

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, February 14, 1967

MR. SPEAKER: The adjourned debate. The proposed motion of the Honourable the Provincial Treasurer and the proposed motion of the Honourable Leader of the Opposition in amendment thereto, and the proposed motion of the Honourable Member for St. John's in amendment thereto, that is the sub-amendment. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I hope I can do justice tonight in speaking on the Centennial budget of our province. The other day when the Honourable Member for St. John's spoke on the budget, he had a verse of scripture as a text, and if I might use one as well I would use Isaiah 5-20, which says, "Woe unto them that call evil good and good evil, and that put darkness for light and light for darkness, and that put bitter for sweet and sweet for bitter." I think this is what we have in our budget. I for one am keeping our Manitoba people free and not enslave them, and I think when the honourable Speaker called the motion he said, "The Ways and Means Committee." This is very true for what we are speaking on tonight. They sure are using every means in trying to bring about the necessary funds that we will be needing this coming year. And I don't think that the means, in my opinion, are too honourable either. We have to meet some \$354 million of spending that they're proposing under the estimates that we're dealing with at the present time.

Now the other day the Honourable Member for St. John's advocated that we should probably borrow on a short term basis to meet these costs and await the Carter Commission Report and at that time bring in tax measures that would give us the necessary funds. Well, Mr. Speaker, I am opposed to borrowing - period, and I'm opposed to this principle in principle. I don't think we should be borrowing, be it capital or operating, and certainly not for operating. There is no reason for a government to go into debt on this basis. People should pay for the services that they ask for and require of a government. We should be living within our means, certainly these years when we've had very good years, we've had no crop failures, all these years that the present government has been in office, and look what has happened. I think it is a shame. And when I talk of living within our means, as individuals, many people try to do this and certainly we as a government should set an example in this direction.

I have already mentioned the good years that we've had and even our budget statement says this every year, that we have a buoyant economy, and yet we're budgeting for a deficit. This government since it has been in office has gone head over heels into debt, and if I take a look at the Wood-Gundy Report, the one which was just recently published, and look at the other provinces, how they compare, I find that we're certainly not redeeming our debt as we should. I notice here that for 1965 our net public debt stood at \$187,265,000 - that was \$194.66 per capita. In 1966 we had a net public debt of \$186,393,000 a per capita debt of \$194.36. Mr. Speaker, this does not include the contingent liabilities and guarantees and indebtedness of our utilities. These are in addition to that. And then I look to the Social Credit provinces to the west, Alberta and B.C., and I find that the province of B.C. is free of debt since 1960. There is no direct debt in this province. The Cabinet Ministers can laugh at this, but they can take a look at the statistics themselves.

And surely enough I didn't quote -- when I quoted I didn't quote the liabilities of our utilities, I quoted the direct provincial net debt of this province, and the table here shows that there is no direct debt in B.C. and there's no direct per capita debt either. When we take a look at the Province of Alberta, they have a small direct debt, but I might point out, Mr. Speaker, that these are bonds held by the people which will not deter them or they will not hand them in so that the province can pay them out. They have large reserves, somewhere close to \$600 million. And where are we in Manitoba? We're away down the bottom and in the hole. I'm sure that it is the policy alone of these two governments of not going into debt and first of all paying off the debt and then remaining free, that this has paid off. It's definitely paid off in B.C. and Alberta, the two Social Credit administrations that we have. When we take a look at Ontario, Ontario is a rich province, it's richer as far as the mineral resources are concerned than the two provinces to the west, and what do we find here? Their net public debt is \$1,383,504,000; \$201.00 per capita, and this doesn't include their contingent liabilities either.

So here we have our province, the province to the east, both Conservative provinces,

(MR. FROESE, cont'd) . . . . and look how they are sitting in debt. I sure hope that we do not get into the position that the Federal Government has where they apparently are practising the policy of not ever repaying the debt at all, because there you find that when bonds come due, they just re-finance, they just borrow more money in order to pay off their indebtedness. I hope we never get to that position here in this province where this is the case. This policy that is being practised in Alberta and B.C. means that they don't have to pay any interest, and as a result, the money that they would have to pay in interest is being used for other purposes. They can improve their services to their people as a result; they can start new programs; and certainly this is to an advantage.

I should probably point out that in 1960, after I'd entered this House, it was the first session that I witnessed and at that time the interest that we paid in order to pay the debts -- the interest on the provincial debt, the amount we had to take from the government coffers was \$1,000 - I think \$1,029 to be exact. Today this has risen to well over \$15 million, just seven years later. Just think of that, the rate we're going into debt here in this province. Surely the Ministers and the government should take note of this and start on a "pay-as-you-go" program, and adopt this because it's paying off, and it's paying dividends for sure. By not having to pay this large amount of interest they are able to take advantage of other programs, the programs that are presently being offered by the Federal Government in the way of shared services - or shared joint programs. We noted the other day when the Leader of the Opposition spoke on the budget, he mentioned the figures as to the Province of Alberta taking advantage in connection with the technical vocational grants and that they had received some \$120 million I think, if I am correct, in this regard, and that we were way down having only obtained \$14 million and that today we haven't got the technical vocational schools necessary to train our young people and to give them the necessary skills.

Now we find that here in Manitoba, instead of being able to take advantage of the situation the reverse is true. We are saddling the people of this province with a sales tax, and they're trying to justify this action by bringing in a school program, a new school program, and labelling it an education tax. I think this is a farce. I don't know who conceived or who had a brain wave like this, because certainly the amount that we will be receiving will not nearly cover the cost of education in this province, and once we're starting on this new program costs will increase. This is not only what I say, this is what the White Paper says, that we shall expect that the costs will rise.

I think this new Foundation program is the biggest sell-out of democracy in Manitoba ever. The Government is trying to remove a complete level of government, that of the public school districts of this province, a drive to remove some 12 to 14 hundred legal entities off the books of our province, the smallest and least costly, the most economic units of government in Manitoba. I'm sure there's no doubt in any of the members' minds on this. These local districts have been operating very efficiently right along. It's an area of government where a dollar will do more than at any other level of government, costs the least to collect, and spent most efficiently. It's a level of government that has caused the least trouble; has received the largest volunteer effort; and has served well indeed. It has provided a forum with legal status for discussion purposes and has been a bulwark for democracy.

Now we're going to scrap this and we're going to bring in socialism through the front door, and that's what this new program is. It's socialism as I can see it, and I wouldn't be surprised when the bill comes in that it will be setting up a school commission with probably one of the other members of the government being appointed as one of the members again. This has been the order of business. This is the usual procedure. The powers that have until this time been vested in the provincial district boards will not be vested with the division boards now but will go to the provincial financing board, because we find this to be true under the White Paper, giving the power to pass money by-laws to this provincial financing board.

This new sales tax that we are being imposed of or will be in short order will definitely mean hardships to the people of this province and they are imposing it to remove an administration that has been decentralized for all these years. They're going to spend large amounts of money for this purpose using the taxpayers' money to provide a "carrot" and to induce them to vote a certain way. This in my opinion is blackmail. We're going to sell a heritage for a mass of pottage. Just the other night while watching T. V. I saw an ad that they are now putting on trying to sell their program, and I just wonder how much money is the government going to spend in this way. Is the \$150,000 that we voted going to cover this, or is this in addition to what we've already voted. Would the government consider spending some of that money to give

(MR. FROESE cont'd) . . . . them the whole story and tell them just what they're losing and the loss that they will be sustaining because of this new program.

I was quite intrigued by the Yellow Paper that was put into our folder and I notice here on the back page the question, and I quote: "If I vote for a single district school division will I still have a voice in the education of my children." And it says - the right answer: "Yes, certainly. You will have a representative school board of up to 11 trustees representing each ward in your division." Those are the rights from here on of the electors, of the people of this province, to elect one trustee. That is all - nothing further. The forum that had legal status where they could express themselves will be completely eliminated. The only thing they can do from here on is elect one trustee.

Then it says further on: "They will be in a position to hire sufficient supervisory and administrative personnel capable of introducing the changes made necessary by continuing curriculum changes." And then the last sentence, "School policy at the local level may then be presented for the approval of parents and trustees by your own superintendent and administrative personnel." It won't be up to the trustees even to do this. They're expecting the administrative personnel to do this, and, Mr. Speaker, I am sure you know as well as I, that certainly the administrative personnel will not be listening to the people in this province as to what is supposed to go on. They will be directed from the top down. They will get their directions from the government and the department.

Now turning to the matter of the sales tax. Just what effect is this going to have; what can we expect as a result of this tax; and how does it compare with other provinces. I note from a folder that I have here in my hands, this comes from Alberta and it's called, "Alberta, the Tax Haven of Canada." Alberta had a large number of taxes when the government first came into power in Alberta. You can see the big load that the taxpayer had to carry. I think there is a dozen taxes listed. Today, as a result of government policy in that province, they have eliminated those taxes to where they only have two taxes left. A third one is being eliminated this year and that is the estate tax. I just hope that - well, this is just wishful thinking on my part - that we could have such a state of affairs in this province, where we could eliminate the estate tax and that we could speak of having only two taxes. Instead, the very reverse is true in this province. Look at the number of taxes that have been imposed by this government since it came to power. Look at the increased government expenditures that we've had. When I first came into the House in 1960 the estimates that year were \$89 million; today they are \$354 million - a very large increase. If people were getting value for their money I wouldn't be so disappointed, but we are not.

I would just like to point out a few more things about the Alberta government and compare it with Manitoba. In Alberta they have no sales tax, as you know. However, if Alberta had a sales tax equal to the national average in Canada, then Albertans would pay \$76 million more than they presently do. If the sales tax was at a level of Ontario, Nova Scotia, P. E. I., Newfoundland, they would have to pay an additional \$93 million more; and if it was at the level of Quebec and New Brunswick, they would have to pay \$112 million.

Let's take the gasoline tax. They have a gasoline tax in Alberta of 12 cents a gallon, and if Alberta had a gasoline tax equal to the national average, Albertans would pay \$15-1/2 million more. If they had a gasoline tax like we have in Manitoba, they would pay \$19 million more to their treasury; and if it was at the level of the Maritimes, it would be \$25 million more. So you can see how well off the people are in that province compared to ours.

Let's take a look at personal and corporation income tax. If Alberta rates were equal to Manitoba, they would have to pay \$13,400,000 more than they presently do; if it was equal to Saskatchewan's, they would pay \$15,400,000 more. These are substantial amounts, and look how the people in Manitoba are being taxed.

Coming to the municipal taxes, Alberta's municipal property taxes are lower than the average for Canada because: (1) in 1966, every homeowner in Alberta will receive a \$50 tax discount on his property taxes; (2) Alberta's grants are higher - from 1950 to 1966, total assistance to municipalities and local authorities was \$1,571,857,686, and there's a note - please note - for the same period, all revenues from sales, rentals, royalties, etc., were \$1,663,000,000, so almost all the monies were given in fact to the municipalities, so that the municipalities in that province enjoy much better conditions than what we have in Manitoba.

So, Mr. Speaker, these are some of the comparisons that I thought should be put on record. And where do we stand in Manitoba? In Manitoba, we're increasing instead of decreasing, first of all, the number of taxes and also the amount and the rate of taxes. We've imposed a

(MR. FROESE, cont'd) . . . . gasoline tax of 17 cents; we have a diesel tax of 20 cents; hospital premiums of \$48.00 in addition to -- whereas the Alberta government doesn't have this; amusement tax, 10 percent; cigarette tax, 8 cents on a package of 20 cigarettes; electricity, 5 percent as well as telephone, 5 percent - that's on the utilities; the estate tax, we're keeping the full amount - 75 percent of the total collected, the Federal Government retains 25 percent. This item is now being legislated in Alberta. They will return that 75 percent to the individual estates; none of it will be kept by the province. In addition, we've had increased licence fees; we've had increased fees in almost all cases under the various legislation that has been passed to date; and we've had an increase in income tax too.

I've already mentioned the Alberta taxes, the way they have been reduced and that only two of them are left. If any one of the Albertans does not drink or drive a car, he will pay no provincial taxes. Surely enough, Mr. Speaker, it is self-understandable that this province, a province like that can attract industry more readily, and sure enough if you attract people as well - and they have had a large increase in the number of people living in this province and the figures are increasing every year - that means that they have an increase of taxpayers, whereas we will have fewer numbers and therefore the taxes will naturally be larger.

In connection with the estate taxes being eliminated, certainly this will attract the wealthy people to that province and as a result there will be more wealth in the province and, in turn, will be able to pay higher salaries and so on to labor, and better wages, which means more purchasing power and therefore a much healthier economy. So this all adds up.

Now coming back to the sales tax, a five percent sales tax in this province will hurt the economy. I can't help but feel that way and I'm sure that's the case. Look at the construction industry, having had a 12 percent sales tax imposed on it by the Federal Government, now we are going to impose a further five percent provincially. This definitely will retard construction and the economy will suffer as a result. Look at what it will do to the value of cars when you make a trade-in. Then also in connection with investment, I cannot but feel that as a result of this tax there will be loss of confidence in the government and the economy as such. I think we can justify this, or at least to a certain extent read this out of the amount of parity bonds that were sold in this last issue. If you take a look at the statistics, only 6.2 million were sold whereas in the earlier sales, in the earlier issues we sold large amounts. Now we are way down, we're down to 6.2 million, and I think that this is a loss of confidence by the people of this province.

On the other hand, look at British Columbia, where they're now setting up a new bank and the people are just pouring money into this new bank. It is coming in by droves, yet they're not even set up at the present time, they are just in the nature of setting up, and large amounts of money are coming in from the people themselves. This is definitely showing confidence and certainly this will augur well for their province.

Then also we had a return the other day as to the amount of parity bonds that have been cashed in, and in 1966, \$17,575,000 worth of parity bonds were cashed in. This is certainly no healthy condition, Mr. Speaker, that we as a province in selling these securities which are callable at any time, to have such large amounts cashed in within a given year.

Certainly I think we have to set our whole thing in order here in this province of Manitoba before people will come out and really support the government. I think we should look for savings rather than to just look at expenditures in the estimates. I have already mentioned one, the matter of interest. If we keep on borrowing the way we do - and the government is proposing to borrow another \$100 million this year - when we already increased the indebtedness of the utilities from 408 to \$484 million, we are proposing to borrow another \$100 million, some of it for the utilities, but some 8 million for operational purposes. Certainly this should not be there and this will just increase the interest costs in years to come. I think because of the school program we are cutting out this large amount of volunteer effort put forward by the trustees of this province. This will all be lost. This will mean an additional cost to the Treasury of this province. The people that from here on will do the work will be paid and this will be an extra burden to the Treasury of this province.

Mr. Speaker, we have heard of many Centennial projects being proposed throughout the province and the government encouraging projects of this type, but I think the sales tax, which in my opinion you could call a centennial tax, is the crowning event of the whole thing.

MR. LYON: What do you call B.C.'s sales tax?

MR. FROESE: B.C.'s sales tax was imposed before Social Credit came into power, and

(MR. FROESE, cont'd) . . . .if my friends on the government side would develop the natural resources in this province as has been done in B. C., I wouldn't quibble about some of these things. Look at the development that they have in that province. They're getting some \$80 million from the natural resources whereas we get some \$4 million - way way down - and if you take a look at Alberta, the other Social Credit province, they're getting over \$200 million. So where are we? Way down in the cellar.

So then we have set up a Manitoba Development Fund to help along these industries and last year this House voted \$50 million towards it. This money is being lent to industries and from the figures that I saw in the press, some \$28 million was lent to an industry out west here and the government and the people of this province, through this Crown agency, are to a certain extent subsidizing the interest on these loans and I'm just wondering. . . .

MR. SPEAKER: Order, please. I wonder if I may remind the honourable member that he has spoken for 35 minutes; he still has five minutes.

MR. FROESE: I'll try and do my best to be within the limit.

I think it's high time that we set up some reserves for this Development Fund because we will have losses, and under that Churchill Forest Industry we are going to have to subsidize, so that we're going to run in the hole on this.

Then too, look at the record; look at what's taking place in this province under that Fund. Businesses are going broke, and who is the loser? The shareholders of these companies. Look at Plum Coulee Gorge - every shareholder lost his last cent, not a cent was left for the shareholders. And I am just wondering about Friendly Family Farms that has changed hands. I understand the shareholders will only get some 30 cents on the dollar. Look at that. I think it's high time that we take a good look at this agency and what it is doing, whether it's not doing more harm than good. Certainly we will have more to say when we get to the estimates on this particular department.

I will leave out certain matters that I had thought of bringing out, but I think one other item should be mentioned and that has also to do with the Department of Industry and Commerce, that they have been crying for help. They say that we need help in this province. We're short of skilled people and that they want to bring in these people from other countries, and because of federal regulations requiring a Grade 11 standard, that we are unable to get these people. Look what we are doing in this province. We're doing the very same thing. Students have to have Grade 11 in order to get into these schools, and certainly if this is a problem now, we should try and eliminate it. Let those youngsters who are not academically inclined, let them take advantage and get a skill at an earlier age. Why keep them in school when they probably just make trouble and would do much better elsewhere. Certainly this should be taken into consideration and I certainly will want some explanations when we get to the Department of Industry and Commerce on this matter.

Now, Mr. Speaker, I have a few other things but I will leave these to another occasion when I anticipate having something further to say. Thank you.

MR. SPIVAK: Mr. Speaker, may I say to the honourable member that I look forward with anticipation when my estimates come up and I have the occasion of answering some of the questions he'll be asking me.

This is the first opportunity that I have had to address this House. I'm a new member and a new Minister, and from my own experiences I think I know our business community, and in my official capacity I have had quite an opportunity to travel through our province and the fact that has struck me the most, as I listened to the debates in this House, has been the amazing contrast between what I have seen with my own eyes and what I have heard spoken in this House by the members of the Opposition.

Mr. Speaker, when I hear the complaints from the Opposition, sometimes I almost forget what is really happening on the outside. Can this really be Manitoba that they are talking about? Can this really be the same province that I've travelled through? Can these really be the same Manitobans that I've met on my travels? I doubt it. I cannot believe that what my own senses have told me is so wrong. I have seen this province. It is vibrant and it is growing. I have met Manitobans in all walks of life; they are optimistic; they believe in the future of this province.

Now Mark Twain once said: "Get your facts first and then you can distort them as much as you please." Mr. Speaker, the speeches I have heard in the last few days from the Opposition in our budget debate have not even attempted to deal with the facts; they've just ignored the realities of Manitoba altogether. They have ignored what has actually happened in Manitoba

(MR. SPIVAK, cont'd) . . . . over the past eight years. They ignore everything good that has happened in this province and they ignore the progressive legislation introduced by the government.

MR. SPEAKER: Order please. I wonder if the Honourable Minister could have the attention of the House for a little while any way. The Honourable Minister of Industry and Commerce.

MR. SPIVAK: They ignore everything good that has happened in this province, they ignore the progressive legislation introduced by the government and paint only a picture of gloom and despair. Now the Opposition has been doing this for some time, harping on the same themes and refusing to see what really has been taking place in this province. One is tempted to compare them with the three monkeys with their hands over their mouths, eyes and ears: speak no progress; see no progress; hear no progress. But just take a drive through our province and see for yourselves what has been happening. It's full of bustle and energy and full of optimism. It's a tonic and perhaps it's a medicine that our Opposition needs.

Now Winston Churchill once said: "Men occasionally stumble over the truth, but most of them pick themselves up and hurry off as if nothing had happened." Now it seems to me, Mr. Speaker, that is exactly what has happened to the Opposition in this House. If they do stumble on the truth of the great progress in this province, they hurry off and carry on as before, refusing to believe it and coming out with the same old criticism and the same old refrain.

Now I'm not particularly worried if the Opposition gets to believe their own speeches. They've repeated them for so long this is bound to happen, but I am concerned that investors outside of this province hearing the same melancholy refrain over and over again might begin to believe it as well, and if they do, the Opposition will have committed a great disservice to our province and to our people. I'm deadly serious about this and I advise the Opposition that they have an equal duty, along with the government, to act in a responsible manner. Now it's easier to tear something down than build it up, as every child learns early in life, but it's the builders that make this world a better place.

Now last fall a reporter from Toronto named Fraser Robertson toured Manitoba and he wrote a series of 18 articles in the Globe and Mail, and I'd like to refer to them tonight and I would like to recommend to each Member on the Opposition side that they read them. Let me just refer to the topics that he wrote - these are 18 articles appearing from October 11 to November 4 in the Globe and Mail about Manitoba: Stepping Stones of Progress Being Placed in the Wilderness; Seven Communities Make up Churchill; Inception Culmination of Education on Hudson Bay; The Wheat Board - Villain of the Piece; Manitoba's Restless Thompson - Very Model of a Town that Nickel Built; North Being Pushed Farther North; Melting Pot Keeps Industry Boiling at Flin Flon; A Fresh Breeze from the North; Dauphin - Restless for Opportunity; Seldom is Heard a Pessimistic Word; Brandon to Steinbach - All Get Up and Go; A Revolution on the Farm; Small Industries Make the Growth of Giants Possible; Strength of Unity Behind Growth in Manitoba; The Nelson River Project - - Key to Manitoba's Plan for a Power Based Economy; Winnipeg Prefers to Avoid Excitement of Risk; Equal Opportunity Through Enterprise; Weak on Figures, Strong on Growth.

Now I would recommend that these various articles be read by our friends in the Opposition and I would like to comment on one article that appeared on October 25th in the Globe and Mail. Its title - Fraser Robertson wrote it - and it's titled "Seldom is Heard a Pessimistic Word", and he was writing about Brandon and about Minnedosa and about Carberry and about Boissevain, and here is what he said and I quote: "The areas mentioned above are not chosen because they are unique but rather to illustrate the wide range of industrial activity which is going on in many communities all through the western Manitoba region. Some assist farmers to produce better crops or to make higher profits from farming by diversification. Some import raw materials and sell the products far and wide. Nearly all do some exporting. The total effect on the community is to raise both the level and breadth of opportunity and to increase income. In some parts of the region the economy remains marginal, but such areas are being penetrated on all sides by vigorous enterprise. The proof it is there is to be seen in the improvement and growth of all the service elements, both town and country. This is true not only of the western Manitoba region officially designated as depressed; it is true of the whole agriculture area of southern Manitoba through which I went by car for a full week without encountering a single pessimist."

(MR. SPIVAK, cont'd) . . . .

Well, if Mr. Fraser Robertson, who by the way is a noted columnist, had come to this House -- (Interjection)-- well I suspect if you look up the credentials on Mr. Robertson you will find he has been with the Globe and Mail for many many years and has been the business writer. Well, if Mr. Fraser Robertson had come to the House I could have showed him some real pessimists. They're all sitting right across from me. They don't know what's happening because they do not relate our achievements in Manitoba to our own capability and potential. They won't admit that our job is to make the best out of what we have here in this province.

Now our geographic position isn't going to change and we cannot move our province to New England, as the Leader of the Opposition suggested in his original address on the Speech from the Throne, but we can do our utmost to develop an industrial community here so that instead of being far from everything we can become the centre of something new, and this is what we are trying to do. It's creative; it takes imagination; it takes optimism and a very positive approach; and I'm very proud to be part of a government that has exhibited in all its endeavours these qualities and characteristics and I'm equally proud to be part of a government that has as its head one who has that rare quality of leadership so necessary to accomplish these ends.

We cannot pull resources out of the ground that are not there, and I suggest that the Honourable Member from Rhineland understand this fact, and all the talk in the world will not do this, but we can and we will use to the full extent the resources we do have. We can and will expand and improve our educational plant so that more skilled and more educated Manitobans do earn higher wages. We can and will use our own water power in the vast north to its potential and it will act as a magnet to draw new industries here and to employ our people. We can and will take the pulpwood of the north and by an imaginative and creative approach produce an industry that will benefit our whole province. These are positive things. They are not easy to do. They take a long time. These ideas were not conceived by pessimists.

Now let's look at the capital investment in Manitoba in 1966 and compare it with the rest of Canada. In 1966 our province's investment in social capital - that's in schools and colleges and housing and hospitals - was \$324.00 for every person in this province; for all of Canada it was \$212.00. In 1966 Manitoba's investment in public utilities was \$193.00 per capita; in Canada as a whole, \$178.00. In construction in primary industries, our province invested \$178.00 per capita against \$151.00 for Canada as a whole. To me, these are impressive figures and they show an awareness of public need and a policy that is meeting them.

Now a government which has encouraged this kind of capital investment is not failing to meet its responsibilities by any stretch of the imagination, but meeting these responsibilities takes money and to find the money a government must levy taxes, and so far no one has suggested in this debate a practical approach to take the tax measures that are necessary to achieve the revenues that are desired. But I take issue with the other allegations made during this budget debate. Now I've sat here and listened with amazement to complaints that say, and I quote from the Honourable Member from St. John's, that "the government has failed to produce a blueprint for the future."

Now, Mr. Speaker, it was many years before I had the opportunity of speaking in this House that this government had the foresight to set up the Committee on Manitoba's Economic Future. It took a hard look at the province's past, present and future, and in that huge report, the result of two years hard work by our leading citizens, and if that huge report is not a blueprint, then I don't know what a blueprint is. The COMEF Report has been an invaluable guide to economic development in Manitoba. It has established realistic goals and guidelines based on our own potential, and the policy of realistic appraisal and planning will be continued in the future.

The Honourable Member from St. John's said in his address on Monday, "Love thy neighbour". Envy thy neighbour is a different thing altogether and there are some of us in this House who are guilty of this, and all of us, I suggest, would be better advised to address ourselves to much more fitting problems in this House and that is "Known thyself", and this is exactly what COMEF is.

Now the claim has been made that the government has failed to show results in three sectors: in jobs for our people, in income for our people and in provincial economic growth. Well let me deal with first, jobs for our people. In the most clean terms, Mr. Speaker, because of the climate created by this government, industry has developed more jobs than we

(MR. SPIVAK, cont'd) . . . . have people to fill them. Our unemployment rate is only 2.5 percent of our population and has been one to three points lower than the rest of Canada since 1958. In Manitoba, industry has created new jobs for our people.

Secondly, income for our people. Now, Mr. Speaker, the personal income per capita in Manitoba from 1961 to 1965 grew faster than the Canadian average and faster than such favoured provinces as Ontario, B.C., and Alberta, and in 1966 the increase in total wages and salaries was the highest in Manitoba's recent history and I do not believe this to be a bad record.

Now I wish to say something about wage rates and add to what the Honourable Member the Minister of Labour said earlier in this debate this afternoon. Neither side of this House has a monopoly on good intentions and I don't think I need to add that this government does stand wholeheartedly for a higher standard of living for everyone in Manitoba, but I see the role of government in this respect as creating a climate for economic growth, not as a dictator of wages. The government must encourage industry and new jobs; it must see that there is protection and welfare provided for those people unable to provide for themselves adequately; but once it has done these two things, set the climate and protect the people that need it, its role changes. I see the role of government as setting a rule so that labour and management can deal effectively and amicably with each other. Government is an umpire and not a coach. It sees that the rules are enforced and that the game is played fairly, and like a good referee it does not interfere with the game or control it. It creates a favourable climate for satisfactory labour-management negotiations but it does not dictate the outcome of the negotiations. Now I believe that the outstanding record of Manitoba labour-management relations shows that this has been the correct approach.

Now the third criticism that has been offered was that this province's economy was not growing. Mr. Speaker, there are many new members here besides myself. They have listened to the speeches from the other side of the House and perhaps they do not know the true facts about Manitoba's growth in the past eight years, for this in reality is not a criticism of only 1964 and '65 and '66, but of the whole nine years of this government's efforts in economic development. The facts on Manitoba's economic growth that I wish to read into the record are real increases; they are not illusionary mirages. They represent real bricks and mortar, machinery going at full blast and workers riding home on pay day from jobs that were not there eight years ago, with pay cheques in their pockets that were not there eight years ago, in cars that they couldn't afford eight years ago, in homes that were not in existence eight years ago, and this growth is real; you can touch it and you can see it. You can drive around our cities and see it in the industrial parks; you can drive around our province and see it, as Fraser Robertson did, in our farm communities, in our rural areas and in our north.

Now since 1958 new manufacturing firms established in this province have made initial investments totalling \$118 million in new plants and equipment. Manitoba has today 270 manufacturing establishments that were not in existence nine years ago. For the benefit of some of the new members I would like to read some of them: Border Chemicals, Chicago Blower, Old Dutch Foods, Western Business Forms, Catelli Food Products, Custom Abattoir, Irish Potato Chips, Aetna Garments, Price Acme of Canada Limited, Simplot of Canada Limited, Canadian Bristol Aerojet Limited, Pool Packers Limited, Joni Originals Limited, Inland Cement Limited, Northwest Design and Fabrication Limited, Spiroll Corporation, Border Fertilizer Limited, Doris Hosiery, Electro Air Corporation, Viscount Trailers Limited, ITT Canada Limited, Polaris Industries, Simplot Chemical Company, Viking Laminates, A. . . Dauphin Alfalfa, Miami Fashions.

These are but just a few, and our existing industries have made outstanding progress. Look at the new plants that have sprung up around the province and in our industrial parks. Since 1960, 164 million have been invested in major expansions in the following list: Building Products, C. T. Loewen, Pressurecrete, Midwest Mining, Carlings, Kimberley-Clark, Canadian Wire and Cable, Fort Garry Brewery, Chicago Blower, Polyethylene bags, Border Chemical, Canada Cement, Bridge and Tank Western, Federated Co-ops, Creco Limited, Co-op Prairie Tanners, Pepsi-Cola, A. A. DeFehr, Labatts, Shell Oil, Canadian Bristol Aerojet, Burns and Company, Martin Paper Products Limited, Pool Packers, Canada Packers, Flying Dutchman, Killbery Industries, Western Flyer, Pioneer Electric, Stephens Paint, Imperial Oil Enterprises, Manitoba Sugar, Catelli, Campbell Soup, Blackwoods and Dominion Tanners.

And what of 1966, the year of our industrial breakthrough. More new manufacturing

(MR. SPIVAK, cont'd) . . . . plants than in any recent year - 58 new plants. Capital investment in manufacturing estimated at \$64 million, up a phenomenal 44 percent over 1965. Gross provincial output up seven percent to 2.6 billion - a new record. Manufacturing output almost six percent.

Now our businessmen in a year-end survey state the facts of our industrial growth. In 1966 over 300 firms indicated planned investment in new or expanded facilities. These firms expect to commit over \$80 million in new plant and equipment. These firms expect that when the expansions are completed more than 4,300 new direct job opportunities will have been created. These firms expect that their factory shipments will increase by more than \$60 million. And remember that our economic growth comes in stages - 1966 was the biggest year we ever had but we are ending one stage; the next stage is just beginning. We have not yet seen the effects of the catalytic growth industries and in the years to come their multiplier effect will introduce an entirely new level of economic growth in this province.

Now, Mr. Speaker, knowing the excellent strides that we in Manitoba have made and being surrounded by these results of progress, our good friends across the floor must be very hard put to stay as pessimistic as they are. Now those of you who are familiar with the comic cartoon Little Abner will remember the poor little character Joe Bsftck. Now Joe walked around with a rain cloud over his head and he spread gloom and misery wherever he went. Now I hope my friends opposite are not similarly afflicted and that they will do their best to step out into wonderful Manitoba and enjoy, as the rest of our citizens are enjoying, the great progress we really are making. I wish to assure both sides of the House that there will be new industries in Manitoba during the next year and further production records set in our province despite the pessimists, and I can assure both sides of the House that it could not surprise me one bit to hear the same old refrain next year from the Opposition benches.

But let me say here and now, I believe in the Province of Manitoba and I believe it will continue to develop and grow. I do not believe that new taxes will stop any growth just as it did not stop Calverts of Canada and the House of Seagrams from coming here today, and just as it will not stop growth in other provinces that have similar taxes. I intend to do everything in my power to see that Manitoba develops to its fullest potential and capabilities. I've never been a pessimist; the Ministers of this government are certainly not pessimists and the back-benchers who sit with me are not pessimists. I must admit that in one sense today's announcement by the House of Seagrams has put me in high spirits and it promises just what the government has been saying throughout the years - more jobs, more income and more growth. It's very hard for me this evening to be angry at our friends opposite and I cannot but feel optimistic for them as well. I'm sure that a little ray of sunshine will break through the clouds and warm their hearts and put smiles on their faces, and the truth is we want and need the help of every member of this House to build up this province to its full capability and to its potential.

However, I would urge our members in the Opposition to stop seeking out any statistic they can find to run our province down. I know that the people of Manitoba are fed up with this type of campaign. They know it isn't true; they know that this kind of negative attitude is bad for Manitoba, both inside and outside of this province, and therefore I would urge my honourable friends to examine Manitoba's progress within the scope of what it is possible for this province to accomplish and they would see I am sure that we are forging ahead.

MR. CHAIRMAN: The Honourable Member for Hamiota.

MR. DAWSON: Mr. Speaker, first I want to compliment the Minister on his excellent speech. I'm sure that if he gets this bond that it'll make a best seller in the fiction department of course. He goes on to say that the economy is vibrant. I think he's right, the economy is vibrant. It's so vibrant that it's downright shaky. He goes along, he tells us about all the wonderful development in Brandon, Winnipeg, Portage la Prairie and possibly Gimli, where the other Minister lives. But what about all our small towns? I've said this before and I'm firmly convinced that the Roblin government doesn't care one darn about a small town. And they proved it in their budget.

MR. CARROLL: What about Carberry?

MR. DAWSON: What about Carberry? Did you have anything to do with Carberry?

MRS. FORBES: What about Carberry?

MR. GUTTORMSON: Oh come on, stick to the facts.

MRS. FORBES: Well, learn the facts.

MR. CHAIRMAN: Order, please.

MR. DAWSON: Well, I think that the small business throughout Manitoba has really been dealt a blow by the Roblin government in so much as when they slapped on the five percent tax.

Now let's figure it out. A small businessman has got a 33 percent mill rate - and there's no reason in this world why they should have been slapped for 33 percent on their buildings. And another thing that makes me wonder, what about the guy that operates a business from his home? Does he get away with nine percent, or does he get stuck for the 33 percent? And if he's going to get stuck with the 33 percent, who's the fellow that decided that this House is a place of business and is going to have to pay 33 percent? So I believe that this could have been spread a little more evenly. It may be that we're saving money for the home owner, but we're sure not helping the small businessman. The five percent sales tax was tossed on top of the heat tax, the light tax, the telephone tax, plus the fact that every town has a business tax, and it's becoming increasingly more difficult for the guy that owns a small garage, a small grocery store, even a fairly decent sized grocery store or a hardware store, any type of business in a small town he's having it tough all the time; and instead of everything coming into the larger centres, there are many of us think that some of this industry should be spread around in the smaller centres. Take the constituency that I live in. There hasn't been a thing happen in there for ten years, yet we're faced with the possibility of an airport dis-appearing in Manitoba - it's the largest single industry we've got - and here we find out that maybe the Gimli airport is going to be built up, and not only is the Gimli airport going to be built up but they're going to sock a \$10 million distillery or whatever you want to call it into there --(Interjection)--. Well, I guess that's it. Somebody said it's because the Minister is there. That must be the reason. However, it's sure building up one area at the expense of another - you can see that. It is a shame. It's a downright shame.

MR. JOHNSON: The airport never saw my constituency.

MR. DAWSON: Well I'm sure Mr. Spivak couldn't have seen it in his travels either. What I want to know, what is the incentive for these small businessmen that the Minister of what-you-call-him, Industry and Commerce, mentions that there's some terrific --(interjection)-- has he got the floor or have I? You're not listening to him.

However, as I said before you're really slapping the small businessman pretty hard. He's getting stuck with all these taxes, and we on this side of the House think the telephone, heat and light tax should be removed, and removed immediately- It can't go on forever.

And there's another thing I want to point out to the House -- and when I point this out, I want everyone to understand that when a person talks about something that he's involved in, it's not necessarily because he's being hurt that he says anything about this -- but I want to point out to the House that this province will be unique again in so much it will be the only province in Canada that has a sales tax and taxes the laundry and dry cleaning. When you go down and you buy a suit you pay the tax on it there, when you buy a shirt you pay the tax on it - why five percent every time the darn thing is cleaned? This is another knock for a small businessman in so much as every time you get a suit, a shirt or something done, there's going to be five percent - he needs more help to collect this tax, and who's it going to help? His revenue will drop, there's no doubt about it. --(Interjection)-- Yes they want the people to be dirty.

..... continued on next page

MR. SPEAKER: The Honourable Member for Inkster.

MR. GREEN: Mr. Speaker, I was very anxious to hear from the Minister of Trade and Commerce, because I expected that the Minister would indeed have something very valuable to say with regard to the state of the Manitoba economy. Having said that, Mr. Speaker, I must indeed express my great disappointment at having waited so long for so little. We expected, Mr. Speaker, that the Minister was going to substantiate the fact that this province has an economic outlook which should turn all of the criticisms on this side into exponents of the government, and what we were treated with was, "Home on the Range" and "Tales of Fraser Robertson."

The Minister went through an exceptionally long list of firms which have started in Manitoba in the period 1965-1966 and 1964 I believe he used. I think, Mr. Speaker, that going back through the years one could take any period of years and list off a number of firms that started business in Manitoba, and I don't think that this indicates that the economic outlook has changed. There are certain facts, Mr. Speaker, that the members of this side of the House just can't ignore. We can't adopt the analogy that my honourable friend used with regard to monkeys, "Speak no progress, hear no progress or see no progress." I think the original parable is a lot closer to the real situation - "Hear no evil, see no evil and speak no evil" - and this is what the Minister would have us do. But the objective facts, Mr. Speaker, are these - that this booming province which the Minister of Trade and Commerce would have us believe we are living in, can't for some reason afford to provide higher education for its citizens, can't afford to provide its citizens with a comprehensive medical care program - that is, it can't educate its people, it can't give its people adequate health care, it can't provide day nurseries - and the things that it is doing, Mr. Speaker, have to be financed by a five percent sales tax at this particular time. And the Minister is asking us to ignore all of these things because he has travelled through the province and met many optimists. Well, Mr. Speaker, I guess we all travel in different circles and I am sure that despite the fact that the Minister of Trade and Commerce maybe has more time than the rest of us and can get around a great deal, it's obvious that he can't have covered all the circles that all the members of this House have covered. I, Mr. Speaker, don't really object to the Minister taking the position of the government that the province is moving, and that the province has a great optimistic economic outlook. But what I do object to, and what I object to strongly, is his inability to have confidence in the democratic process. Because what he seems to suggest, Mr. Speaker, is that if this province is to make progress, the opposition must abdicate its responsibility to its electorate, and to not criticize the government but to attempt to create an illusion that everything is rosy. He feels that democracy and the economic progress of this particular province is dependent upon half the members of this House or nearly half the members of this House silencing themselves as to how they feel about what is going on. Mr. Speaker, I think that this is the basic flaw in this government's thinking. We have confidence, Mr. Speaker, and I for one have confidence in a democratic process. I say that if there is a strong province and that there is a strong economy, that a responsible opposition can criticize the government as much as it sees fit and that province will continue to be strong, its economy will continue to be strong, it will have a bright economic future. But if the economic future depends on people on this side of the House keeping quiet when they see something wrong in the province, then, Mr. Speaker, I think that the government has misconstrued its purpose and misconstrued the purpose of every member of this House. And that is my most serious criticism of the kind of talk that we are getting out of this government.

What they object to, Mr. Speaker, is that we won't go along with them in their failure to "make a silk purse out of a pig's ear." That's what they object to. They say that if you won't help us do this, you are going to endanger Manitoba's future. Mr. Speaker, no democratic government could ever sustain itself on this type of proposition. But this is what we get from the members of that side of the House. And we've got it continually. What they are really trying to do is what my Honourable Leader said yesterday. They are trying to put rose coloured glasses on everybody in the province. They are the ones who are saying, "Speak no evil, hear no evil, see no evil." And here, Mr. Speaker -- it's not an important example, but it's an indicative and rather an amusing example. If we turn to the budget report and we come to the tables, we find in last year's table a very interesting category - education and labour, 28 percent. Now, people who know the figures more correctly than I do will recall that the education budget is approximately 82 million or 83 million and the labour budget was 2 million - and I'm sure the members of the government felt that showing labour with one percent of the

(MR. GREEN cont'd.) . . . . budgetary pie would create a bad impression. Somehow the people who are looking to this government for progress in the labour field would feel that the government is only spending one percent on labour.

Mr. Speaker, let me first of all reassure the government that the amount that they spend on labour is not an important question. Possibly they should be spending less on what that Labour Department is doing; but nevertheless what they are trying to imply, because labour is one percent, they say education and labour is 28 percent, and in this year's budget education and labour, 34 percent, and the education budget is approximately I think \$116 million, and the labour budget, \$2 million. Mr. Speaker, this reminds me of the story of the fellow who came and tried to start a business, and he went to some people who he felt he could interest in this business and they said to him "But you don't have any money," and he said "Don't worry, as soon as I leave here, I'm going to see Mr. Rockefeller, and Mr. Rockefeller and me, we have money." So education and labour occupy 34 percent of the budget. So what we are getting from this government is the suggestion that we are to try "to make a silk purse out of a pig's ear," and we are to help them do this, and if we don't help do this, then we are going to bring Manitoba down.

Mr. Speaker, they do the same thing with the - let's carry the theme through. The economic outlook statistics all show an increase of approximately six to nine percent; but everybody who thinks about it and reads about it knows that the consumer price index and all of the other indices have gone up by almost the same amount. My honourable friend uses the wage figure, and let's just look at how people use statistics - the fastest growing wages in Manitoba. Mr. Speaker, during the election campaign my honourable friend the Leader of the Opposition said that we have amongst the lowest wages in Canada. And he was right. And the Prime Minister, the First Minister, he went around the province and he said that he's got the fastest rising wages in Canada. And he was right. They were both right. The reason they were rising so fast is because they were so low in the first place.

It reminds me of the 1962 Federal campaign, when the Prime Minister of this country, the then Right Honourable John Diefenbaker said that there are more people employed in Canada than at any date in its history. And he was right. The Leader of the Liberal Party said that we have the greatest rate of unemployment during any period in the last ten years. And he was right. So they were both right. The statistics that my honourable friend is using really show that we have the lowest wages or amongst the lowest wages in this country, and the only statistic that makes a silk purse out of a pig's ear, is that they've got the fastest rising wages; and we've got a bleak economy but the only things that we can show that will make a silk purse out of a sow's ear is a look at the list of firms that have opened their doors in Manitoba during 1966. Mr. Speaker, what does this mean to the average citizen? My honourable friend seems to suggest that he is doing a Manitoban a favour if he sends him out as a hewer of wood and a dragger of water, is that the -- (Interjection: Drawer of water) - drawer of water - that all of a sudden it becomes a desirable project to do this.

I say, Mr. Speaker, and I repeat, this province has indicated that with its economic growth it is unable to properly educate its people, it's unable to provide proper medical health care, it's unable to pay apparently a minimum wage of more than \$1.00 per hour, but it has a gross national product which apparently exceeds the year before. Gross national product means only economic progress, Mr. Speaker, depending on how it's distributed, and these people never want to deal with how that GNP is distributed. All they're interested in is the total figure. We here are interested in how it's distributed, and they haven't been able to show with all their progress that this economic progress has been distributed equitably to the people of this province.

What is another feature, Mr. Speaker, and I think it's amusing, I think there are so many. Last year my honourable friend, the member for St. John's when I wasn't here said that the Minister, the First Minister, was the wizard of Osborne, and I think that he coined a very apt phrase because we have the wizard and his wizardry with the business of the sales tax. It's not to be known as a sales tax, it's to be known as an education tax; because if we call it an education tax, then we can make a silk purse out of a sow's ear. We can make something which is abhorred by everybody in this province and something which as I stated before amounts to a decrease in wages to every wage earner in this province to the extent of between let us say, two percent, that it is an automatic decrease included in the minimum wage which they haven't adjusted, that they will make this palatable - they won't make it any easier to bear - they will make it palatable by calling it an education tax. And I suppose that my honourable

(MR. GREEN cont'd.) . . . . friends in their philosophy about what an opposition is supposed to do, will suggest that we take a week off during March, everybody go into the Province of Manitoba, each take a constituency and convince those citizens that it's not a sales tax - no, perish the thought - it's really an education tax. This will make it a more palatable tax. And this is the tax, Mr. Speaker, this is the tax that's supposed to relieve the real property taxpayer. Somehow this government is going to create the impression, the illusion, that the person who owns real property doesn't purchase anything; he's a real property owner, we're going to leave him alone and we're going to get our taxes from the man who buys things. So that's the way we're going to relieve him.

Now, Mr. Speaker, I haven't had a chance to go deeply into the statistics, but I venture to say that not one cent will be saved by that real property owner, that the amount the he is allegedly going to save in real property tax, he's going to pay in sales tax, and what the government is really doing is that they are giving this taxpayer a blood transfusion through one arm and taking blood out of the other, that that is what this relief amounts to, because they have stubbornly resisted -- and I say, Mr. Speaker, it started in December - it started with the bill fixing the income tax -- they have stubbornly resisted imposing a tax in accordance with people's ability to pay, and they say that the reason we won't do this is that these people are going to leave the province if we tax them. They can understand somehow that notion that if you tax profits, people who aren't able to make a great deal of profits are going to leave, but that if you tax people who haven't got anything, people who are not able to feed themselves properly, who are not able to clothe themselves properly, who are not able to shelter themselves properly, they won't leave. At least that's their notion. Mr. Speaker, they will leave and the worker shortage in Manitoba - and the honourable member can consult any of his free enterprise economists, he can consult Adam Smith, he can consult John Stewart Mills, he can consult Maynor Case, and they will all say that the way in which to get employees is to increase wages. -- (Interjection) -- You read your own, you read your own, and see whether they don't say this, see whether it isn't a fact that Adam Smith says that the way in which you attract workers is to increase wages. And instead of that, Mr. Speaker, the Minister is doing exactly the opposite because going and importing unskilled people is a way to ensure that wages will be low. I have no objection to immigration. I am here of immigrant parents. I thank Canada and Manitoba for giving me an opportunity to be where I am. But I say that the way of getting employees is the way of getting industry. Why do they recognize it so much when we come to talking about industry? Why do they say we have to give industry incentives to come to this province, but we don't have to worry about giving employees wages. That's another problem. That is governed by a different set of economics. Workers we can get by going across the ocean and smiling at them. And what if they do come here in response to my honourable friend's smile? How long are they going to stay in Manitoba if they can get better wages in British Columbia and Saskatchewan? Unless he's thinking of setting up some sort of Berlin Wall on the east and west sides of this province and keeping them here, they're going to move, because the way of attracting workers is to increase wages. And my honourable friends say that our wages are the fastest rising in the country. And they said other things yesterday - that the wage policy of this government is one which has commended itself.

Mr. Speaker, dealing with one aspect of that policy. In 1960, we used to have a Fair Wage Act in this province in regard to the construction industry. It was supposed to cover everybody, everybody in the province - the Deputy Minister of Labour who appeared in court for the department said that this Act covered all of the people who were engaged in construction in the province, and he argued this in court. Mr. Wilson submitted that the term "building labourer" should be given a broad interpretation. One speaks of building a road, or building a bridge and so on; a building labourer is accordingly not limited to one engaged in the erection or construction of a building, but may include one employed in building a road. My honourable friend the Minister may know of this case. In any event the court held that the government was wrong, that the Fair Wage regulations not the Act, but the regulations only applied to people who were building buildings; didn't apply to people who were building roads. Well, I don't much agree with the decision, but that's irrelevant. The judge said this at the end: "I have reached the conclusion that the submission on behalf of the applicants" - that's the contractors "is correct and must prevail. I do so with considerable regret, because it is always an unfortunate thing to find that a legislative or administrative intent has in fact not been made effective. The result is a gap in the schedule, leaving some employees in the construction industry without that protection under the Fair Wage Act which they doubtless

(MR. GREEN cont'd.) . . . . assumed they possessed." Now I want to draw honourable members' attention to the next phrase. "But this is a matter which the court is powerless to correct. Remedial action must come from elsewhere as probably it soon will." And I assume that he thought that if the Deputy Minister of Labour said this is what the government wanted and that they made a mistake, that remedial action will soon come - I assume he thought that it would be corrected by the government which had the power to correct it. This was 1960. They never did anything about it; they haven't done anything about it until now. There was six years in which these people were fighting - and we were fighting on Metro Council, I can recall this, trying to keep the wages in this industry at the level that was originally intended by the Provincial Fair Wage Act. And the people that argued the question on Metro Council said wait until the Provincial Government's Act. The Judge said that it would soon come - the judge was optimistic. I believe that it's now coming forth. But it's coming forth in a different way, Mr. Speaker. It's coming forth not by legislative action but by what the Minister has chosen as his way of fixing wages in the Province of Manitoba. And his way is this, Mr. Speaker. You set up a board consisting of two management people or two labour people and a chairman, and they argue about it, and the chairman fixes wages. Cam MacLean becomes the legislator of wages for the construction industry, both for heavy construction, for construction out of the City and for construction in the City. The same will be true of the minimum wages, that they will argue about it, and Cam MacLean - not this Legislature - not the people who were elected to govern - but Cam MacLean -- Campbell MacLean, he's a lawyer, a friend of mine, a person whom I respect -- but I never elected him to set fair wages. I suggest, Mr. Speaker, that the attitude that the Minister of Labour has adopted in these regards has been an abdication of legislative responsibility to do these things since 1960 to the present time.

The Minister of Labour said the other night - he made fun of the Honourable Member from Inkster - that I suggested that orphans who wanted a second degree in university should have the same opportunity to go on their hands and knees before the Workmen's Compensation Board and beg for the \$50.00 that a person can get who gets a first degree. He still has to go through a needs' test. And the Honourable Minister of Labour said a thing which sort of touched me a little hard. He said we have no objection to people working their way for a higher education. Mr. Speaker, I have no objection either. But I wonder whether the Honourable the Minister is willing to turn this principle into policy. Let everybody who wishes to go to university work and show that the money that they are paying to enter university is money that they earn. Is that what he wants? Because let him introduce such a proposal, and we'll talk about it, we'll give it serious consideration. That's not what he means. He means that the orphans should work, and the people who come from the low income group should work - that's what he means. And that's what I meant when I said that higher education in this province is in effect - is in effect a subsidy for the rich; because 80 percent of that education is paid for by the people of this province -- (Interjection) -- Mr. Speaker, I'm not suggesting that I don't fortunately fall in the higher level of the income groups in the population and I hope to stay there - I hope to stay there - I hope to stay there - and my children, if this policy doesn't change - and I hope by the time they grow up it does change - my children will have their education subsidized by those people who smoke cigarettes, who happen to go to the beer parlour or drive automobiles, any system of taxation except that system which will tax wealth where it is. That's the policy of this government and that's why we are faced with the five percent sales tax in this province.

MR. LYON: And in Saskatchewan they had a socialist government for 20 years.

MR. GREEN: Mr. Speaker, I'm not here to defend my honourable friends in Saskatchewan and they are now the last people I would try to defend, but nevertheless I am talking about the five percent sales tax in the Province of Manitoba.

So, Mr. Speaker, the big objection, the big objection that I make to the remarks that have been made from that side of the House is the philosophy that somehow good government and the economic progress of this province depends on people on this side of the House keeping quiet, because, Mr. Speaker, that's the philosophy - and I've used this term before - that's the philosophy that's guided the continuance of the institution of the divine right of kings.

The Honourable the Minister of Education says that the House is divided between pessimists and optimists. Well there's a third category of people and those are the realists, Mr. Speaker. We don't feel - we don't feel that the progress of this province depends on all of the members of this House sweeping things under the carpet. We feel that if this province has a

(MR. GREEN cont'd.) . . . . . sound economic base, if it has a future, that sound criticism from this side of the House is not only permissible but is necessary for the continuance of that future.

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

MR. DONALD W. CRAIK (St. Vital), Mr. Speaker, I'd like to say a few words at this point, having been motivated by what I've heard in the last few minutes here. I'd first of all like to say that I think the Minister of Industry and Commerce is correct when he says we're still waiting to see the positive side of the other side and we haven't seen it, I don't think, from the last speaker.

Now, Mr. Speaker, we've had reference made here to Adam Smith, John Stewart Mills, Karl Marx and the whole works and have gone back into theories and the rest of it, and although I hesitated to bring this up because the Honourable Member for St. John's is not here, in his introduction yesterday when he was paraphrasing from the Scriptures and so on, he also brought in this quotation, "To each according to his needs; from each according to his ability." He gave reference as being Louis Jean Joseph Charles Blanc. Now, Mr. Speaker, having had half a course in social and political philosophy, I thought I recognized this quotation and I looked it up and I say here - I'm not making a smear, I'm stating a fact - that quotation comes from the "Criticism of the G. . . . Program, 1875" by Karl Marx -- and this is not a smear. This is a direct quotation; it's word for word.

MR. GREEN: Will the honourable member permit a question?

MR. CRAIK: Yes.

MR. GREEN: Just a short one. Are you saying that the authority that the Honourable Member for St. John's gave was not a correct authority?

MR. CRAIK: Let me finish. I'm simply saying that he has referred to the other references giving this but this is the reference - this is one of the theories, one of the developments of Karl Marx's in the 19th century, and you know it and a great many other people know it. So let's just look at it for a moment. This particular theory, if we're going to talk about theories, became the doctrine on which Lenin came to power in Russia. He developed it: he enforced it in the Soviet Union in the 1920's, and how far did he get with it? Can't you just picture it? Can't you just picture the Moscow Hilton and the bellboys getting the same pay as the manager, or he's getting more pay if he has six children and the manager only has four?

MR. SPEAKER: Order please. I think we should get back to the -- I've been endeavouring to do this all day without too much success, but I would hope the honourable members will come along with the contents of the resolution.

MR. CRAIK: Well, Mr. Speaker, I would like to make it clear that I'm not trying to suggest - I'm honestly not trying to make strong suggestion of what they're saying, but on the other end of the spectrum -- and the Honourable Member for Inkster just finished saying that he is interested in taking the moneys from the higher income brackets. Well, what I wanted to finish saying was that the Russian protest has soon found out that this didn't work and they reversed their position and now I'd like to see some figures on the system of remuneration in Russia today, because it is completely different and the incentive plan and the carrots that are built into their remuneration system today are greater than you'll find in this country. And I'd like you to refute it. I'd like you to present figures if you can to refute this statement.

MR. RUSSELL DOERN (Elmwood), Present some.

MR. CRAIK: I will before the end of the session. Now this is in exact contradiction to what the Honourable Member for Inkster is saying, but I'm not saying that you're taking their position that I've quoted. I'm saying that that's the other end of the spectrum, and somewhere between where we are now and where the Russians were in 1920 is what you're trying to suggest. There's no other alternative. Now the other point I'd like to make. . . . .

MR. DOERN: . . . . . permit a question now?

MR. CRAIK: When I'm finished please. The other point I'd like to make is that the Economic Council of Canada has been quoted here, and I'm sorry again because primarily the Honourable Member for St. John's used it yesterday when he said about the virtues of education and how we should use borrowed capital for operating capital for - I think he said for a temporary period of time and so on - and he used the Economic Council of Canada as his reference to show the fruits of education. Well, we know they're all there, but the Economic Council of Canada also said last fall - Dr. John Deutch said, and you know very well what he was talking about when he came out with the statement and he said, "If you don't gear your

(MR. CRAIK cont'd.) . . . . income to productivity you're going to go broke," and the Honourable Member for Inkster just finished saying that all we have to do is raise everybody's wages and our ills are cured.

Now Dr. John Deutch doesn't agree with that and I'm prepared at this point to put my beliefs in the statements of such people as Dr. John Deutch who is in a neutral position and knows far more about the business than I do, but I have a feeling he's right, that it is connected to productivity and we can't simply go round -- and as the Honourable Minister of Labour has pointed out in the first place, we're not setting wages anyway; we're not in that business.

Mr. Speaker, that's all I have to say at this time.

MR. DOERN: Now, Mr. Speaker, would the honourable member submit to a question? If the honourable member sees a parallel between some of the ideas of the Honourable Member for Inkster . . . . .

MR. SPEAKER: Question, please.

MR. DOERN: Do you see a parallel between the New Democratic Party and the Soviet Union, because if so, do you also see a parallel between the Conservative Party and Nazi Germany?

MR. SPEAKER: Order please. I think this debate has gone far enough. I don't think there'll be anything gained by continuing what might develop into a personal argument. The Honourable Member for Turtle Mountain -- the Honourable the Leader of the Opposition.

MR. MOLGAT: I notice that the Honourable the Minister of Municipal Affairs was very anxious to speak and I always defer to a lady. I'll be pleased to follow her.

MRS. FORBES: Thank you very much. I did want to say something in this debate and I certainly must say that I am not versed in all these people that we hear quotations from, but I am very close to the grass roots and that's where I intend to stay because I think that's where the sense is.

Now I do want to say this, that just a short time ago we came through the State of Nebraska, and of course coming through there or on the way you certainly go through other states, and in every state we noticed that there was a tax on every bill that you went to pay. When we were in Nebraska we noticed that there was no tax and when we went to pay our bill the first time my husband said, "What, no tax here?" And the answer was, "No tax and nothing else either - no roads, no schools, no young people in our State of Nebraska. We are falling behind." I'm certainly sure this is the position right here in this province, because when I go through my own constituency and I'm going to talk just about it because it is the one I know best, I know that they don't like taxes, but certainly they say we must have taxes if we are going to have progress. And when I go through that area I don't see anybody wearing that cloud of gloom or being so down in the mouth as so many of our people say, because when I go into that area right away, and I can start right at the eastern end at the little village of Haywood, and they say to me, "We never did have a good road into this town. The highway would pass by us and go to every little town in Manitoba." What about the access roads that this province built for them? Think about the stores and the people there who say, "We're free from dust in the summer; we're free from mud in the spring; we're free from snow in the winter." These access roads are ploughed out once there is a snowstorm. You forget to say that this is the government that brought in this and we have to tax to do this, but they can see what they are getting.

Let's take a look at No. 2 Highway. Their highway is in real good shape. It runs all the way from Winnipeg right through now and it continues on into the rest of the members' constituencies. It doesn't start right in mine or end in the other, it's for all Manitoba. Certainly we have to raise taxes to get roads like this in the country, but they are appreciated there and the people there know it.

I'll go to the little town of Notre Dame de Lourdes that was off south of No. 2 Highway. They had no opportunity of coming out either south or north, but this government saw that a provincial road was built across there. That road is paved today and they can get out winter and summer, and the people in Notre Dame de Lourdes appreciate this - they appreciate this. And when we think of a little industry for the town - we didn't do it in Notre Dame de Lourdes. No Sir, we did not. It was the people. It was private. It was on behalf of the people themselves that they got together and they tried to build a senior citizens home. They couldn't do it all by themselves. It was the policy of this government that helped them get started. Go to that town; take a look at the hostel that's there and see the happy people that are in that hostel.

(MRS. FORBES cont'd.) . . . . They're not all from Notre Dame de Lourdes either; they're from across this province. Just think of the amount of money that came to the town in the course of building it and the number of people that were employed, and also think of the benefits that are derived from it now.

I also want to point out the provincial road that runs east and west from Notre Dame de Lourdes, and I can go on down along No. 2 Highway and every place along there, although they haven't all got industry and they'd like to have it, still it's private enterprise that is going and I can see many businesses that are flourishing there. Now this isn't just us, we're not taking the credit for it, it's the people. This must come from the people, and if we provide an economy in this country, if we provide some of the things for these people that they pay for in taxes, they're not going to cry about it all the way; they're going to be happy that we've done this.

And when we talk about initiative, I'd like to take you into some of these towns and look at the halls that they have put up for themselves simply because it is a flourishing economy in Manitoba. They're not down in the mouth. The people around St. Calude area have been milking cows for years. We're not putting the dry milk plant in there just because the people there are willing to work to carry out this kind of a life, to milk cows day in and day out, it was Mr. Speers who saw that this was an area in which he could start a dry milk plant. But the atmosphere was there; the roads are there. There are many things that this government has done to make it possible in that area.

Go into the Town of Cypress River. It's small but it's still staying abreast of things. They've got together and they've got themselves a fire hall. We didn't do it, but they didn't have an access road in there either. They didn't have anything that lent to build their town up and it has given them a lift and they're appreciative of it. And I might say right in that little town, when we talk about incentives, one of the people from there invented a cucumber-picking machine and this has started a little industry around there that was private enterprise, not anything that the government did. These are the things that instill people though to go.

The Spruce Woods just north of there has been in that area for years and years. You needed a guide to go through it. What has this government done? We have declared it a park and we are starting to do something for it. We'd like to do more for it and we will be doing more but it takes time. But these are the things that the people know they are being taxed for and they're not down in the mouth because they're taxed for it. They're not crying because they have these taxes but they say without taxes we cannot go ahead; we cannot prosper. We don't like them either but we have to pay for what we're going to get.

When I go into the Carberry area I must remind you that there again it was the Carberry Industrial Development Board that got down to work. They saw the old airport that was out there. It was private enterprise that got in there, and with the help of this government and some leadership from here they were able to get Simplot to take a look at Carberry, and what has resulted from there? Go out and look at it, and I know the Legislature has been there. Other industries have come in and this is private enterprise. Stramit is there; they've a seed cleaning plant there and so on. You can name many industries that have grown up. Besides the farmers around have gone into the potato industry, which many of them find very remunerative, all because this was started by private enterprise in an economy that was growing in a province where the government was able and willing to go in to help them.

Now regardless of what we say about taxes, and I know we don't like it and probably you don't like what the budget said about taxes, but nevertheless these people throughout the country are the grass roots and they will tell you that they think they are taxed but they will still tell you we must be taxed if we are going to go ahead, if we are going to prosper. I know that I won't meet everybody in Cypress who is happy but you won't meet many who are down in the mouth. They know that this government is trying to help them and that they will continue to get good leadership from this government, and they still know that they can live in a country where there is free enterprise and that's what they want.

MR. MOLGAT: Mr. Speaker, I had really not planned on getting back into the budget debate but a couple of the speeches tonight have spurred me to become involved again. I'd like to say briefly about the speech just made by the Honourable the Minister of Municipal Affairs that I'm very pleased to see that she is keeping in contact with the grass roots that she said she wants, because I would hope that that would have some beneficial effects on her colleagues on the front bench across the way because they long ago departed from the grass roots, Mr. Speaker. They haven't been on Cloud Nine, they've been up on Cloud 22,009,

(MR. MOLGAT cont'd.) . . . . those fellows, and I'm delighted to see that she's back in the grass roots, because she can certainly provide some advice to my friends.

MRS. FORBES: . . . . I'm not back, I always was there.

MR. MOLGAT: Well, that's fine then - I'm glad to see she's staying where she always was in that case, Mr. Speaker. All I can hope for the benefit of Manitoba is that she can take back with her some of those other fellows with whom she sits, because they practically need to be immersed back into the realities of life in this province, and I am hopeful that she will have some beneficial effects upon them. -- (Interjection) -- Well, yours is pretty slim this time Red, don't be too cocky now. They got pretty close there election night. You had a pretty worried look, so I wouldn't be speaking too anxiously if I were you.

MR. JOHNSON: . . . . Ste. Rose and Fort Garry, that's where . . . .

MR. MOLGAT: Well, you can go up around Ste. Rose any time you want, it's a wide open field.

So, Mr. Speaker, I think that the Minister has some good advice to give her colleagues. I was interested in a number of her comments when she says that the government has done things. Well, quite obviously the government has done things. No one has ever claimed that they didn't, and well they should, because when they came to office, Mr. Speaker the total budget of this province was somewhat less than \$100 million if I recall, and the total budget now after eight years is well over \$300 million, and the money comes out of the taxpayers of the province, so quite obviously they ought to be doing something with it. The question, Mr. Speaker, is are they doing as well with this as they could? Are they doing as well with the money they're extracting from the taxpayers of this province as they ought to, and I say they haven't.

Now the Minister speaks about roads in her constituency, and I must confess the roads in her constituency are good, Mr. Speaker. They even had a bridge in that constituency with no road leading to it. That's how good the program was in that constituency. They built a bridge - no road leading to it at all, and then later on sometime, quite sometime later, we got around to building a road. In fact, the joke around the constituency, Mr. Speaker, and it's well known, you don't have to ask anyone, it's known as Thelma's bridge. So I could appreciate her feelings that in her constituency at least there has been some forward progress on the roads. I'd be delighted to take . . . .

MR. CARROLL: They got the road by the bridge.

MR. MOLGAT: I'd be delighted to take the Honourable Minister in other parts of the province. I'd be happy to take you up to my constituency and show her where there hasn't been one mile - no, pardon me, it's been three miles - three miles of new road construction since this government took office. What else was done, Mr. Speaker, was merely a continuation of the program that had been in, started and all laid out before these gentlemen came in, a continuation of No. 5 Highway. Apart from that, not one other piece of road was built in the whole area. So if my honourable friend would like to come with me, I'll show her the results of the procedures.

MRS. FORBES: I'll go. You take me, I'll go.

MR. MOLGAT: Mr. Speaker, just a refresher -- Mr. Speaker, I couldn't think of a better - well now, what shall we call it - what would be the proper term in the circumstances of this sort.

A MEMBER: Chaperone.

MR. MOLGAT: Well, I understand you're going to be referee for a certain game that's going to go on in The Pas on the weekend so possibly we'll call you referee on this one, and I would suggest that while we go on the tour that we'll take you as well to see Thelma's bridge, an interesting little side trip which I'm sure you would be pleased to take.

MRS. FORBES: Would the honourable member permit a question? May I ask you to come with me and see that bridge and meet the people and just make fun of it then, let you see what the people in there have to say about that bridge and if it wasn't necessary and if we aren't getting a road to go with it.

MR. MOLGAT: I can see, Mr. Speaker, that the three of us are going to have an interesting trip when we go on this. We have to arrange it somewhere around the Centennial celebrations of next summer because we'll undoubtedly be covering -- (Interjection) -- Well, Mr. Speaker, I certainly made a trip out to see it on two occasions. I was out there in mid-summer as a matter of fact.

MRS. FORBES: Why don't you look after your own constituency.

MR. MOLGAT: Well, Mr. Speaker, nothing would please me more than to look after my own constituency as well. If I could get half a million dollars to spend on some of my roads it would improve the situation very substantially undoubtedly, but I can't think of any location in my own area at the moment where we require a bridge where there is no road, but I'll be quite happy to have a look at the situation.

But, Mr. Speaker, then I want to come to the comments of the Minister of Industry and Commerce because I had been looking forward to his first speech in the House and I was most interested in what he had to say. I have been following some of his speeches across the Province of Manitoba with a good deal of interest and I was hopeful that he would give for us a new blueprint and forecast of exactly what he is going to do to proceed with the industrialization of our province.

I am intrigued by his comments, Mr. Speaker, intrigued as to whether or not he really believed what he was saying when he was speaking to us. Did he really believe the speech that he made tonight or was the honourable member saying things that he feels need to be said. I would hope, Mr. Speaker, that the facts are that he believed what he said, wrong as it might be, but that he really believed it, because I would hope that as a new Minister in this House he would have, misguided as it might be, the ideas that he came out with. I certainly can't blame him for the situation which he inherits and I don't for one moment, and I think he's a man of considerable ability and I want to give him the credit of being sincere in his statements. Well what was the Minister saying, Mr. Speaker? What was he really arguing here in the House tonight? He was arguing that when we make statements on this side of the House, if those particular statements are not flattering to the government on the far side, if those statements are not eulogizing them for the job that they're doing, then those statements are harmful to the Province of Manitoba.

My question, Mr. Speaker, is this: Are we telling the truth on this side? Are the statements that we are making accurate and correct? Mr. Speaker, if they are, and I submit that they are, then those statements have to be made and we would be failing in our responsibility on this side if we sat mum or allowed ourselves to be bullied by the gentlemen on the far side by this story about poor-mouthing Manitoba which was a favourite of the First Minister's, this running around saying that we're crying "blue ruin" and we should stop telling the truth, because, Mr. Speaker, what we've been saying is the truth. It's not pleasant; we don't like it; the people of Manitoba don't like it but it's unfortunately true. And, Mr. Speaker, I for one won't hesitate to get up on this side of the House or on any platform in the Province of Manitoba and speak that truth no matter how often the Ministers across there run around saying that these sort of statements hurt Manitoba, because it's only in this way that we're going to get this government moving, and it's only in this way that the people of Manitoba will know what needs to be done in this province.

So, Mr. Speaker, my honourable friend can say all he wants about blue ruin and about lack of enthusiasm and about pessimism. If there's pessimism on this side, Mr. Speaker, it's not in Manitoba itself, it's not in the people of Manitoba, but it certainly is about that administration and there is no doubt about our pessimism so far as they are concerned. Mr. Speaker, I see it is 10:00 o'clock. I have some more comments to make but possibly you would wish to call it 10:00 o'clock at this time.

MR. LYON: Mr. Speaker, it now being past 10:00 o'clock, I beg to move, seconded by the Honourable Provincial Treasurer, that the House do now adjourn.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House adjourned until 2:30 Wednesday afternoon.