. I believe that's what you want, because for eight years you've done nothing to create and build up an atmosphere where people will want to have a business in this province. For eight years you have created an atmosphere, as I said the other day, that you have put yourself, the Province of Manitoba, in the position of having to give an incentive for business to come here.

I ask you, Mr. Speaker, if any of the honourable members on the other side are going out to buy a new car, and they walk down the street and they like that car and there's a price on it, and they walk down to the other street a couple of more blocks and they find exactly the same car with a higher price on it, where will the honourable members buy the car? You know, where will you buy the car? You'll buy it where you get the best price for what you want. You will buy it for the best price for what you want and most of the car dealers are of a size that can give service, but you will buy it.

You know, Mr. Speaker, if you happen to go back and say to the other man, I'd like to buy it from you because I know you a little better and I bought my last car from you, but the only way I can do that is if you meet that other fellow's price. That's incentive. That's incentive.

Now let's talk about a business coming to Manitoba. And we have the highest, 44 percent higher in taxes for small business in Manitoba. We have a — (Interjection) — it is terrible. We have a situation where we have succession duties which are the most penalizing in the country and they should be gotten rid of. We have a situation — (Interjection) — I'll tell you in a minute. We have a situation where we have not the best climate. We do have high taxes in this province, provincial taxes and so the business comes to Manitoba, the Minister of Industry and Commerce is sitting there with him and he says it's like buying the car. The man says to him, "You know, I would like to go to Manitoba, but if I go to Saskatchewan, Alberta or Ontario it will cost me less money. What are you going to do for me to have me come to Manitoba?" You have put yourself in the position of Manitoba having to offer incentives to come this province. You have made it worse than it has ever been in the history of this province, to start up and do business here.

Mr. Speaker, the member talks about succession duties. If he would refer to the pages regarding the succession duties in the Budget Book, Page 28. "These changes will reduce our revenues by approximately 2.5 million this year and 4 million in the following years." Well, that's probably because this year it's a half a year and next year it'll be more, but you can see by that figure when you just take a look at the balance of months, and secondly, go to your Revenues and you'll see that the income from this particular legislation is going up every year. Now when the legislation came in, Mr. Speaker, everybody just doesn't walk out and die and over the period of years the people since this has come out have been older people that didn't have maybe insurance and estates the way they have today. But let me tell you, Mr. Speaker, in the next ten or fifteen years, the figures that these gentlemen have for the succession duties in this province are going to take in an awful lot of people in this province. If a man passes away at my age today and he has the insurance of payments to his wife for the rest of her life, that is part of his estate. My grandfather's clock at home is part of my estate, which is stupidity.

I will tell you this, you are going to find that as you move around this province, young men have learned to know what insurance is, they have learned to know what investment of money is, an extra house or partnership in an apartment block or something of that nature. Where commerce has been taught more in schools than it ever has in our lives, you are going to find a lot of people within this province that will be involved in this and will think twice about investing or wanting to work in this province if they are going to have their savings taken away from them under this situation. That is who you are going to hurt, the ordinary man in the street. Mr. Speaker, I tell you the investment is going to be there and they are going to be hurt very badly.

Mr. Speaker, the percentage of people that will be involved in succession duties in the next ten years will be rising gradually and that is You know, they say they still believe in it, but I will tell you, ten years from now if somebody talks about it, they will say, "Oh, no, that affects too many people; we couldn't buy that." It's political, strictly political in philosophy on their side of the House. Yet the great NDP government in Saskatchewan realizes the amount of people that it is touching, and it is an unfair tax while there is capital gains tax in this country.

Mr. Speaker, I would like to say to you or to the honourable members when we speak about Hydro, and I have heard some of the most stupid questions I have ever heard in my life from the Member for Radisson, which I said is degrading the House and he continues to do it, but there is no question that when I ran in 1969, a group of men that I ran against in the NDP government, were critical of the Hydro program. They said that we would have to look away from South Indian Lake. Not all of them, many of them said that we will take a look at the whole program. The Premier was very careful in what he said. The Minister of Mines was very careful in what he said, but most of the honourable members on the other side criticised South Indian Lake when they were running. And the reason why that was

delayed was to take this government off the hook because of political promises made in 1969, and Cass-Beggs was brought in here to take you off the hook and he did and you should never have followed him. And it is just as pure and as simple as that.

Mr. Speaker, the Hydro engineers were given terms of reference as to levels and everything to work through in reports, and I tell you this, that this government interfered with Hydro for political reasons. And if they don't admit it, they are not man enough to get up and admit it because they did it and they know it. They did it and they know it.

A MEMBER: It's a lie.

MR. F. JOHNSTON: Mr. Speaker, if everything I believe is a lie, if the Minister of Mines wants to get up and because I think something, it's a lie, he can say it. I never expected it from him. I would expect it from the Member for Radisson, but not from him. That's what I believe and that's what I'm going to say.

MR. SPEAKER: Order please. The Honourable Minister of Mines.

MR. GREEN: The honourable member has mentioned my name. I did not say that he is a liar. I said what he says is a lie. He probably believes it, but it is a lie.

A MEMBER: I say he's a liar.

MR. SPEAKER: Order, please.

MR. F. JOHNSTON: On a point of privilege while I was speaking, I know the member didn't have the mike, but the Honourable Member for Radisson said, "I say he's a liar." Could I ask for an apology for that, Mr. Speaker?

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANKSY: I withdraw that word, Mr. Speaker, on the basis that it is not parliamentary. The fact is that the Member for Sturgeon Creek

MR. SPEAKER: Order please. Order please. There is no equivocation on that. —(Interjection)—

MR. F. JOHNSTON: You know, I might just say the same thing very shortly about him.

A MEMBER: I'll remember about that.

MR. SPEAKER: Order please.

MR. F. JOHNSTON: I remember it, too, very well.

Mr. Speaker, the program that the Minister of Finance has brought forth regarding the senior citizens and their homes I think is a good one. It is now an official program. And the reason why I say it is now an official program is because it is not completely new, and I think the Minister knows that. There is no question that at the present time under our legislation as far as welfare is concerned, if somebody receives welfare to help pay their taxes, if they come before the welfare and they have a home and they receive welfare to help pay their taxes, there is a lien taken against the house at that point by cities and municipalities, and it has been done for years. But I assure you —(Interjection)— No, the Minister says not provincially, but it has been done by cities and municipalities for years. As a matter of fact I have been part of a group of people who have approved those from time to time. I assure you that there have been many times when, back in the days of depression, and I think that many of the older people in this province at the present time are getting close to that as far as staying in their homes are concerned, that the cities and the municipalities did defer their taxes at that time. They took the lien on the house at that time. I can name many people who have had that happen to them. I had one man who is quite prominent in this city tell me the other night, "We would have been out of our homes if that didn't happen to us." It is something that is not entirely new, to defer taxes and have the city or municipality take a lien on your house.

So the province has now gone into this type of work or program, and I would only say one thing. Now that it has become an official program of the province, instead of decisions within the cities and municipalities, you are going to have to watch abuse very closely. Now I say that in all sincerity. I don't want to see any senior citizen out of their home. I think your program is one that is excellent at this time, but you are going to have to watch abuse very carefully within that program. Mr. Speaker, it is something that has to be done.

I would also say, Mr. Speaker, that I am not too happy about the fact that if that house has to be sold, the province will have to be notified because they have the lien on the house, and I will be willing to bet you the province will be down to buy that house within ten minutes, before anybody else gets a chance. There is no question in my mind that the province, with the MHRC, with their philosophy on buying, that they will probably do that. Whether that is good or bad or not, I don't know' if it does house another young family that needs housing, but let's be very very careful of abuse of this program.

Mr. Speaker, why on earth they ever stopped where they did on insulation, I don't know. It is just confusing to say that, you know, we don't want you to waste heat in this building but we don't care if you waste heat in the other building. I can't understand why that particular piece of legislation is being thought up by the Minister and I would like to suggest to them before we vote or close off this Budget, he consider that very very carefully.

Mr. Speaker, on the program that you have involved yourselves in, as far as taking people off the tax rolls are concerned, I think we all agree that it's a good one. I can remember helping my son with his income tax last year, and we were sitting down doing it and he found that he didn't have to pay any federal tax and he had to pay provincial tax, and you know he said, "Why?" And I did, as a matter of fact, I carry on to say that I showed him that on the tax credit basis, that he would end up not paying any tax. In fact he got a little bit of a refund. But he still wondered why the provincial government wanted to have a tax on him. He would have had more money come back on the other basis. He wondered why if the federal government weren't about to tax him, why was the provincial government? And I think it is a move in the right direction. It will help our young people have a little more money in their pockets.

Mr. Speaker, the unemployment, and I come back to it, that we have spoken of in this House so many times does not seem to have penetrated the minds of the government as to the seriousness that we are looking at. When you take a look at 10,000 jobs required and only 2,000 available and the government is only saying, "We are coming in with a part-time program to alleviate this," and most of the speeches the government makes on unemployment, Mr. Speaker, are blaming the Federal Government for the problem. But there are things that anybody can do.

You know, if you think and work hard enough at it, there are things you can do to keep a permanency of jobs in this province and not use our young people. I will tell you sincerely, Mr. Speaker, that around our home, our family is of an age where we have a lot of young people around, and most of them are going to be leaving this province within the next three or four months unless there is permanent employment coming to them. They are not —(Interjection)— Well, Mr. Speaker says you go to Ontario where it is worse. They are going to try to get or move around to get a permanent job. You know they are at the age of 21 and 22. They are thinking of marriage and they are not interested in working for three months here and then laid off and then wait for another program and get employed again. They want permanent jobs and they are going to try to find them. Now whether we are going to be completely successful at doing it, we have got to try to look at permanent jobs. And this government's mind is completely closed on that particular situation unless it is government in business.

And you know, Mr. Speaker, the attitude of the honourable members on the other side is when we say to them, "Industry is not coming here; they are not starting here; they are not moving here; they are not planning to go here." And they're not. You know what our answer usually is? "Well, if they don't do it, we will. If they don't like the way we perform as a government in Manitoba, they can go elsewhere," and we'll do it. That is the basic attitude of this government. With that particular attitude, it can only lead to a belief that you want to be the biggest landowner, you want to be the biggest homeowner, and you want to be the biggest employer, if not the only of those three. And you lead us to believe that on this side of the House.

Mr. Speaker, I can only say that I have a lot of respect for the present Minister of Finance. I have more respect for the present Minister of Finance than any other Minister of Finance we have ever had, and he has got more brains in his little toe than any other Minister of Finance has ever had. Mr. Speaker, I can assure you —(Interjections)—

MR. SPEAKER: Order please.

MR. F. JOHNSTON: . . . Mr. Speaker, that I have that conviction.

Mr. Speaker, the Minister of Finance has had to present a Budget to this House which I think that he is much capable of doing better, but the only reason he can't is because of the eight years of poor management of this government on the other side. You have worked yourselves into a position where you cannot even see any way out of it and the Minister of Finance at the present time is going to be called the goat of this government. And I might say it is usually true. You know, if you look at the federal politics, the guy that ends up on the outside — there was Turner, you can name them all, Trudeau moved them all aside because they were the bad guys. The Member for St. Johns got out of the portfolio before it happened to him and now the poor Member for Seven Oaks, the Minister of Finance, after the First Minister has given the sunshine Budgets to this province, he is given the job of being the goat of the financial people of this province. And it is the fault of everybody else sitting over there beside him.

MR. SPEAKER: The Honourable Attorney-General.

HONOURABLE HOWARD PAWLEY (Selkirk): Mr. Speaker, I would like to take this opportunity to participate in the Budget Debate. First I would like to commend the Honourable Minister of Finance for the very fine Budget which was introduced into this House.

I would like to deal with a number of aspects of the prevailing misinformation that is being tossed about in the province by our honourable friends opposite. And it is a very difficult matter, of course, to keep up with all the misinformation. One can only hope to deal with some small parts of the misinformation which is tossed about, and hopefully to attempt to refute misinformation. But it is very difficult, of course, to contend with misinformation which in its very nature tends to be often so very, very gross and ill-informed that it is not the easiest task to know exactly where to start. There is

so much that one has to deal with.

First I would like to deal with the entire question of taxation. This government has, ever since 1969, pursued a policy of ensuring that taxation in this province is based upon equity and upon a progressive tax structure, so that our very first tax measure was to — yes — to increase the income tax and to shift from the poll tax, the poll tax which meant the collecting of moneys from each person in Manitoba for Medicare. We recall the protestations of the Opposition in 1969 to that measure. That was, as the Honourable Minister of Finance indicated in his Budget Address, the only time in which taxation was increased in Manitoba, 1969, to remove the Medicare premium which was a regressive tax, particularly on those of low income, and to transfer that to progressive income tax.

Now we have, from province to province, many different instances of course where Medicare is still collected. In the Province of Alberta, despite its oil revenues there is still a Medicare poll tax. In British Columbia, in Ontario, there is still the Medicare poll tax. In Manitoba, of course, that has been eliminated. We have of course in Manitoba as well, instituted a system of progressive property tax rebate. A system which, it is my understanding from the information tabled by the Honourable Minister of Finance, indicates conclusively that Manitoba's Property Tax Rebate Program is the most generous in Canada, without doubt, without question, is the most generous. And that program without a doubt also, Mr. Speaker, aims towards relieving the tax burden as against those of lower income and moderate income groups.

And, Mr. Speaker, that has always been a fundamental aim of this party, of this government, that it's social and economic measures would be directed in every instance to some small extent to remove the pressure, the weight of the burden of taxation from those of lower and middle income brackets, even if it meant that those with more would have to contribute more in order that some of that weight, some of that pressure, would be eased. And that, Mr. Speaker, I'm proud to say is the philosophic difference between our party, a party which is based upon the principles of democratic socialism in contrast to their party which is based on the philosophy and spirit of *laissez-faire* approach to social and economic problems. — (Interjection) — A policy in fact of let the whale eat the little fish, the policy of letting things work just according to the marketplace, without insuring that so many of the basic wrongs, the basic wrongs of a social and human nature are not corrected in our society.

And surely, Mr. Speaker, during the short space of each and every one of us, in our own lifetime, we would want to contribute what effort, what talents, what abilities we have as individuals, in order to ease the lot, ease that pressure, ease that weight from those that have little, those that because of age or handicap, mental, physical, whatever it be, that we'd want to use our talents and our skills and abilities to ease their lot, rather than to adopt policies that impose further pressure, further weight, further load upon the disadvantaged in our society.

I cannot help, Mr. Speaker, but feel that the honourable members opposite must know that their policies pertaining to taxation, policies which have meant in the past the instituting of as I mentioned, the Medicare poll tax, policies which have attacked, and which have led the opposition to vote unanimously against property tax rebates, policies which have emphasized their disagreement with Succession Duty, even though it affects only — the Honourable Minister of Finance pointed out — only one in every fifty estates in Manitoba. I can't help but think that they must realize that their policies are not aimed towards what I think ought to be one's purpose and one's goal in political life in society.

When it comes to income tax I think it deserves repeating too, because the oppositions love to emphasize and to stress that some way or other this government is the high income tax party, even their recent ad that they published played up the fact that we had the highest income tax. They compared us with Ontario. They did not of course mention in their ad, that during their government, Manitoba enjoyed the highest income tax rate in 1964, 1967, 1968. They didn't mention of course in that expensive ad, that it was during the term of their government in 1967 that the sales tax was instituted, wasn't mentioned. They didn't mention in their ad that this government has not seen fit to increase the sales tax that they instituted in 1967. They of course didn't see fit in their ad to mention that the Medicare premium which they levied against the aged and the handicapped as well as every other citizen in Manitoba in 1969, was removed by this government in 1969. No, they pointed only to the income tax rates, province to province.

But we make no apology, because to us, the income tax system with all its deficiencies, and there are many deficiencies in the income tax system, is still a fair form of taxation than any other system of taxation that I am aware of insofar as insuring that those with ability to pay, do pay. It's certainly fairer than the poll tax, certainly fairer than the sales tax, fairer than the property tax, and when we consider taxation, if we are going to be fair and honest, then we must consider the whole framework of the taxation system, and not only that one portion that particularly suits us to emphasize.

Much has been said about energy costs a great deal over the last little while; and we heard again repetition by the Honourable Member for Sturgeon Creek, that there was political interference with hydro. I think, Mr. Speaker, as a result of the testimony from engineers, and from head of hydro,

people without political axe to grind, and people who are I think attempting to insure that well documented cases are presented to the Committee, that those statements which are as was mentioned, but blatant lies, do no credit to the individuals that continue to repeat those statements, because at this point in time, those individuals must know that the statements they are repeating are blatantly untrue and false.

And of course, Mr. Speaker, I expect within a short period of time that the opposition will recognize that their repetition of the fact that there has been some \$605 million wasted in Manitoba Hydro, that they will gradually move away from that as more and more Manitobans, when they've had the opportunity to listen to what the engineers have said, to listen to what Mr. Bateman has to say, listen to what the Honourable First Minister has to say, and to what others have to say in this connection, will recognize this for what it is, just pure hogwash.

So I can see, even at this point, that honourable members are just beginning to feel a little embarrassed by this constant repetition, because they in their own hearts know that that which they repeat is not sound, and is not accurate. I believe a month or two ago they may have honestly felt this to be true, but I can sense that even they are becoming somewhat embarrassed by that type of line, because they are beginning to see that it's not true, and even those that originated that type of false information, misleading information, have indicated publicly that they themselves, and I'm referring to Spafford

are moving away from that, moving away from that position. Mr. Speaker, I think we should play some records, some facts however. In 1965 the ultimate customer's average energy crisis in Canada, the year 1965 showed Manitoba to be the third lowest, the third lowest in Canada, 1965 during the Roblin period. In 1975 the same tables demonstrate that Manitoba is the second lowest, second lowest of all provinces in Canada. From third lowest 1965 Roblin period, to the second lowest 1975 under the leadership of our present First Minister. And, Mr. Speaker, let it now be no doubt about it, let there be no misunderstanding, the policies that have been adopted by this government pertaining to energy development, are leading towards the existence of the fact that our children, Mr. Speaker, will enjoy the lowest energy rates in Canada because of the policies of this government. From the third lowest their government, to the second lowest our government, to the lowest rates for our children, because of the policies of this government, and energy development.

Mr. Speaker, I want to also deal with the policies which really make it worthwhile to be engaged in the political world, policies which really make it worthwhile to be engaged in a movement which is dedicated towards the bringing about of social and economic transformation in order to improve the lot of the common man. To develop in adopting a policy dedicated towards the principles of democratic socialism, and those policies, those policies, Mr. Speaker, are reflected in so many of the policies which we have developed.

I mentioned earlier the Premium Free Medicare 1969, the elimination of the poll tax. I mentioned the development of Pharmacare, oh yes, the opposition would like to say, well we'll keep that program. But the fact remains, Mr. Speaker, that opposition during the period of time that they had the opportunity to do so, were either too insensitive or too negligent that they didn't even begin the planning for a Universal Pharmacare Program or even a Pharmacare Program relating to the aged in Manitoba. Let that be clear on the record, Mr. Speaker. —(Interjection)— That's not true. Mr. Speaker, in addition. . .

MR. SPEAKER: Order please.

MR. PAWLEY: Mr. Speaker, there is one thing that Manitobans are beginning to note. They are beginning to note that the Leader of the Opposition feels that nobody knows anything but him, himself, and they're beginning to notice that. They are beginning to notice an arrogance and a display of all knowledge. They are beginning to notice that the Leader of the Opposition feels that nobody knows anything but he, himself, and I think, Mr. Speaker, that we can all share information. I don't say the Leader of the Opposition doesn't know anything but Manitobans are beginning to notice that by his attitudes and by his manner, by the display of his conduct from time to time.

Mr. Speaker, I want to mention Autopac and that is one that really really has surprised me. I had thought in the 1971-1972 debate that never would occur the day when the opposition would accept universal government automobile insurance. I only wish I had with me this afternoon the many many speeches so that I could re-read those to members opposite as to the very dire things that they predicted for all Manitobans with Autopac. And yet, Mr. Speaker, if those statements that were made by the opposition back in 1971 and 1972 had turned out to be true, or even one-tenth of those statements had turned out to be true — one-tenth, we'll give the opposition benefit, if only one-tenth of those statements had been true — then, Mr. Speaker, it would be their duty, it would be their obligation to dismantle, to rip up and to remove the universal public automobile insurance in the province of Manitoba.

But, Mr. Speaker, because their attempt to frighten Manitobans bore no fruit and have been demonstrated to be what they are — falsehoods — they have now retreated as I've never seen a political party retreat so quickly on an issue. They have retreated very very quickly and have said,

"Now, it's okay. We accept it. We accept it. We accept it. We accept it."

Now, Mr. Speaker, there was something happened very very quickly pertaining to their policy on Autopac. During the present leader's campaign for leadership, he campaigned on the basis of eliminating the monopoly that he referred to as Autopac. He found it philosophically repulsive to him.

In January of this year, speaking on a Dauphin hot-line program, the Leader of the Opposition again indicated that he would like to see the automobile insurance system present in Manitoba today replaced by a competitive system. He would like to see it replaced and dismantled by a competitive system.

In the month of February, the Leader of the Opposition says . . .

MR. SPEAKER: Order please.

MR. PAWLEY: . . . we're ready to accept it. We're ready to accept Autopac as it is. I understand, Mr. Speaker, that the opposition had been involved in some poll taking and I suppose one of the issues that they were doing some polling on was whether or not Autopac was well accepted in Manitoba or not. Something happened in the space of five or six weeks to change their minds on the merits of this program which has meant so much for Manitobans and has brought such wide acclaim throughout all of Canada.

Let me remind members that back in 1971 we indicated that universal public automobile insurance would be extended throughout Canada. Let me point out that with the announcement last month of the development of universal automobile insurance in limited areas in Quebec that will be the case for about one-half of Canadians by next year. In the space of five years our prediction came true, Mr. Speaker.

I challenge honourable members to return to the position that they took last year pertaining to Autopac. I challenge honourable members to take the position that their leader did in January of this year and campaign on that issue on Autopac in the next provincial campaign. — (Interjection)— The Honourable Member for Lakeside says "We will." I am delighted; I am delighted.

MR. SPEAKER: Order please.

MR. PAWLEY: Mr. Speaker, I would like to deal with so many other of the very progressive policies that have been developed by this government. We don't have time. There are so many of those programs. I could deal with the consumer protection legislation; human rights legislation; the personal care homes; the construction of senior citizen homes; the home care programs and all the other many programs that have been introduced by this government, Mr. Speaker, without increasing taxation in order to pay for those social programs.

The other fact that is constantly ignored by the opposition during all their comments on the economic situation in Canada which I found to be the most pertinent, the most revealing statement by the Minister of Finance during his Budget Address is that for 1975 and 1976 Manitobans now exceed the average national *per capita* income; exceeded 1975 and 1976 despite the fact for the fifteen prior years Manitobans were less than the national average.

I think that is the most revealing and most important statement. I think, Mr. Speaker, that if the opposition fail to disprove that fact then all their arguments, all their allegations, all their screams about financial mismanagement by this government in the running of the affairs of the economy of this province fall flat. I would expect that some honourable members would like to demonstrate, to explain if they could, if that is a fact then in what way has this government not surpassed the aims and objectives that anyone could possibly have set for the governors of this province.

Something was said the other day about population loss and that was a comment made by the Leader of the Opposition. Mr. Speaker, when he talks about population not growing I would like to just point out one fact for honourable members opposite to reflect upon and that is that although this government has been in office since 1969, there has been a net increase in population each year since 1969, and during two of their years there were net population losses. I say that so that they need not think that, oh, everything was hunky-dory when we had the opportunity and during this government people are leaving the province. For some strange reason, Mr. Speaker, for two separate years there was a population decrease in Manitoba during the years 1958 to 1968. — (Interjection)— My friends don't like the use of that word.

Mr. Speaker, I would like to just conclude by pointing out a number of facts as to the province today. The statistics and records from the Honourable Minister of Finance's documents that he filed in this House show that Manitoba is the fifth lowest *per capita* taxes of all provinces in Canada; the fourth lowest gasoline tax; the third lowest diesel fuel tax; the third lowest number of civil servants per 1,000 population; the third lowest unemployment rate; the second lowest public transportation charges in Winnipeg of twelve major cities; the second lowest *per capita* of government expenditures of any province in Canada; a lower than average consumer price index; a higher than average growth rate; the second comparatively low electricity rate, as I mentioned before the second lowest of any province in Canada; virtually the lowest university tuition fees; the lowest telephone rates of twelve major cities in Canada; the lowest sales tax except for the province of Alberta with its oil revenues; the lowest car insurance premiums in Canada, and there we could also add the best claim service; a no-

Tuesday, April 26, 1977

premium Medicare as they have in British Columbia, Conservative Alberta, Ontario and Quebec where there's charges anywhere from \$138 to \$384 per family.

One other basic item that I would like to mention insofar as our party is concerned which I think contrasts so sharply with the party which the honourable members opposite are members of, that is that all party resolutions and policies that our party pass at their conventions are undertaken as a result of resolutions which originate at the constituency level, grassroots, and find their way to the convention floor. There is a discussion. Votes are taken and it's a clear indication of the party's position *vis-a-vis* any particular policy position.

I could not help, Mr. Speaker, but contrast that with the recent Conservative Conference, policy conference, held in the City of Winnipeg; and despite the fact that they boast about having — what is it? — 25,000 or 30,000 members, 500 people attend. I could not help but notice the tight rein that was kept on all the proceedings. No voting, we are informed, was allowed insofar as the policy papers. The policy papers, I understand, were not binding on anyone, including the Leader of the Conservative Party and his colleagues in the Legislature here.

The fact is that the opposition party has by this manoeuvre, very cleverly concealed its real intentions behind a great deal of fluff. You would think, Mr. Speaker, that they suddenly have put away all their speeches from 1969 up until 1976, they've put them away, they've shelved them all. They come out with a great number of very fancy policy statements which are not binding upon them, which contradict most of what they have said during the past seven years in order to conceal, Mr. Speaker, their real intent, their real philosophy as a government, because they know an election is coming, so they've shelved away all of their speeches, all their policies of the past seven years. They hope that Manitobans won't dig up those old policies, those old speeches, and now they throw at us all these new policy statements, all these new policy statements, passed at their recent policy conference, but Mr. Speaker, making it clear that they're not binding on them. They are only statements that aren't binding on them, they made that very very clear; and trying to appear to Manitobans to no longer be a right wing, a reactionary, a party of big business, but rather as a very moderate somewhat left-of-centre party interested in reform. Suddenly they are trying to project that type of image to Manitobans.

Mr. Speaker, I want to say this, that they fool themselves, they fool themselves that they've failed to properly estimate the intelligence of Manitobans. Manitobans have a lot of common sense. Manitobans have a lot of intelligence. They have a lot of intuition. And, Mr. Speaker, with that intelligence, with that intuition and with that common sense they will not allow the opposition, through a clever little manoeuvre to shelve all those old policies, all those old documents, all those old speeches in order to conceal their real intentions. Manitobans will not allow them to get away with that and we will, of course, see the result of that very shortly when Manitobans will demonstrate that very forcibly.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Speaker. I feel compelled to speak on the comments of the Attorney-General, but would think it kindly of you, Mr. Speaker, if we would call it 5:30.

MR. SPEAKER: Very well. I'm calling it 5:30, a recess for the supper hour and I shall return to the Chair at 8:00 p.m.