

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, May 7, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this point I should like to direct the attention of the honourable members to the gallery where we have 19 Grade 8 students of the St. Eugene School. These students are under the direction of Sister Gendron. This school is located in the constituency of the Honourable Member for Riel. And 70 Grade 11 students of the Ste. Mary's Academy. These students are under the direction of Mrs. Grier. This school is located in the constituency of the Honourable Member for Fort Rouge. On behalf of all the honourable members of the Legislative Assembly I welcome you this afternoon.

Adjourned debate on the proposed motion of the Honourable Member for The Pas. The Honourable Minister of Transportation.

HON. ED SCHREYER (Premier) (Rossmere): Stand, Mr. Speaker. (Stand).

MR. SPEAKER: Notices of Motion; Introduction of Bills.

INTRODUCTION OF BILLS

HON. SIDNEY GREEN (Minister of Mines and Natural Resources) (Inkster) in the absence of the Honourable Minister of Labour, introduced Bill No. 77, The Payment of Wages Act. (Authorized by the Lieutenant-Governor-in-Council).

HON. AL MACKLING Q. C. (Attorney-General) (St. James) introduced Bill No. 78, an Act to amend The Summary Convictions Act.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet) introduced Bill No. 53, The Resource Conservation Districts Act. (Authorized by the Lieutenant-Governor-in-Council)

HON. SAUL CHERNIACK Q. C. (Minister of Finance) (St. Johns) in the absence of the Honourable Minister of Transportation, introduced Bill No. 79, The Snow Vehicles Act.

MR. CHERNIACK introduced Bill No. 66, an Act to amend The Insurance Act.

ORAL QUESTION PERIOD

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

MR. GORDON JOHNSTON (Portage la Prairie): Mr. Speaker, I have a question for the First Minister. Would he be good enough to use his offices to have the regulations which would be with Bill 56 tabled in the House so that the members of the House can debate the bill with equal knowledge of all aspects of the bill?

MR. SCHREYER: Mr. Speaker, that is a request that can be given some consideration, and in doing so I wonder if the honourable member might advise us further pursuant to his request whether that has been the common practice in our parliamentary system in the case of the Hospitalization legislation, the Medicare legislation, many other pieces of legislation?

MR. G. JOHNSTON: Mr. Speaker, if I may reply. I believe when a similar bill was introduced in Saskatchewan . . .

MR. GREEN: Mr. Speaker, on a point of order . . .

MR. G. JOHNSTON: . . . I was asked a question. A similar bill was introduced in Saskatchewan and the regulations were with the bill.

MR. GREEN: Mr. Speaker, Mr. Speaker I rise on a point of order.

MR. SPEAKER: The Honourable Minister is rising on a point of order.

MR. GREEN: Mr. Speaker, we dealt with this question yesterday with one of the members of this side, and I indicated that when a question is asked and an answer is put it doesn't give the honourable members an opportunity to reply. If my honourable friend will read his remarks in Hansard tomorrow. --(Interjection)--My honourable friend, he says, "Mr. Speaker, if I may reply" and at that point I rose on a point of order. There's no right to reply to the answer to a question.

MR. SCHREYER: Mr. Speaker, I rise on a point of privilege, because obviously my honourable friend, the Member for Portage misunderstood my answer. I said during my reply that in the course of giving consideration to his request would he please advise us further. That doesn't mean here in the Assembly, but in the course of the next few days.

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MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Souris-Killarney): Mr. Speaker, I'd like to direct a question to the First Minister, in the absence of the Minister of Municipal Affairs. Will the head office for the insurance corporation be located in Selkirk constituency.

MR. SCHREYER: Mr. Speaker, the headquarters' location is yet to be determined, and there is certainly the possibility that the location may be one other than the City of Winnipeg; although I don't think that my honourable friend's guess is a particularly good one.

MR. SPEAKER: The Honourable Member for Churchill.

MR. MCKENZIE: A supplementary question, Mr. Speaker. Would the First Minister consider Roblin as a good choice?

MR. SCHREYER: Mr. Speaker, there are, if I might reply, there are one or two urban areas other than the City of Winnipeg that could with considerable logic be chosen as the location.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON BEARD (Churchill): I do not rise to ask the First Minister if Churchill should be considered. I'd rather ask him for some comments in respect to the statement that the Honourable Mr. Jamieson said last night in respect to the Port authority, as far as Churchill, some part of the Port authority be handed over to the provincial representatives if they're willing to take the responsibility. I gather by his expression that he hasn't seen the newspaper clipping?

MR. SCHREYER: Mr. Speaker, I have not seen the news article referred to by the Honourable Member for Churchill, therefore, it would be unwise to comment extensively on it. But on the specific point raised by the honourable member, I could say this, that the Province of Manitoba has in fact brought to the attention of the other two prairie provinces the possibility of establishing a Port of Churchill Promotion Authority on an interprovincial basis. If the Federal Minister is referring to a Port Management Authority as opposed to Promotion Authority then of course we would be very interested in assuming that responsibility; but my honourable friend will agree I am sure that whenever there is the transfer of responsibility between Sections 91 and 92 of the British North American Act there is always expected a concomitant transferring of fiscal resources.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker, I would like to direct my question to the Minister of Youth and Education. Could the Minister inform me if he has received any additional information on the question I asked him yesterday - on the success of student placement from the universities?

HON. SAUL A. MILLER (Minister of Youth and Education) (Seven Oaks): The question was, is it going to be a success. Well, I predict it will be.

MR. GRAHAM: A supplementary question, Mr. Speaker. Could the Minister indicate how successful in facts and figures?

MR. MILLER: Extremely successful.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I have a question for the House Leader. The 12th of May is a school holiday, I understand; will the House be sitting that day?

MR. GREEN: Mr. Speaker, I know that there is one holiday that comes up during the month and I think it's the intention of the House to adjourn on that day. I'd like to talk to my honourable friends about it. With regard to the school holiday, maybe it would be a good day for the youngsters to come and see what goes on in the Legislative Assembly.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: A supplementary question, Mr. Speaker. Would the civil service be given a holiday on that date?

MR. GREEN: That's not my understanding, but the Minister in charge is not here.

ORDERS OF THE DAY - MOTIONS FOR PAPERS

MR. SCHREYER: Mr. Speaker, before Orders of the Day may I lay on the table of the House Return to an Order of the House No. 3 in reply to a motion presented by the Honourable the Member for Ste. Rose. Also while I'm on my feet, Mr. Speaker, may I lay on the table of the House a Return to an Address for Papers No. 1 on the motion of the Honourable Member for Ste. Rose.

MR. SPEAKER: Orders of the Day. Adjourned debate on the proposed motion of the Honourable Minister of Finance and the proposed motion of the Honourable Leader of the Official Opposition in amendment thereto, and the proposed motion of the Honourable House Leader of the Liberal Party in further amendment thereto. The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, in making a few remarks in connection with the budget that was brought down the other day, I first want to congratulate the Minister and his department for the work that they've done in preparing the budget that is before us. I'm sure that quite a bit of work must go into a presentation of this type, and to give us the necessary information that we as members seek in trying to analyze the financial situation of the province.

I listened with interest to what the other members of the Assembly have said to date, and the points that they've raised in criticism and also probably in commendation. I do want to say that there are a number of things that should be mentioned. I will probably not say everything I have to say at this point but probably try and get into debate again on Monday if at all possible.

There are many things that one can say because when our government was in the opposition they certainly advanced many ideas as to what should be done and what improvements should be made. I find that many of those improvements are not forthcoming as yet, and I don't know just when they will be forthcoming, if ever. I certainly would have liked to have seen certain improvements in the way of easement of our municipalities because they find themselves in a very difficult situation. While some assistance was given a year or two ago when the per capita grants were increased from three to eight dollars, I think there's a lot of area of improvement right there, because we find that some of the other provinces are contributing much more in the way of per capita grants to the municipalities. And while some of the government members might object to me referring to British Columbia once in awhile certainly the municipalities in that province are getting much more in the way of assistance. Their per capita grants are \$28.00 compared to our 8, and you can see what difference that would make in easing the load on the taxpayers in a municipality. As a result, property taxes are much lower in British Columbia; and not only that, in addition to that, they have a home owner grant - which has been discussed on previous occasions when the government was on this side of the House, and I think they supported the idea - because right now in British Columbia, the people, the home owners are getting \$160.00 grant per home owner. This means that many home-owners just pay \$1.00 of taxes. They have to pay a minimum of \$1.00. Surely if we could have some assistance of this kind in Manitoba this would be a big relief for the home owner who is also a taxpayer, because we find that the ever-increasing cost of education, to which this year's estimates are no exception, are increasing year by year. Not only the elementary and secondary school costs are increasing but the university costs as well, and while the government contributed some 25 million a few years ago, the following year it was 36, the year after that it was 43 1/2, and last year I think it was 49 million, or is it this year that it's 49? We have doubled the contribution to the universities within a period of four years, and according to projected figures, statements, the costs are still to rise for the next couple of years before we will see any arresting of the trend or any halt. Mr. Speaker, this means that monies, further monies will have to be found to provide for these additional costs in years to come.

I mentioned the home owner grants in British Columbia because we passed an education tax bill, a sales tax is what they call it now, a few years ago which was to aid the schools, school districts and divisions of this province in helping to pay for the costs, and while the unitary divisions did get relief, the multi-district divisions certainly didn't enjoy the same relief that they were entitled to. I'm just wondering whether this new government intends to continue - I'm not sure whether they're listening at all - whether they intend to continue the discrimination as far as the multi-district divisions are concerned. I feel they're giving an equal service, certainly they have a qualified staff and I'm sure the students are just as bright and just as deserving as those in the multi-district divisions. I feel that this is a very unjust situation that we have and that needs correction. I don't want to dwell on this too long but certainly because they did not get equal treatment, because they are getting less support from the provincial government, this means that that much more money has to be raised from real estate in these municipalities where these districts, multi-district divisions are located, and the cost the taxes are getting to the point where it's unbearable for the taxpayer to pay them. With the crop and the quota situation, people don't know where to turn. We have quarters that

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(MR. FROESE Cont'd) . . . run as high as six, seven and 800 dollars, per quarter and we have real estate taxes and certainly we cannot go on forever increasing this tax load to the real estate property people in this province. We have to have relief, we have to find ways and means in relieving the cost and the load that these people have to carry.

We notice that Winnipeg home owners will not be facing a mill rate increase because they are disposing of certain properties and this helps to defray some of the increase in mill rate that would result; but the municipalities, rural municipalities cannot do so and they are faced with these increased costs and they have to be met. So, Mr. Speaker, I do hope that the Minister of Education will pay attention, and the provincial treasurer, so that they will try and bring about a situation where we can get something done. Because we find that the sales tax is supposed to be giving quite a bit of additional revenue within this next year. We find that last year they budgeted for \$60,000,000 in the way of revenue from the revenue tax or the sales tax; for the coming year they figure they will net \$66,000,000; that's a 10% increase. Evidently there must be reason that they will get this money and that the year that has just passed must have netted them more money than they figured and that they are basing the new figures on that. I have asked for an interim financial statement so often; I don't want to bring the matter up now because the Honourable the Minister is aware of that, but surely enough there must have been reason for increasing the amount in the estimated figure of \$66,000,000.

Mr. Chairman there are a good many other things that I should be speaking on. One naturally has to do with the debt situation and while we have discussed this both in estimates of the Department of Finance and also when the authorizations for capital supply were made, nevertheless I feel it doesn't hurt to just remind honourable members of where are we going - where are we heading for? Because the increased figures in our provincial debt, be it direct debt or the guaranteed debt, we have very considerable increases. The figures contained on Page 1469 in Hansard of April 30th indicate that a year ago December 31, 1968 the figure was \$686,786,000; a year later it was \$733,426,000. This is the guaranteed as to principal and interest. Then we have those guaranteed as to interest only and when we add the two together, the total amount today or as at December 31 was \$737,908,000. We know that the new authorizations that were made, firstly last fall of \$310,000,000; another one about 5-6 weeks ago of \$129,000,000; and another issue of \$32,000,000 about ten days ago or so, which added up to \$471,800,000, and if you add the two together you get a figure of roughly \$1,200,000,000.00.

Mr. Speaker, these are guaranteed debts and these monies are expended for various purposes. Much of the money is going to our Crown agencies and to the Utilities, but the one thing is this, that regardless, these monies have to be paid back and at high interest costs. Whether we repay that money through taxes or whether we repay that amount through gas bills, hydro bills, telephone bills or so on, these costs have to be repaid and it is still a debt owing; and when we go out and make these increased debts or indebtedness, this means that we will have to put up that much more money over the years in order to repay the debt.

This leads me to another matter and that has to deal with the Dominion-Provincial Conference that was held last December. I did wait for quite some time to get the report. I tried to get it earlier from the Queen's Printer but I could not obtain them until just a few days ago; and while I would have liked to do a much more thorough job of reading up on the material, get better informed of the whole thing that took place, nevertheless, I did read some of the important sections of the report and I find that the First Minister in making a statement at this conference, said that there would be a further statement coming forward, I think in the way of a brochure which would supersede that made by the previous premier of this province, or the now Official Leader of the Opposition, Mr. Walter Weir. I still haven't had a copy of it; I don't know whether it is forthcoming. Maybe the First Minister could indicate to us when we can expect a copy of his statement as was stated on Page 173 of the Constitutional Conference at Ottawa during the meeting held December, 1969. He made the statement that this government, that there was a change and that they would not necessarily adhere to what the previous premier of this province has stated and that there most likely, or would be a different course of action in certain regards.

Mr. Speaker, I, too, was very interested in the discussions that went on at that particular conference because we know that this government will need more revenue in the years to come, because we are not cutting down on the money that we spend. In fact this year's estimates call for an increase of \$50,000,000; and while we are having a balanced budget, this does not say that in the years to come that we might not have deficit budgets unless we can find more money

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(MR. FROESE Cont'd) . . . through increased taxes or further monies from the federal treasury. I was very interested to read about the discussions that they had about the various taxes that are now being imposed both by the federal and provincial government in the way of direct and indirect taxes. I find that our present government is quite favourable to the fact that the Federal Government should levy all taxes in the way of income and corporation, excise, estate taxes, what have you. That in my opinion - Mr. Speaker, I'm not - I shouldn't say worried but I certainly have my reservations on this point. I still feel that these tax fields should be held jointly by the two authorities, the federal and the provincial, and that we should retain as a province the right to levy these taxes separately at some future date if needed. We should not have the Federal Government take over the matter of all these taxes, that they levy them and then that they just distribute them to their own liking. I feel we are getting on dangerous ground if we are allowing this to happen. I feel very strongly that there should be a definite distinction in any new constitution as to the taxes that can be levied by the province and those that can be levied by the federal government.

I notice from the discussions there that the Prime Minister of British Columbia, when it came to the matter of direct and indirect taxes, that he claimed that it was like one cow and one rabbit, the difference was very large. Because we as a province have as yet not levied any taxes in the indirect field, and while I think it was understood that the federal government originally would just be taxing in that particular field, they have, nevertheless, gone into direct taxation, which was in my opinion, the prerogative of the provinces and certainly there is no inkling now that they will ever vacate that. And while we as a "have not" province probably have been gaining, or at least getting additional funds from the federal government through this over these latter years, but should we ever get into the other position that we could be classified as a "have" province, we might find ourselves on a different side of the fence, and that we would have second thoughts about these matters.

I, for one, feel that as far as the estate taxes are concerned, these should be dropped in their entirety. I don't subscribe to the idea of estate taxes, because during all the years that the estates were built up, the people that owned those estates, they paid their taxes, the income taxes over the years, they've paid all the taxes that they were required to pay and I feel that they should be free to divide and distribute their estates in the manner and in the way that they so desire, without having to pay large amounts in the way of estate and succession duties, because we find that many of these estates are in difficulty today when they are to pay these heavy taxes and that in many cases, properties have to be disposed of at distress prices in order to dig up the necessary cash to meet those payments, and at a time probably when it's not suitable to do so. So, Mr. Speaker I certainly would go along with the provinces of Alberta and British Columbia in this respect and certainly would not want to hand over the matter of the estate taxes to the federal government holus bolus.

I referred to the statement that the Honourable the First Minister of the previous government made and the booklet that was produced at that time, and also to the matter that the new premier had promised a report would be tabled that would supersede that previous statement. I'm just wondering what this statement will contain and I certainly hope that some time during this session that we do get a statement from the First Minister on this so that we know what our position will be. Because I find that we do not have many occasions where we can discuss federal-provincial relations and the matter of a new constitution, the budget is probably one occasion where we can discuss it. We could have discussed it on the Throne Speech but at that time I certainly didn't have this report and I was not well enough versed and did not have anything to go on in order to refer to certain discussions.

I would also like to recommend to the First Minister that this whole matter of the revision of the Constitution in this province not be completely in the hands of the government. I think they should take the members of the Opposition, the members of the legislature in with them so that we could have discussions. Maybe it would be a good idea to refer this matter to the Economic Development Committee, or the Statutory Orders and Regulations committee, refer the matter to one of the committees so that we could have discussions on these various points that they made in their statements and in their discussions at Ottawa. I think they are of great interest and certainly if we are to amend the Constitution this will be of lasting effect, this will be with us for many years to come. I think it is very timely that we do take an interest in these matters, that we do have full discussions in this regard and make sure that whatever is being done will have the support of the people of this province.--(Interjection)--

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(MR. FROESE Cont'd) Yes I think so.

MR. SCHREYER: Mr. Speaker, could I ask the honourable member whether he would not care to take the opportunity now or sometime this session to put on the record his views on constitutional reform by way of debate, participation in debate right here in the Assembly. One course would be to convene some standing committee of the House. Another way would be for an Honourable Member to take some appropriate opportunity in the House to put on the record his views and no doubt in that way evoke some response from members on all sides, and in that way there could be discussions right here in the Assembly.

MR. FROESE: Mr. Speaker, I've thought about this, I've given it some thought but until I got this report I wasn't in a position to come out and make any resolution because the information wasn't available to me. Now that I do have more of this information, I might just do that. But I still feel that the matter is important enough that it be referred to a committee and that the committee report back; because certainly these amendments won't be made overnight and we certainly will have time, if not during the session, then in between sessions, so that we could have proper debate and dialogue and discussion amongst the members.

I have no objection in doing it in the House but I just wonder whether we would be able to do it in as good a way as we would in committee.

MR. SCHREYER: Would the honourable member permit me to ask this. He has just said that these constitutional changes will not be made overnight so therefore there's some time, I certainly agree. Would he care to comment on the statement that I have heard, for example, that some of the people in Ottawa, other parts of the country, are predicting that constitutional change will be a process taking anywhere from five to 10 years from now?

MR. FROESE: Well, Mr. Speaker, I think because of the events that took place in Quebec recently, I don't think it'll be that long now. I think this will probably have a bearing. However, I would think it would still take some time but I don't think it need take nine or 10 years. I think probably four or five would probably be more in line. --(Interjection)-- Yes, well, I would like to discuss them now that I'm a member.

There are some other things that I find have not been brought out in - well I have not read the whole thing, I have not read the complete report - but if we are going to make propositions and have give and take and if we are to vacate certain fields as a province, surely we should be compensated in other ways. If we are going to vacate a certain tax field maybe we should request that the provinces have a share in the field of banking. There is other areas that are now strictly the prerogative of the Federal Government and if they want some of our jurisdiction surely we should have a right to indicate what we would like to do in the way of fields that are now held strictly by the Federal Government. I feel that there are areas that we should consider if there is to be interchange.

The matter of having strong governments is coming very much to the fore in that report and while some of the provinces are very concerned that we have a strong Federal Government, I am much more concerned that we have strong Provincial Governments and that we do not give up our authorities and matters that are referred to the province under The British North American Act. I feel very strongly on some of the matters that are referred to the provinces and we should not give these up. So I do hope when the First Minister goes back to another conference that he makes very sure that the provinces are going to be retained and that they are going to be viable organizations.

There is one matter that disturbed me slightly when I read it. It was a statement made by the First Minister of this province that had to do with the matter of the government or the authority that was best able to provide a service should be the one to provide it. I haven't got the exact words. I should really read them out but maybe at a future date I will do so. Mr. Speaker, I'm not convinced that this is the proper thing to do. I'd rather feel that we provide the necessary finances to the provinces so that they can perform the service, because I think it takes much less money, it's much less costly for the province to provide a service than for the federal authorities. We know this to be the case in collecting taxes; that it takes much more in the way to collect taxes by the Federal authorities than it does by the Provincial Government and much less yet by the municipality. The farther removed you are, the more costly the procedure becomes and therefore, I do not necessarily subscribe to that principle and I think that should be debated quite fully.

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Mr. Speaker, I don't think I should take up too much time this afternoon in debating the budget any further. I do feel that we should --(Interjection)--Should I take some more time? Maybe I should try and get the Minister of Highways involved as well. I feel that we should try and reduce the cost of government and try to bring about an effective saving and in this way you would be able to lower the taxes. Certainly by increasing the cost of government year by year and we know that they have increased very considerably over the years. In 1960 the first session that I witnessed in this House, we had estimates of \$89 million; this year it's 448. It's a 500 percent increase in 10 years. I feel we are going overboard. If we continue on this way, certainly we won't be able to carry the load, and on top of that we have been borrowing almost annually year after year. Soon we'll have full jobs just by paying the interest and the instalments without having moneys to provide for new programs, new services. I think this is essential that we from time to time bring about new programs and discard those that no longer have their value. I think we have to have revision from time to time. --(Interjection)--Pardon?

. . . Yes.

MR. SCHREYER: Since the honourable member mentioned the matter of the provincial debt and the fact that it has grown, and certainly it has grown. At time one would almost become a little alarmed at the rate of growth in the debt. On the other hand, has the honourable member any comment as to the relationship between the per capita debt in Manitoba in relation to per capita income in 1970, or '69 as compared to say, 1940 or 1950? The per capita debt has grown tremendously; what about per capita income? Has it not matched the pace?

MR. FROESE: Well, if I may refer to the report on the Tax Structure Committee, on Page 9, we find the following statement under Section 22: "Trends in Public Debt", and I quote: "While government revenues and expenditures have risen steadily as a proportion of national income throughout the period, total government debt has only" - and they have the word "only" in here - "has only grown at about the same rate." So according to that we're keeping pace, but at the same time if we should have a recession, and we're experiencing one now in rural Manitoba, and if we should have a serious recession, that growth would not be there and yet we would still be faced with this tremendous debt and therefore the debt would as a result be much larger because of the situation. I think we are bound for trouble if we do not exercise great care in the operation of our government and I feel that we have to do the best we can. I know that we're limited in our resources; I know that we do not like to impose new taxes. I too feel that we should try our very best in eliminating those programs that are not of great value and certainly give priorities to those that are of greater value and in this way try to limit the cost and run our government as efficiently as possible.

I don't think as far as the present budget is concerned, while there is a very considerable increase as of \$50 million as I mentioned before, but as far as new programs are concerned there are not that many new programs of great cost that we can criticize. I think some of the programs were brought in last year. We know that some of the additional revenue that they will be getting this year is from the taxes that were imposed last year and became effective as of January 1st this year, so that a considerable amount of the increased revenue that the province will be getting is coming forth in this way.

But I am concerned about the debt. I'm concerned about the Constitution and the amendments that might be forthcoming because they will be with us for many years to come. They will have a very lasting effect and I hope that we do not box ourselves in when these new amendments, or the new Constitution is being brought in.

MR. SPEAKER: May I remind the honourable member he has five minutes remaining.

MR. FROESE: Well, Mr. Speaker, I did have a few more things to say. I hope I get a chance probably on Monday or so, to finalize what I have to say at that time.

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

MR. LAURENT DESJARDINS (St. Boniface): Mr. Speaker, after listening to the Leader of the Opposition and the Leader of the Liberal Party, I feel that I have a duty to take part in this debate. I regret that both these gentlemen are absent from this House at this time.

Now, they've asked certain questions and they've made certain statements dealing especially with the government caucus, and in fact one of these honourable gentlemen mentioned my name at one time during his address. I understand, Mr. Speaker, that we have an important piece of legislation in front of us and I think that before starting this debate -- I'm talking about the Auto Insurance Act, if you don't know already, Mr. Speaker -- I think that I should try to

(MR. DESJARDINS Cont'd) . . . set the record straight and I intend to try to be as short as the honourable member that just finished his speech. I'll try to be very honest, even though I might have to be somewhat brutal at times.

I'm sure that all of us here, Mr. Speaker, understands the reason for the existence of these political parties. Now, if all of us were independent, if we were busy promoting only our own ideas, I think that it would be utter chaos; we would have no effective government, no effective opposition and certainly no effective programs. Political parties, I suppose, Mr. Speaker, came into existence when a group of people agreed on certain principles, agreed to try to unite to form a government and also to form an opposition so that they could offer an alternate program. All of us having been born free, Sir, we certainly cannot be expected to agree with each other on everything, even in our own Party, even between the members of our own Party, but we do seek people that agree with us at least on many important points, and if we find them, we join them. This is how I imagine that the political groups, the political parties were formed, came into existence.

Now these political parties try to present a united front because they must gain the confidence of the people and we try to wash our dirty linen in private, even in our own caucus. But in private, when we are by ourselves, well then we certainly practise democracy - all of us, and this goes for all the parties. The members of the parties will try to reach a consensus and the actions of the members will be governed by the respective parties also and by the wish and the goodwill and the characters of the members of these different parties. We might agree that no member should make a statement of policy publicly but rather try to fight for and promote his ideas and principles within the caucus, and another caucus might tend to relax, be more lax in this respect, depending of course on the members in that party, as I say.

Let us not pretend, Sir, to you and to each other, that everything is always rosy in all the parties and all the caucuses, that we never have any arguments at all. For instance, let us look at the Liberal caucus -- for many of us I'm sure from the outside, but let us have a look at this party. Well, right now it's obvious that they are in disarray. The members are asking themselves, I imagine, how best to serve Liberalism. With their small number and without a Leader it is quite difficult, and some day they will have to decide, if they can, if they should stay united, if it's better for what they believe in to stay united or to unite with one of the other parties. This will be certainly an important decision for them to make. This is a decision that they might preferably take as a Party or in certain cases maybe as individuals.

Now let's look at the Conservative Party, because after all it was the Leader of the Opposition, Leader of the Conservative Party that said he didn't have too much confidence in the government because they seemed to be two different groups in a government caucus. Well, it's obvious the members are shocked. After 11 years in power they are now on the outside looking in and they don't like it. They make brave statements, of course; and this is to be expected, this is the way it should be. But they sure fear an election at this time. They are not too united and it is a very well known secret that an imposing group of them are trying to dump the present Leader, and the former Minister of Industry and Commerce would dearly love to replace him. These are known facts. A few others, such as the members from Lakeside, Fort Garry, Morris, want to stay pretty close to the scene just to be possible dark horse contenders; and another group, a large group, feel that the party has made a mistake and would like to lure Mr. Lyons out of retirement to lead them. Now I don't say this, Mr. Speaker, to embarrass the party at all. I don't. I say this most sincerely. That's politics and that's the name of the game. But I want us to be honest when we talk about party matters and if we're going to try to explain the game of politics to the people, well let's be honest, and as I say, maybe a little bit brutal. I intend to be just as frank when I speak about the government caucus, but I hope that I won't reveal any information that I obtain directly from the caucus.

First of all I say that there are two caucuses here. There's the NDP caucus composed of the 27 members of the New Democratic Party elected at the last election; and then there's the government caucus composed of the same 27 members and myself, and this is some kind of a partnership that so far has been enabling the government to stay in office without another election. The member said, "And what are you?" - I guess I'm just another person that is seeking, that is always trying to find the best way to serve the people of Manitoba in his own way. I stated, for instance, after the last election that I had confidence in Mr. Schreyer and that I would do everything, that I would give him my support and enable him to form the government. I was then invited to join the caucus; I accepted. It's as simple as that, Mr. Speaker.

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(MR. DESJARDINS Cont'd) . . . I did not want to join the New Democratic Party; I said that I had no intention of doing so; I've never been pressured, I've been accepted; I don't attend the meetings of the New Democratic Party.

It has been said, and I'm thankful for the concern over there, but it has been said that I should be careful, that I could be double-crossed and that I would be dumped as soon as I was no longer needed. Well I accept the last statement, that's possible; but not the question of being double-crossed. Because it simply would not be a double-cross, Mr. Speaker. I've always stood on my record; my actions in this House are for everyone to see, and I imagine that the New Democratic Party caucus and the New Democratic Party members of St. Boniface will be scrutinizing my decisions. They might very well decide to run a New Democratic candidate against me in St. Boniface at the next election; or they might want to continue this partnership even if they don't need me as that extra member. But that's the name of the game, Mr. Speaker. Surely, if I say I'm not joining the party, I don't expect to be treated as something special, should at least follow the same rules. There's no reason why they owe me anything at all. I realize, Sir, that I can be asked to leave the caucus at any time, and the members also know that they have no hold on me and that I can walk out at any time . . .

--(Interjection)--what's that?

MR. HARRY ENNS (Lakeside): Homeless orphan.

MR. DESJARDINS: I've got it made, I'm the leader of my party, Harry . . .

MR. ENNS: I'm going to come over and join you pretty soon, Larry. We'll get together.

MR. DESJARDINS: You're welcome; you'll have to change a few of your ways, but you're welcome. Now as I say, they have no hold on me and they don't owe me anything. But I'll tell you something, Mr. Speaker. There is deep understanding between us and I would say that I trust each and every one of these members even those in whose philosophy I most oppose. I trust them as gentlemen; I trust their sincerity; and do you know what? - I have the feeling that they have the same trust in me and the same respect in me. So I say to the members opposite me, shed no tears, don't worry . . . Don't cry for me, Wally, as I say.

MR. WALTER WEIR (Minnedosa): We're going to praise each other.

MR. DESJARDINS: Politics is a tough game; it's bigger than any one of us, even you, Wally.

MR. WEIR: Oh no, not bigger than me. Not bigger than me . . .

MR. DESJARDINS: . . . because it is the management of the affairs of the people of Manitoba, the people that we serve; and it might be that it's cruel at times, cruel to the individual, but we all know what it's all about or we have no business being here. Sure there are different points of view in this government caucus, certainly like all the other caucuses; but it's a happy caucus because everything is on the table, and because there is complete respect - I'm talking about respect in the caucus now - respect for the individuals, for their conscience, and their principles. Anyway, that's the way I see it; that's the way I feel. They are different views, certainly; and even if I wanted to, even if I wished, I could never hide the fact that they are different views; and these different views would even be there, Mr. Speaker, if I wasn't even involved.

The Member for Crescentwood, for instance, can probably be considered a real leftist, a radical socialist. He makes no bones about it; he is proud of it. And I say that he is one of the most sincere and dedicated persons I've ever met. Now for instance, on the other hand, the First Minister prefers to call himself a Social Democrat. The Member for Charleswood talks about socializing newspapers, life insurance. This is what he believes in and this is what he says. And the First Minister speaks in a different vein. It's obvious, you look at the headings in the newspapers: "Nationalization of Industry is an aim of NDP: Schreyer."

I'll just read some of the headings to see that there are different views in the Party: "Red Call Schreyer trip continuation of PC Policy." They even accuse him of being a Conservative. There's all kinds of things like that, Mr. - I don't think I have to read too many. "Schreyer Not Phased by Right Wing Label." And the Member from Crescentwood is not phased by Left Wing Label. So what is this all about; why this deep secret? To give you an idea of the difference of opinion again, I think that I could quote from the Tribune, the interview that the publisher had with the Premier. I won't read it, it's quite long, I'm sure that all of you also keep it in your scrapbook, and it's got a question now that, "could you give us your definition of a social democrat?" --(Interjection)--All right, I'll read it then. And this is the answer: "Yes, a social democrat is one who endorses the notion that government is an instrument to

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(MR. DESJARDINS Cont'd) . . . be used by society to achieve certain ends; to bring about certain objectives; initiate certain programs in order to protect people against exploitation in marketplace, against exploitation by the zealous minority who over the decades have been able to indulge in a bit of successful exploitation of their fellow human beings. To make it a little more precise, this willingness to use the instrumentality of government is used with moderation in the sense that where there is successful private enterprise that is serving the public interest, there should not be any wish to bring that under public ownership. We are not a social democrat, opposed to the use of government ownership of a particular industry or service, but on the other hand we should not be pushing for it as a matter of doctrinaire philosophy. In other words, the notion of government ownership of production, distribution, and exchange which is mouthed so glibly should be looked upon by a Social Democrat almost as comfortably as by a Liberal, " and so on. I don't think I have to say any more. I'm certainly not the only one that feels as I do, the only one from outside the Party that had confidence in the Premier.

Let me quote here from the same article the views of the publisher of the Tribune, and this is what he says: "I was frankly reassured by his generally moderate approach and particularly his stated intention not to rock the free enterprise boat just for the sake of rocking. The last thing I am sure he wants is a repetition of what happened in Saskatchewan. Any changes he plans will be I think more as a matter of organization in style rather than any fundamental economic upheaval. He is certainly no wild eye radical; he makes it quite clear he never was a Marxist, even in his student days, and does not consider himself a Socialist in the doctrinaire sense either. To me he is more of a pragmatic reformist type, small 'L' liberal, sincerely dedicated to what he describes as greater equality of the human conditions. He has no pre-conceived notion about public ownership. His guiding principle seems to be a rather pragmatic one - leave things alone as long as business is operating efficiently and there is no exploitation, exorbitant profiteering and the customer is being served adequately," and so on.

Well, Sir, I happen to agree with this and this is why I had no hesitation in supporting him. A while ago I was asked what I was after. Well I've said it many times, that I believe in liberalism, this is my belief, and I think that I'm getting it as long as Mr. Schreyer remains the strong man of the Party; this is what I'm interested in.

This is how I feel and I'm sure that the opposition would like to discredit him, and they're trying and maybe this again is politics, maybe this is to be expected. And there is a power struggle in this group also, the same as there is a power struggle on the other side. But what a difference. Everything is above board on this side, everything is above board. There is no doubt that I would much sooner have members that lean to the right on that government caucus than I would members like the member from Crescentwood, and I would hope that he would be replaced at the next election by a member of the NDP that agrees with me, and I'm darn sure that he would like St. Boniface to nominate an NDP. We know, we respect each other's conscience, we respect each other's wishes and we still, in the meantime we try to work together. And we try without sacrificing our principles, without compromising so much; and it might be that some day, one day, one of us in conscience might have to leave the caucus. And if this happens, that's the way it's going to be. So you see there is no deep dark secrets, nothing to hide, and come what may in the end the people will decide. --(Interjection)-- I wish you were a little louder if you're talking so I can join in with your comments. What I like to see is that there are no privileged classes here in Manitoba, not any class, no-one. I feel that I would like to see where the government is representative of all the people of Manitoba or it's not going to be a good government. For instance, as I say, we differ, we respect each other's rights to do this. I don't agree with my friend here that all the members of the Chamber of Commerce are parasites, and I don't really think he does. I think that the big lug is just trying to pretend he's a toughie, because it's not natural for Joe to hate. I always tell him that he seems to have a hang-up that every guy that's got three bucks is a crook. But we disagree, we're not afraid to disagree openly, openly; this is the difference. He might not like what I'm saying now and he'll probably get me tomorrow and then I won't like it.

I can see that my friends don't like it too much because they thought there was going to be a real split and everybody was going to be mad. They've expressed a lack of confidence and they're afraid to turn their back on each other because they're afraid they'd be knifed in the back. But this doesn't happen here. And I say to them, Have no fear, fellows, there's another debate coming, and I've never ducked a vote in my life, and although I'll admit that there might be some pressure on me, this is a different thing, but I'll vote, and I'll take part

(MR. DESJARDINS Cont'd) . . . in the debate, and you'll know exactly where I stand, and if there are certain things I don't like I'll sure tell him, I'll sure tell the House. So don't try to box anybody at all. I don't find it difficult at all. --(Interjection)--Well, maybe you weren't here last time when the remarks of the First Minister who had all this - he even thought he should warn me that I was going to be double-crossed - and I say, don't worry about it . . .

MR. ENNS: Yes, but . . . nobody's boxing you in, Larry.

MR. DESJARDINS: No, this is what I say, don't try.

MR. ENNS: No, we won't Larry.

MR. DESJARDINS: All right. As long as it --(Interjections) -- I haven't lost my time this afternoon if you got the message, Mr. Speaker. But I say that you can have unity and dissent, that doesn't mean that everybody has to agree, and it is obvious with the kind of set-up, the political situation that we have here in Manitoba at this time, that you have some kind of a partnership. So far it's been very easy. I've never changed any of my principles, but I have a little more compassion, I see a little bit of what's going on from the other side of the fence now and I think that I'm a better man for it; not a more honest man I don't think but a better man for it. I would say that if we can settle this then, that all the parties have a bit of trouble, then we can get down and serve the people of Manitoba to the best of our ability; we'll be on the same footing I guess. And as I say I'm looking forward to taking part in the debate on this important resolution that will be up in front of us.

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

MR. JACK HARDY (St. Vital): Thank you, Mr. Speaker. I admire the remarks of the Honourable Member from St. Boniface. I admire them for a number of reasons. One, due to the fact that he lives in what I call that thriving metropolis to the south, St. Vital. I have a great deal of respect for him for doing just that. But I'm a little concerned, inasmuch as I, Mr. Speaker, did not enter the political arena because I was of the impression that there was a privileged class being served by the previous government in Manitoba. I always had the impression . . .

MR. DESJARDINS: Mr. Speaker, on a point of privilege or point of order. I wish to say immediately that I did not say this, I did not mean this. Those remarks when I talk about privileged class were addressed just as much on this side of the House, maybe a little more right now, they were addressed to all the people of this House and I said that I would hope that any government would be representative and that we would not have any privileged class in our society.

MR. HARDY: I thank the member, Mr. Speaker, for his clarification of the comments in knowing the gentleman, I have a great deal more respect for him and I'm sure that he did not mean it. My point was that I, in representing this group at this particular moment do in fact - are very much not in favour of the comments and I thank the member for his comments. And also may I suggest that I'm not one little bit afraid, Sir, to turn my back on any members of the 21 others in this group; not one little bit. As a matter of fact, I, Sir, as a matter of fact have never met 21 of more finer people in all my life as is represented on this side of the House. But by the same token, Mr. Speaker, I must admit that there are honourable gentlemen on that side of the House that I would say the same thing of - but not quite as many.

Mr. Speaker, in rising to make a few comments in connection with the budget that was brought down by the Minister of Finance, may I suggest that the budget as presented by the Minister of Finance is very similar in structure and content to the Throne Speech that was introduced by the present government at the beginning of this session. It contains a number of cliches, a number of catchy phrases, political jargon and the type of comments and phrases that politicians want to convey to the electorate for home consumption - really for home consumption. What they have stated is desirable, extremely desirable in many, many cases, but unfortunately Mr. Speaker, in my humble opinion it appears to me that it's a pie in the sky approach to some of the problems facing government and people today. I would make one quote from the address wherein it states that "governments in Canada have a basic obligation to ensure for each individual citizen the right to participate in, and contribute to the creation of a progressive, social, political and economic community." This sounds very much like the commercial that was drafted by the people in Ottawa a couple of years ago when they were talking of the just society. I suggest, Mr. Speaker, where in fact is the just society today?

It's almost non-existent. Very little progress has been made. But did the Minister in fact, unfortunately he's not in his seat at the moment - or did he give consideration to the

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(MR. HARDY Cont'd) . . . fact that the group representing the insurance agencies, and I have no intention of getting involved in the insurance debate, at this particular time, but I'm sure if the Minister and many others on that side of the House were to assess the contribution that this group and their families make to the community effort in Manitoba, I don't think really it would come as a surprise, because it's very indicative this this group and many others, they are involved in social organizations, fraternal organizations, benevolent organizations, community club organizations, and the like, which in fact is making a great impact, a great impact on the social life in Manitoba today. As I say, I have no intention at this time it's just a remark I wanted to suggest at this point because I'm sure there are going to be many occasions on which we can expound the theory of the insurance agencies and the ramifications that are involved in the Act that will be, presumably some of the information will be made available tomorrow.

This budget to me, Mr. Speaker, is a buying of time, it's a noncommittal, full of promise budget address. It's a type of address that one would expect of a government that is faced with a dilemma of finding the financial resources necessary to carry out its socialistic program; which if allowed to continue will sound the death knell of this province. I say this, Mr. Speaker, because it's axiomatic that individual initiative cannot be stifled if this province is to continue to progress and provide a climate wherein individuals can harvest and reap the benefits of their financial and social rewards for their labours, without the great big brother looking over his shoulder, demanding his cut to supply to those who enjoy the fruits of others' labours. I'm not suggesting Mr. Speaker for a moment, that in a certain area, to a certain degree this is required, this is required because unfortunately we do not live in a Utopia; there is a certain segment of our population that does require this and there is no one in this assembly I'm sure that would have any quarrel with this approach, but let us not go to the extreme.

It was obvious that investors in the business community, in June of 1969, adopted a wait and see attitude. It would appear to me, Mr. Speaker, that unfortunately this attitude still prevails and investors are holding off with very few major commitments being undertaken. Now the Minister of Finance has indicated that in the past four attempts for the selling of provincial bonds he was extremely successful. I have no quarrel with this Mr. Speaker. I have no quarrel whatsoever. But I am suggesting that perhaps, perhaps we have reached the end of the road and unfortunately we have had to go to all parts of the globe in order to do this. And I will admit that the previous government went to the European market, to the Deutsche mart in order to obtain capital for their specific purposes. And I will also suggest, Mr. Speaker, that the business community has a responsibility, it has a responsibility to this province and certainly to the people of this province -- and I must admit, Mr. Speaker, sitting on this side of the House, in some cases I don't think this responsibility really was acknowledged or perhaps it wasn't known, but I'm suggesting that there has to be an area of reconsideration insofar as business is concerned.

Now one of the problems as I see it, facing the province of Manitoba at the present time is the creation of a climate, and I draw a parallel between a municipal organization and a provincial organization, wherein municipal organizations, municipal structures, are in competition with other municipal organizations, municipal structures, for the investment dollar, because as I have said on a number of occasions in this Assembly local governments have to pay their bills, the same as anybody else. But the same applies to a greater degree at the provincial level, wherein provinces in fact, are in competition with provinces for the investment capital, for the investment dollar; and I am suggesting that what takes place at the municipal level, in fact, has to take place at the provincial level, a climate has to be created in order that new investment be introduced. This is the only way that this can be accomplished; that a climate and the attitude of the elected representatives in a particular municipality have to be such that it's going to make it perhaps, it's going to make it - I don't say lucrative - but it's going to result in an area whereby a fair return in fact is made to the investor. And Manitoba as a province, apart from this area of competition, it's not - and I have no way, shape or form sir, I want to indicate this to you right at the moment, that this is not my intention to suggest that the Province of Manitoba is not in a position, does not have the resources, nor does not have the mental and physical capacity, its people, to in fact conduct a very competitive program with the hope in mind of having this investment capital brought to Manitoba; but unfortunately on one hand we have our geographical position with its high transportation costs; to offset this we have a fair degree, a very high degree, as a matter of

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(MR. HARDY Cont'd) . . . fact, a very high degree of intellect among our people, we have the people, they're in a position, it is their desire to create, it is their desire to be part of the community; but unfortunately we have some other areas which to a degree offset this, inasmuch as we have the transportation costs, we have the winters - these can be overcome, these can be overcome and I sincerely hope that they will be overcome; but unfortunately it would appear that in the past ten months there is an individual or a type of individual that has emerged in the figment of the imagination of the government, the businessman who presents himself as an ogre. The businessman is no ogre. In speaking with many businessmen, you know, they adopt the attitude, certainly I would love to be, I would love to quit at 5 o'clock or 4:30; I would love to go out and golf and fish and many other things, I would love to do this; but it's part and parcel of the make-up of the individual to go forward and to create, and in fact, attempt to realize a better than average living for himself through his own effort, and in so doing, provide, provide many, many jobs for others within his own organization.

It would appear to me, Mr. Speaker, that this document, this document which was presented to us, to a degree I mean it facetiously, but to a degree I also mean it very, very sincerely, that the document that was presented to us reminds me of, what's his name? - Artie Johnson in Laugh-In, you know, what's his comment? "Very interesting" but stupid, absolutely. This is the point. Now what do we have, what do we have in front of us? We have a document which contains certain platitudes, certain philosophical approaches, but very very little in a concrete respect.

MR. RUSSELL DOERN: (Elmwood): Wait till tomorrow morning.

MR. HARDY: Wait till tomorrow morning! The Honourable Member from Elmwood always reminds me of another commercial: Ding Dong, Avon Calling! I think sometimes the honourable gentleman uses the stuff.

MR. DOERN: I don't use it, I peddle it.

MR. HARDY: As long as that's all he peddles, Mr. Speaker, God bless him.

Now, as I suggested, and I say this really facetiously up to a point, that this was a product of Laugh-In. This was introduced as a budget with no tax increase. Well - no this is true, there weren't any tax increases at this particular time; the injection was made last fall, and I would suggest to you, Mr. Speaker, that I only have to refer you to the budget where in the estimates, an actual fact, an additional \$31 million is being gouged out of the individual taxpayer, and \$7 million out of the corporation. In defense of this increase, now there are other minor items, there are other minor items -- well, I shouldn't say they are minor but there are other items - \$100,000 for legal transactions, and this has been suggested before, that there's an area wherein there's been an increase in the attendance or the admission to the parks of Manitoba, and there's an additional \$6 million, an additional \$6 million revenue being projected from the Manitoba sales tax, the Revenue Tax Act, and the Honourable Member from Rhineland indicated this.

Now I sincerely hope, Mr. Speaker, that in the projection of these figures that the government in fact is in a position, I sincerely hope that they are in a position, and I can assume that the Centennial year was taken into consideration when these additional monies were going to be made available, and I sincerely hope for the sake of Manitoba that this in fact comes about. There has also been an additional increase in the gasoline tax - not an increase in the gasoline tax, an increase in the revenue derived from the gasoline tax.

MR. GREEN: Mr. Speaker, I wonder if the honourable member would permit a question?

MR. HARDY: I wonder, Mr. Speaker, I would certainly entertain a question from the Minister subsequent to my finish.

Now, in defense of this increase, it has been suggested - and here again, as I have said on a number of occasions, it has been suggested and I have no quarrel with this, and as a matter of fact I would doubt that any members of this side of the House have any real quarrel with the shift that was made, really, wherein -- you know, the Medicare shift in fact did take place, but the Minister was good enough to provide the members with a tax table showing the income tax comparisons and the Medicare payments that were applicable to the various provinces in Canada, but it would also appear to me, Mr. Speaker, and I believe the Honourable Member from Rhineland indicated this also, that some of these provinces, although in fact their position may not indicate that they are in a good position with respect to the comparison, but in fact they do offer a rebate to the home owners, which to a very large degree offsets anything, you know, any gain that has been made, and I have said on other occasions that the

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(MR. HARDY cont'd) gain, the gain that was introduced by the introduction, the gain that was made by the introduction of the Medicare premium, in fact to a large degree is offset by its inability, its inability to provide municipalities and those that are in municipalities with the ability to reduce taxes which in fact now goes back to the taxpayer. This is very elementary, Mr. Speaker, and I apologize for bringing this in at this moment.

But in speaking to other businessmen, and I'm not suggesting for one minute, Mr. Speaker, that I have spoken to the captains of industry; there is no way that I have spoken to the captains of industry - I don't know them - but I have spoken to many individuals who are free enterprisers, who are individuals that in fact are creating jobs for other individuals, and in fact there was a product to sell, and so on down the line, which in fact does help the economy of the province of Manitoba, but unfortunately some of them are of the opinion - and I think this opinion, I think it can be confirmed; I think it can be confirmed - that there is an aura of pessimism throughout the province of Manitoba at the present time in the business community, and the position of the entrepreneur has certainly not been made any easier nor has their confidence been increased by comments, and I quote -- if the Minister, when I suggest this comment, if the Minister asks for the chapter and verse wherein the comment was made, at this moment, Mr. Speaker, I cannot, I cannot indicate to him the source of this information, but I am sure that if he so wishes this source it can be confirmed - wherein the Minister of Transportation makes a statement that he "doesn't give a damn if a contractor goes broke." He doesn't give a damn if a contractor goes broke.

Now what position does this put the contractor or the individual free enterpriser, who in fact is endeavouring to create something, not only for himself but for other people. Where does this leave him? This creates a beautiful climate, a beautiful climate in which to operate, and this is something that has to change. It has to change because the business community at the present time is full of frustration. It's full of frustration, and many of them are asking themselves, what am I doing here? Why? Why? There are enough problems without having additional problems foisted on us by the government. It's difficult enough now to operate without additional barriers placed in our path.

Now Page 3 on the Budget Address indicates that residential unit construction increased 125 percent in four years; roads - 140 percent more than in 1958. I would think, Mr. Speaker, that this is an admission by the present government of the progressive policies that were carried on by the previous administration. It would be interesting, if the province can afford it, it would be interesting to see what these figures would be in, say, 1978 - 1978, because certainly much is going to happen between now and that period of time.

A recent announcement by the Minister of Finance indicating that the people of Manitoba in fact were going to be in a position where they could participate in the Centennial year in putting up money, or placing their money or buying investment in the Provincial Centennial Loan. To that I would ask a number of questions. I believe some of them have been answered, but how much -- now it would appear that he is operating anywhere between 25 and 50 million dollars. Now of the 25 - a hypothetical case, and say 25 or 50 million - of 50 million, so we can write off 11 million dollars as far as conversion is concerned, which results in a net figure of some \$40 million. Now I sincerely hope that this \$40 million, if in fact the \$40 million is realized, is for assets in the Province of Manitoba and not, and not for general purposes, because in fact if the government goes to this degree to borrow money for general purposes, then I'm suggesting, Mr. Speaker, that it is extremely, extremely expensive, and 10 years from now the people that are in the position to be paying 10 years from now - and when you consider it at 8 1/2 percent, or eight percent, 8 1/2 percent, whatever the case may be - it's an extremely, extremely costly method of financing for general purposes. -- (Interjection) -- Ding Dong.

It has been stated by the Honourable Member for Ste. Rose - and I have no quarrel with the Minister of Finance as an individual, I'm sure he's doing his job - but in fact what has happened in the past 10 months, we have allocated or acceded to his request over a period of time in the past 10 months and we allowed him to borrow some \$40 million per month, and this is in addition to what can be picked up in the way of available moneys through the issue of the current Manitoba Savings Bonds.

Now I think, Mr. Speaker, that the Budget itself perhaps will take a place in history really, inasmuch that it will be noted for in fact what it didn't say, what it didn't contain. I think really that one of the most significant statements that was made in the document - and I quote from the document: "The new importance of urban life leaves no reasonable choice but to seek new ways

(MR. HARDY cont'd) of serving the more than 80 percent of our citizens who will be living in urban centres by the end of the decade."

Now I would sincerely hope that it is not just now, not now, not at this point in time that the government is aware of the problems that exist in the urban areas of Manitoba. I'm sure with their expertise, their academics and what not, they realized prior to this point in time that in fact there is a very very grave situation existing in the municipalities in the Province of Manitoba, and I don't only suggest that this is in evidence in the Province of Manitoba but throughout Canada itself. This is an area that has been completely ignored in this Budget. There are certain areas where it has been mentioned. Yes, they're going to conduct an investigation, they're going to do an assessment of many many things as it affects the urban areas. This is fine, but there has been nothing, absolutely nothing to indicate to the municipalities, and in turn to the property owners or to the home owners, that in fact some assistance is going to be given. And I'm suggesting, Mr. Speaker, that this assistance has to be given now; it has to be given now for any number of reasons. In the Budget, sure there is an area wherein there has been intangible references and certain platitudes, as I've said before, and a philosophical approach and acknowledgement that in fact problems do exist, and I can only suggest, Mr. Speaker, yes they do exist and I think every member of this House is aware that they do exist, but perhaps the government is not aware of just in fact how critical the situation is.

In a submission to the Government of Canada, the Canadian Federation of Mayors and Municipalities outlined certain guidelines, certain areas where they were of the opinion that immediate remedial action should be taken, and one of the problems, perhaps the most outstanding problem at this stage, is that local governments require financial assistance to carry out its responsibilities to its citizens. Now in addition to that, what are some of the other problems of urbanization. And here again the CFMM has indicated that perhaps the most serious is the constitutional failure to provide local governments with the finances and the powers so that in fact they may carry out their responsibilities. The local governments of this province really as a result of this Budget have become orphans. They have become orphans. Where do they turn? There is only one place to turn and that's to the taxpayer, that's to the property owner.

Now specifically, what are some of the other problems that face the urban areas of Manitoba today - housing, urban renewal, pollution, urban transportation, citizen participation, local government structures, and certainly the financial relationship of the three levels of government, federal, provincial and municipal. It appears that what we are completely forgetting, or what we are forgetting completely is the fact that the urban areas comprise people, people and their problems, and may I suggest that with respect to a comment that was made in connection with the White Paper, that municipalities are -- or at least may I suggest, and I quote: "Municipalities are aware of the fact that our increasingly urban society imposes upon governments and other public authorities demands and conditions which strain to the limit their ability to finance and to execute activities." I think this is self-explanatory. It presents the point of view of the municipal levels. I think it applies there very simply as to what the thinking is in this area.

Now one of the other things - there are many that go hand-in-glove with urbanization, urban areas, and one is crime and all its ramifications and all its costs. This is an area that certainly has to be considered, it has to be considered by a higher level of government insofar as municipalities are concerned, and I'm not talking about large municipalities necessarily but all municipalities, all groups of municipalities in the Province of Manitoba.

One of the most important, and I think this has been touched on by the Minister in his remarks, is housing and urban renewal. In some areas urban renewal and the construction of new facilities within a specified area, within a group, unfortunately has only resulted in a ghetto being moved from one area to another area. Certainly there are two schools of thought insofar as urban renewal is concerned, but as I've suggested to the Minister of Municipal Affairs on a number of occasions, it's unfortunate, unfortunate indeed that the government is not in a position to assist in the individual pride of ownership. I think the individual pride of ownership is something that is going to come through loud and clear in fact if we are going to make any dent whatsoever in some of the urban problems insofar as people are concerned and housing is concerned. Perhaps the government would consider to make loans available to upgrade existing dwellings. Now I'm not suggesting that we follow the course of action taken by the City of Montreal, in fact, where they do not make loans, they make grants, outright gifts

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(MR. HARDY cont'd) in order that certain areas up-grade, up-grade their individual dwellings in keeping with the area surrounding them. I think this is something that we have to take a look at; we have to take a hard look at. Even if it isn't an outright grant, certainly at a very low rate of interest, but not the responsibility of the municipalities, this has to be a responsibility of the province.

Pollution is something that has come to the fore just recently. Well actually it hasn't just come to the fore just recently but it's "motherhood" now - pollution is "motherhood". Really it is, and every politician in the country is getting on the bandwagon as far as pollution is concerned, but there is very little in the estimates, very little in the estimates in order to overcome some of the pollution problems that exist in Manitoba. Fortunately, in the City of Winnipeg or the Greater Winnipeg area, we do not have the same problem as they do in the industrialized areas of eastern Canada, but I am suggesting that now is the time to take the action. Now is the time to make some expenditures; now is the time to make some money available in order that in fact we don't have to expend this money 10 times over in years to come to overcome that problem.

Urban transportation. Urban transportation, without a doubt, is one of the most pressing problems that are facing urban areas today. You can to a degree divorce this from some of the problems that exist in as far as people themselves are concerned, but the problem of moving people in urban areas, not only in Greater Winnipeg but throughout North America, is one of the prime concerns of every elected representative and, hopefully, this also applies to this group. And may I suggest, Mr. Speaker, that it has been indicated that every major city in Canada has undertaken, has undertaken a survey, a transportation study, but nothing has been done; absolutely nothing is being done. You have a situation in Metropolitan Toronto with the Spadina Expressway. This may or may not be the answer. Quite frankly I don't know, but without going to Toronto, the Metropolitan Toronto area, may I suggest that we remain within the confines of the Metro Winnipeg area. There is a problem existing right here, Mr. Speaker. There's a very definite problem and it's one of moving people at a rate where in their productive capacity is borne to the fullest, and economically, economically, the Metropolitan Corporation . . .

MR. SPEAKER: May I remind the honourable member he has five minutes remaining.

MR. HARDY: That was a long 35 minutes, Mr. Speaker. My apologies, I had no intention of going to this degree, believe me. While we are on the problem of urban transportation -- well as far as urban transportation, may I quote a report from the Ottawa Citizen of I believe - and if any member wishes this information I can provide it - but I believe it was the Ottawa Citizen of April 21st: "The Economic Council of Canada estimates that Canada may have 11 million cars on and off its roads by 1980. It concluded that the problem thus posed ranks in economic importance with that of developing the national transcontinental transport system in the past. Everyone agrees, but the machinery and finances are still lacking."

Now I appreciate your comments, Mr. Speaker, in advising me that there are only a few minutes left, and in those few minutes I would like to deal very briefly in the time left with local government structure, local government organization. Now it has been indicated by this government, and it was appreciated by the previous government, that in the Metropolitan Winnipeg area - and I cite this as an example - but the problems also exist, they also exist in Portage la Prairie, Brandon, Dauphin and every other part of Manitoba, but primarily in the urban portion of Greater Winnipeg here, and whether we go, or whether the recommendation is for total amalgamation or whether it is for regional government - and this was my reason in asking if Dr. Brownstone had in fact been retained by the Provincial Government - I would sincerely hope, Mr. Speaker, that it is not the intention of the Provincial Government, it is not the intention of the Provincial Government, through other methods, to circumvent the findings of the Boundaries Commission and I would hope that we can also get a commitment from the Provincial Government that public hearings would be held on the findings of the Boundaries Commission.

There was one sentence in the Budget, and I apply this as a parallel to the comments of public hearings that - and this applies to the Northern Task Force: "It's more important we'll respond directly to the views of the citizens of northern Manitoba." I have no quarrel, Mr. Speaker, with the views of the people of northern Manitoba and I would agree with the Honourable Member from Swan River and of Churchill and others representing northern portions of our province, that yes, certainly there is an area here where government money has to be

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(MR. HARDY cont'd) injected into the economy and into the transportation facilities and some of these other areas in the northern portions, but I'm also suggesting, Mr. Speaker, that can we have in fact a commitment from the government that this type of action is in fact going to be part and parcel of the recommendations of the Boundaries Commission, wherein public hearings in fact are going to be held subsequent to the recommendations of the Boundaries Commission being made public.

Now there is one other area, and I would ask the Minister of Finance to give this every consideration when in fact he will be meeting with the federal people, and this is something that has been discussed and kicked around for many many years. Unfortunately, it has never got off the ground. It's been a recommendation, to my knowledge, of every municipal organization in Manitoba and many many throughout Canada, and certainly of the Canadian Federation of Mayors and Municipalities, and this is one where the deductability from taxable income, that property tax can be deducted on an owner-occupied home. I would ask that the government give consideration to suggesting this to the Federal Government.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: There may be a question, Mr. Speaker.

MR. BEARD: Would the member permit a question? When he referred to the Northern Task Force and the Boundaries Commission, is the member stating that the Boundaries Commission should take precedence over the Mauro Commission and the Northern Task Force?

MR. HARDY: No, actually I think perhaps the Honourable Member from Churchill misunderstood my bringing to bear the relationship between the two. All I suggested, Mr. Speaker, was that it was indicated by the government that in fact they were going to rely very heavily on the wishes of the individuals, on the people that had made the presentation and the Northern Task Force, and all I'm asking is that the same consideration be given to the group in the Greater Winnipeg area insofar as the Boundaries Commission report is concerned.

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MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Thank you, Mr. Speaker. Mr. Speaker, I intend to deal in three basic sections in my comments, one a political and then two economic sections. I would like to make a comment in reply to the Leader of the Opposition's statement of a few days ago when he led off on the budget address and somewhat follow along perhaps the lines of the Honourable Member for St. Boniface, because I have listened, ever since this government was elected, to all the analyses that come from the Official Opposition about splits in this party, about divisions of opinion in this party, and as the Leader of the Opposition said not too many days ago, he talked about the radical reds and the unhealthy pinks and all sorts of other ogres and horrible frightening spectres as seen by members of the Conservative Party.

I would like to say that he's right, he's right to this extent, that there is in fact a broad spectrum of thinking in this party, and that is not surprising because we are the government and any government, any party that takes power, must of necessity represent a large number of people and this can only I think be done by representing a broad spectrum of the thinking of the public. This party in my judgment is centre left, and I also think that that is the reason that we're in power. If we had stayed, or if the party had continued the philosophy that developed in the 1930's, this party would probably be a little larger but would probably be in opposition, but in the last few years, and particularly since the formation of the New Democratic Party in 1961, the thinking has to some extent changed, and in particular, although the principles and the outlook has not changed that much, the social and economic conditions have changed, and if you take the same general outlook and attitude and apply it to different social economic conditions you get different results, you get different programs, you get different problems and you get different solutions.

Now the Leader of the Official Opposition and his colleagues in the back bench, they fail to understand this. They fail to understand why it is that there are these degrees of attitude and that there are shades of opinion in this party because they don't have that problem. They all think alike with one exception, because there is only really one remnant from the Roblin regime, there is only one member that I think can truly be considered to be a member of the Roblin days and that is the one Red Tory who sits in the front bench, my honourable friend the Member for River Heights, alias superball, and he is really the person who attempts to take his party into the centre whereas the other members of the party attempt to turn the direction further right.

I remember a debate that took place not too long ago in the newspapers. Some people considered -- I think one of the youth groups of the Conservative Party suggested that they should drop the Progressive part of their name, Progressive Conservative, and call it the Conservative Party. Well of course -- (Interjection) -- That's right, in other words -- Oh I'm sorry, you're right, I'm not quoting him correctly. The youth group suggested that they should get away from the name "Conservative", that that was not too good a name and wasn't too palatable to the public. Well the Leader of the Official Opposition disagreed and the Member for River Heights said, well maybe there was some merit in that idea. Well, you know, I back the Leader of the Official Opposition, I think you should go under the name of the Conservative Party and give up this old remnant of Progressive, which I think came from the farmers party, and also give up the notion that the party is really, you know, a moderate party of reform or a moderate party of the right, because the party has obviously moved right.

I also think of some of the utterances by their leading theoretician, the Member for Pembina, who is an expert on social problems and who gives us all sorts of valuable quotations and all sorts of attitudes that are lifted out of the history books. He gives us Conservatism in England in the early part of the 19th century, and in particular he gives us some attitudes that can only be described as having come from 18th century, late 18th century France, because I think that if I were to sum up his philosophy I could do no better than to quote one of the young ladies who observes and comments on this particular Legislature, the words "let them eat cake", because he frequently talks with such compassion about "starve or work" and he . . .

MR. ENNS: What have you got against eating cake?

MR. DOERN: Nothing, except it doesn't fill your stomach.

MR. ENNS: That's the progressive element in our party that's speaking there my friend.

MR. DOERN: You see my honourable friend the Member for Lakeside, he too agrees, he too follows Marie Antoinette and the Honourable Member for Pembina. At the same time,

(MR. DOERN cont'd.) at the same time the Liberal Party, of course we know has moved right. They followed their leader the Honourable Robert Bend around the bend and over the cliff. And the Conservative Party really, if you analyse their voting strength in this day and age, you can see that the party is either receding into the southwest corner of Manitoba or being driven into that corner. I would suspect that we can't really say that they are an extension or that they are related to our sister Province of Saskatchewan because there is still a very strong tradition there of the New Democratic Party, but I sort of see them as a logical extension from Alberta and British Columbia, and I would suspect that although that is the bastion and the basis of their strength in this Legislature and historically in this province, that in the next election there is going to be some pretty tough fights going on in that section of the province, and although we may not pick up too many seats, I think some honourable members opposite are going to be rather concerned about the swelling number of voters in this one strong bastion of Conservatism.

MR. BUD SHERMAN (Fort Garry): Take our advice and spend you time in Elmwood, Russ, you'll need it.

MR. DOERN: The honourable members opposite, Mr. Speaker, appear, appear to be strong on agricultural questions. They take great periods of time and give us great quantities of words on the problems of agriculture, although it would seem to me that our members - we have several farmers - they have a gentleman farmer and we have a turkey rancher and a few other people here, a potato farmer, a potato grower, and it seems to me that the Minister of Agriculture can easily hold off the eight or ten members on that side, if not contain them entirely.

But the area that I think they are particularly weak in, being weak in the centre of the spectrum politically, I think that the urban members of the Conservative Party are not fulfilling their role in this Legislature. There are seven or eight members who represent urban constituencies, and if you compare their contribution in this Legislature to the debate and to the emphasis - and I know we just heard from my honourable friend the Member for St. Vital and he just made one of the few comments on urban problems coming from that side - but if you look at their contribution as a whole, they are not raising these problems and they do not appear to be aware of these problems, and I think that that's a challenge that they will have to meet because it is difficult for us, the urban members in this caucus, to speak in this House. We must speak in caucus, this is really our opportunity to speak, but there is almost silence on that part of the room when it comes to Metropolitan problems and urban needs and solutions, and I think that the members are remiss, I think that these members are remiss in that particular function.

Now we also heard from the Honourable Member for Morris, and I regret that he's not here, one of the third-rate Thespians in this Chamber, and he came out with a very interesting comment the other day. He said that a strong -- (Interjection) -- Is he upstairs? I hope he doesn't throw anything down. He said the other day - and this really made me laugh, because I listened to his speech and boy, if that wasn't a bit of acting I don't know what was - his grandiose speech about the rights of the Opposition and about this government trampling freedom of expression. That's got to be one of the funniest speeches that I've heard in the last three and a half years. I think it was so exaggerated I couldn't believe it, and he said that a strong Opposition is the best defence against tyranny. Well I agree, but if this is the kind of Opposition that this government is facing, then I think the Opposition has to be charged with encouraging and supporting tyranny in this Chamber because you're not providing anything.

MR. ENNS: What you mean to say if this is the opposition you have you're on the way to tyranny.

MR. DOERN: I think that our back bench ~~chomps~~ at the bit and on occasion attempts, as best they can, to perform the function of an Opposition because there really is a vacuum on that side. We've seen the punches, sure we've seen the shot, and they're not very accurate and they're not very telling. You know, we've heard all this rambling about auto insurance and all this ridiculous stuff about how the bill hasn't been complete and judgments in advance. Everybody should know, anybody who's been around more than a few months, that you'll get your statement tomorrow morning and you'll have your chance to make your statements then. I think a lot of that is just shadow boxing. -- (Interjection) -- Well sure, regulations, but I think you might get a pretty clear picture tomorrow.

Mr. Speaker, I would now like to turn to two economic questions, as I see them. One I

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(MR. DOERN cont'd.) think is the difficult problem that this provincial Legislature -- (Interjection) -- Well, I will deal with my honourable friend who is really a character out of Shakespeare. When I listen to him I can only recall that immortal character from one of Shakespeare's great plays, Polonius, because I have tried very often, I have tried very often to make sense of my honourable friend's statements and I find that they are Polonius-like, if there is such an expression.

The business outlook. I'd like to deal with what some of my honourable friends keep throwing at this party. They keep attacking this party as being anti-business and so on; they keep raising all sorts of issues; and I would like to set the stage as to what we are up against in this province and this particular government, the prospects and the business outlook for 1970, because that is the setting and that is the context with which this government must deal.

The Financial Post sent out what was called a "Crystal Ball" in December of '69. The Manitoba Association of School Trustees sent us a copy of this little booklet -- "Collection of Expert Opinions on the Outlook for 1970 from the Financial Post." I'd like to just read a couple of sentences from this. For instance, Mr. Bell, the President of Abitibi, said that "Capital expenditures by industry and new housing both will be adversely affected by continuing tight money." Mr. Marcel Vincent, of Bell of Canada, said that "the rate of real economic growth will fall short of potential and it will be difficult to keep the national unemployment rate from exceeding the five percent mark." And so on and so on. Mr. Crump from CPR said "the tempo of economic activity will have slackened noticeably"; and M. J. McMillan of CNR said that "indications are that 1970 will be a year of slow growth."

If you look into the Manitoba context, Roger Newman writing in the Tribune and also in the Manitoba Business Journal said the same thing. He talked about development and construction in Metropolitan Winnipeg and he said that developers are finding it difficult to borrow money, and he said that local architects and developers think it will be at least six months before they have any significant easing of the money shortage.

So that's really what we are all up against, and I think that some credit should be given to the Minister of Finance for bringing in a balanced budget because it's not as easy a thing to do as some of the members opposite would seem to believe. It was not easy for this government to cut some of the pressing needs, to limit the pressing needs and to try to keep down the spiralling demands on the purse of this province, and I think that if the Minister hadn't exercised a tight rein that the result would have been that we would have had another \$50 million on that budget, but a balance in fact was achieved and a small surplus gained.

Mr. Speaker, I think that the relations between this government in its short period of time and the business community have been fairly good. They have not been anywhere near as bad as the members opposite would like to believe or would like to see, because there is a common interest. -- (Interjection) -- Yes, as I believe. -- (Interjection) -- Well, I think they're fairly good in my judgment. The Opposition seems to labour in this House night and day to attempt to undermine the efforts of the Premier and this government in regard to the business community.

When we deal with auto insurance, which is a specific area which is -- the auto insurance industry is one part of the insurance industry and the insurance industry is one part of the business community . . .

MR. HENRY J. EINARSON (Rock Lake): What about farm machinery?

MR. DOERN: . . . and when we go into auto insurance and we talk about a plan, this is generalized; it becomes an attack on business. This is how it's translated by the members of the Opposition. When one plant, if a plant closes - and plants close all the time all over Canada and businesses fail and new industry comes in, it's all relative and you have to weigh the scale of things - but if one plant closes, then we get the impression from members opposite that all plants are closing. If one man speaks against us, if one man speaks against us this becomes all business men opposite this government. The Member for St. Vital, who is not here at present, talked about pessimism, and really what he's talking about on his part is fear, in the sense of fear on the part of the Opposition parties that this government will get along and will work along with the business community. That's what they mean. They're afraid that this government will have good relations with the business community because they don't want that. They want an open fight.

MR. ENNS: That's not right.

MR. EARL McKELLAR (Souris-Killarney): Who wants the open fight? It's you that wants the open fight.

MR. DOERN: Because, Mr. Speaker, they fail to understand our approach.

MR. ENNS: That's not right.

MR. DOERN: They fail to understand our approach. Their approach was laissez faire, good old-fashioned laissez faire, Adam Smith, you know, late 18th century and so on.

MR. SHERMAN: . . . a few minutes ago; now it's Adam Smith.

MR. McKELLAR: Is the honourable member referring to me?

MR. DOERN: I'm referring to the party as a whole. Mr. Speaker, their belief was in laissez faire, although if they had read Adam Smith, who was the man who originally set forth that theory some 200 years ago, they would know that he had a lot of concern. -- (Interjection) -- Yes, but I'm suggesting to you that I've read some of him and I'm not sure that you have. He had a concern for labour and he had a concern about some of the price fixing and some of the activities in the business community. He did not just say business is good and everything else is bad. He had a fairly good case to make at that time, especially since there was a great deal of regulation that he was at that time trying to fight.

Mr. Speaker, their approach is laissez faire. Their approach is give subsidies to business and help as much as you can, and our approach, I believe, is a partnership. Our approach is a combination of government, along with business and labour, working together for economic development in this province, and we believe, following that theory out, in equity investment which my honourable friends did not, and so on. So I think there's a fundamental difference there and I think that my honourable friends have a difficulty in understanding that.

Mr. Speaker, there's two particular problems which I would like to also mention that I think are faced by this government or by any other government. The Minister of Finance said in his Budget Address that the government's aim was to achieve balanced development throughout Manitoba. Mr. Speaker, I think that's the dilemma of development. It's the dilemma that any government in this province must face, because in a sense, in a sense there's a clash between city and province because of the large number of people located in one metropolitan area, and I think that when you're talking about investment and you're talking about return on the dollar, I don't think there's too much doubt that if you were going to invest on the basis of profitability that you would tend to put money into the Metropolitan Winnipeg area, because I think that because of the nature of this centre, the fact that it's a large market, the fact that the infrastructure is here, the fact that there's a big technology here and that there's an experienced labour force, I think that one would conclude that this is where the money should be invested for the greatest return.

And the process of urbanization continues. The people filter into Winnipeg, they leave the farms and the towns. And this gives us the problem, the fact that many rural communities, many small rural communities are declining, and there are certain growth centres and certain towns with good prospects but that many of the small towns are dying, that the automobile has made many of them obsolete. But the dilemma is that one must measure the profitability of investment against people and that's where this government must tread carefully, like all governments before it, because you have to compare economic development with social needs and you have to make good investments that will benefit the people of Manitoba. If we make poor investments or marginal investments, then I think that we can break this province. We will set this province back and that, Mr. Speaker, I think is the crux of the question, that this is the cross that we must bear.

The second problem, and the final problem that I would like to deal with, is the problem of taxation. Whenever we introduce new policies, this implies new taxes or more taxes, in general, when you're talking taxation and policies. Similarly, when we change the tax structure, we are in effect changing policy. That in itself is policy, and I think that there have been reforms in taxation which this government has made that have long been overdue. This government of course has said many times - spokesmen for the New Democratic Party - that our basic outlook is that taxation should be according to ability to pay. We have made changes along those lines and we have heard loud screams because of those changes, and I think that there is a dilemma there for us and I think it's something that the party is facing and will face throughout its entire term in office.

The Leader of the Opposition himself said this, and I have to agree with him for once, when he said in his opening remarks the other day, he said, "that I think the government is aware that the solution to long-range problems of taxation in Manitoba is through the extension of our tax base, through the provision of more and better jobs for our people in Manitoba. I

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(MR. DOERN cont'd.) hope that the government recognizes that the application of the ability-to-pay principle must be applied to the income of Manitobans without destroying the ability to earn incentives." And I agree with him. That is the problem that the Minister of Finance faces, that the Cabinet faces, that this party faces and that this House faces; namely, there must be a balance between helping people who are unable to help themselves, people who are in the lower income brackets, people in the middle income brackets and so on, but that at the same time there are limits to such taxation, and you can't kill the goose that laid the golden egg, or whatever analogy or whatever metaphor one may wish to choose, that one simply cannot continually tax people in the upper income brackets right out of existence. That's the problem. So I think that this is something that we are wrestling with and that we are also aware of.

Mr. Speaker, as I've said, in general the philosophy of this party is to favour the less fortunate, the average citizen and taxpayer and the lower and middle classes, and we have a great deal of respect for the honest and the hardworking man. I think I could sum that up by quoting a statement that was made, I don't know when, by somebody named John Gardiner, that I think sums up our view, and I'm sure that most members have heard it before, on the subject of excellence, namely this: "An excellent plumber is infinitely more admirable than an incompetent philosopher, that the society which scorns excellence in plumbing because plumbing is a humble activity, and tolerates shoddiness in philosophy because it is an exalted activity, will have neither good plumbing nor good philosophy; neither its pipes nor its theories will hold water."

So I think those are my comments, Mr. Speaker. I reject the statements of the Opposition that this government is anti-business, that this government is trying to drive business out of Manitoba and that this government does not understand the businessman and his problems. I think that the party has done quite well in its short term in office and I think that the approach is different and that the concept is partnership, partnership between business, labour and government.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): I wonder if the honourable member would permit a question. He was talking about the goose that laid the golden egg. Is he suggesting that the present government has the proper goose but not the propaganda?

MR. SPEAKER: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Chairman, I have a few remarks that I would like to make on the Budget, but I must say at the outset that I am not familiar with budgets which are so large, where you consider increases such as you have in education of \$11 million as normal and you have a budget of 166 and some-odd-thousands in it besides, and we have increases in Health and Social Services of practically 29 thousand. These two things alone make an increase of about \$40 million. I'm not used to budgets of this size, as I said before, but I do believe that if expenses are watched and people mind their business, they don't need to always spend extra money each year, and in this case we're spending \$40 million extra more than we spent before even if there wasn't a tax increase.

Government by its very nature is cumbersome and at times inefficient, and this is so in connection with whichever government is in, but I do think that things could be done at times to save money. Although I have been accused of it before, and the Honourable Member from Elmwood has made some remarks about it, about how I may be - and my party - compared to the people in the 19th century or the 18th century. You know, folks, this really doesn't hurt my feelings very much because I'd be far happier to be compared to people of this calibre than to the people of the calibre that invites people like Yoko Ono and John Lennon to Canada. I am sure that your Leader and Mr. Steinkopf had many embarrassing moments over this. So you see we have different people in all our parties and I'm sure that you are quite different over there and they had a difficult position to get out of. I'm very happy, I must say, that they were able to do it in such a gracious manner. -- (Interjection) -- Well, I knew it was him that invited them. He knows it too. He was trying to get the whole thing going.

MR. DOERN: I'm glad I did.

MR. HENDERSON: Too much is being spent on welfare and there are too many abuses. I believe there could be improvement if people that were more practical and a little older were used in some of the administration, people that might ask some questions like do you ever make your own bread; how many cars do you drive; how much beer do you drink; how much bingo do

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(MR. HENDERSON cont'd.) you play; and a lot of these things. There's a waste and we know it. The trouble is that there's an awful lot of the people just haven't enough guts to say so.

Education is another department in which you're spending too much, and it is my guess in some cases, because of the way it's emphasized, that we're turning out educated fools; we're turning out educated fools. Sometimes when I look around I don't wonder at it so much. Another reason I say that we're having waste in education is because we'll see school called, the buses go out and the teachers are there, and in a short time they're dismissed and everybody's going home again and that's called a school day, and everybody knows if you divide the number of school days, 200, and the amount we're spending, that this is a terrific waste.

-- (Interjection) -- Yes, and we also have people at the universities, rebels that are doing trouble, causing trouble and leading almost revolts which are not even expelled.

I could even go on further to say where we have teachers which have been doing a very capable job for years and doing a wonderful job with the children which are being turned out because they haven't got a special degree. They are rated more on their degrees than they are on their merit rating and I don't believe this is right.

Education, when you talk about degrees, has been over-emphasized. Let's use a little common sense. I know people who went to school that never got into high school. These very same people are making a very good living, they own a lot of property and are paying taxes, both real estate and income taxes, and these people were - well, not maybe totally because of the way they were raised, but in those days there wasn't all those handouts. They either had to work or produce or else - I shouldn't maybe say starve - but this is the reason why they got out and worked and they were able to be successful. Nowadays this sort of family gets so much relief that they never want to support themselves, and I often wonder why a person should. These same people that done this, nowadays are paying all these taxes towards this education, and the way it's going, now we're building youth hostels for them. I know that times are changing and maybe there should be something done, but I'll tell you that in the times when I grew up people of this calibre were just called "bums".

Now I'm not going to attempt to cover other things that were covered in the budget speech because they have been covered many times and very ably, but I'd like to draw your particular attention to the flooding that's gone on in my constituency, and in particular to the area at Carman. We also have had flooding in Morris which was very near serious, in fact if it had not been for the capable action of the council which saw fit to remove some of the culverts and dig a few roads out there would have been serious flooding. The council should be commended on their foresight. However, they did have warning at Morden and they expected it.

This was not the case in Carman. This area has not been flooded since 1923 and there was no warning of it at all. We do not have a flood control committee in that area that looks after it and it came as a surprise to everybody. The spring run-off from the Carman area had gone down and everybody thought things were okay. The water came in from the west and the north because of that heavy snowfall and the warm weather. This is the same snow storm which caused the collapse of the Darlingford Community Centre. This building had only been built in 1969 and it was a great loss to that community. It will probably cost them more to tear it down than to rebuild it again than what it cost them to build it the first time.

This was a run-off from another area and yet Carman had damages which ran very high, estimated by some people - and it's only a guess and we must realize this - as being in the neighbourhood of two million. There have been damages to garages where they sell bearing works - we have a man there that sells bearings to all southern Manitoba - in the neighbourhood of \$35,000. Other estimates have been as high as \$75,000. We have had an eight-lane bowling alley practically destroyed. The man estimates that it may cost him \$60,000 to put this in working condition, because you know in a bowling alley the wood has to be in good shape and it practically ruined it. This man was paying approximately \$1,400 a year in taxes and yet the type of taxes he had didn't cover flood and he's out this. This was his life savings and he's wondering what he's going to do about it, in fact he don't know whether he can build the building up again.

These very same people that were flooded - this is the irony of the thing - they were working on a dike which was trying to protect the rest of the town, and when the dike broke the water came in and rose three feet in an hour and ended up by being five foot and a half deep in that area. I'd like to take this opportunity on behalf of the town to thank the government, and

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(MR. HENDERSON cont'd.) in particular EMO, for the very fine work they done at that time. I also understand that the Minister of Transport was out there and was giving them his active support and they really did appreciate it.

The point that I am trying to make is there was tremendous damage to a few individuals in particular in this area, and they didn't have any warning and it was not their own water. It may not happen again for another 47 years, but who knows, it may happen next year, and indeed it is very costly to look after. One of the reasons for this run-off, why it comes so fast, is because there's been considerable bush cleared on many of the farms west of there. The ditches in most cases have been improved to carry the extra water but there's been no provision made in areas like through the town where the river goes. This can be related to the flood that you had in Winnipeg and that ended up by having a floodway built. You can remember the commotion this caused and you know now how happy everybody feels about it. I am not saying that this should be done in Carman, in fact it is very difficult to say it, but I do believe that it should be looked into because this could happen again.

Now I would like to talk about the assistance as it now applies relating to floods. Generally it is a very good system and is very reasonable. However, like everything else, at times any legislation or things that are prepared seem to be very ineffective. I'm referring to the clause in it where it says that a maximum that will be paid out to any business is \$4,000. This program is okay in most farm cases and most residences, but where you have a loss of from 60 to even up to 75 thousand, it doesn't really apply very well at all. These buildings that were lost is the life savings of these people, and at their age they wonder whether they should really try to raise the money and go in debt for it to carry on. I've been in touch with them, two of them in particular, and this is what they told me, they don't know if they will re-build.

Now I've been doing a certain amount of research and enquiring as to what other help might be obtainable, and I have found out what happened in the past. Has the Minister of Mines and Natural Resources gone? I've been trying to get some action on this and I haven't and this is why I'm bringing it up today. In 1950 when they had the Red River flood there was a fund raised, not by taxes but by donations from all over the world, and this fund at that time amounted to about \$10 million. This was for doing personal things for people like repaying personal damage and extra things, and when everybody was fixed up after this flood there was 1-1/2 million left. This fund was invested under a board and grew, and then later a part of it was used for the flood that happened in the Fraser Valley and another part of it was used at the time of the fire, the Rimouski fire in Quebec. However, this fund has continued to grow and it's still in the neighbourhood of \$2,000,000.

At that time, Mr. Roblin was the Premier of Manitoba in 1966 and he went to obtain money from this fund and they told him it couldn't be obtained unless there was a fund from the local people started. These people needed the help and I am told that he put \$300,000 into it and that this fund was more than matched from this here disaster fund. It's called Emergency Disaster Fund. This money was administrated by a board and took on the care for special cases and personal things. As a result, no one was hurt to any extent.

I hope the present government will handle this flood in the same way and that is why I have been asking questions. When people have lost their savings and are wondering what to do, they do not want to be told that it is being studied. Being studied could mean several things these days and it doesn't necessarily mean you're going to get an answer in time. They want to know what is happening and they can't wait. They have no homes to live in and they have to get back in their homes, they have to repair their basements, their furnaces and their hot water tanks, etc. This is why there's an urgency on it. I am requesting you on behalf of the people in Carman to give your attention to this matter so that the people will know where they stand. I wish the government would get this board appointed so as they could estimate the damage and make a grant and so that the people would know who to apply to.

Although I may be considered as a member who believes in not wasting money, or looking after the way it's being handed out, I feel this is a different case; this is a different need. This was a disaster where the people lost their savings. I hope that because we are involved in this insurance bill and other things that keep the members keyed up, and this is their main focus in all probability, that they do not forget about things like this. These are the things we should be looking after in the province. I am asking the support of all of the people in the House so that the people of Carman can get some help. Thank you.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. J. R. FERGUSON (Gladstone): Thank you, Mr. Speaker. I would like to add a few comments to the budget, and in looking it over, I find a bit of a sense of relief that there are no great increases in taxation. It's possibly going to cost us, cost us a bit more to visit our provincial parks, a bit more to transact property deals, a little higher special school levy, more income tax, but all of these taxes are reasonably well hidden, they're not brought out as a direct smash that meets the eye anyway. It's to be hoped that the general economy of the province maintains its healthy growth pattern so that the estimated revenues will materialize.

I note one thing in the estimates under the Flood Control and Emergency Expenditures, the allocation this year is only \$196, 000 as compared to \$2 million last year. Possibly this proposed estimate was brought down at a time when it wasn't realized that the flooding that had taken place would be going to happen, but it is totally inadequate to do anything towards compensation or repairing the damages that have been brought in the two major flood areas of Manitoba up to this point. Last Saturday the Premier and other members of the Cabinet, the Minister of Transportation and some other government officials, were in Gladstone and I thank them for their attention, for them coming out and inspecting the damage. I would also at this time like to thank the EMO organization and the army and any others that answered the call and came to the aid of the district.

Now at the time that the Premier and the Minister were there on Saturday the water was receding at Gladstone and clean-up operations were commencing, and it was recognized at this time by the Premier and Mr. Borowski that the raising of a portion of No. 4 Highway on the southwest side of the town should provide adequate protection, and I would hope that this would be one measure that will be instituted this summer during the construction season. However, this still will not do anything towards protecting the people further down the river. The area around Woodside and Westbourne, as of today, it's still in quite a flood stage and the marsh area now east of Gladstone is starting to back up and they're out sandbagging again there today.

Now many of the people in this eastern area have been forced to evacuate their homes four years out of the last five, and I don't think that there's any group of people - I've said this before in my grievance speech - that can live any longer under these conditions. It's just impossible to establish a home or establish anything, and especially in the livestock producing areas, practically every year the livestock now are just turned loose to seek higher ground and then they're hunted up and fed with barges or boats. And anyone with feedlots or livestock producers and the hog business, any livestock man knows what happens if your animals get off feed, it's possibly in some cases two or three weeks to get them back on full feed again.

As I mentioned the other day, the Whitemud system now is recognized as the major flood hazard in Manitoba, the most consistent anyway, and I believe over the years that my predecessor, Mr. Shoemaker, made his annual address pleading for some aid along this river system, and I guess the government might be quite fair in saying, well why didn't you do it when. I'd also like to point out at this time that the Red and Assiniboine were receiving most of the allocations for flood damage, or flood control rather, and as these systems have now been completed, I would suspect that the way should be open to begin an operation to bring the Whitemud under control.

Now as of today, it's almost the middle of May and this is the time when farmers are thinking of going out and putting in their crops, and in many cases in the flood-affected areas it'll be three weeks before the fellows can even get out on their land. Then they'll have the problems of filling in the washouts, cleaning up the debris and silt off the fields. The Minister is not in his seat, but he stated that the Flood Control Board was under consideration, the Red River one had been disbanded a couple of weeks ago, and I would ask if he was here, has this board been re-constituted, and if not, I would hope that it would be immediately and that all the areas of compensation that will be paid to the public will be known as soon as possible so that the people involved will know what they can claim and where to apply for it. Many are anxious to begin clean-up jobs on their buildings, and in some cases the only salvage value of these buildings will be to demolish them and it should be done immediately.

Now, I'll not go into the aspects of the 1966 plan. The member, my colleague from Pembina, explained it quite adequately I believe. Now it seems that we have an open cheque book for welfare in this province but in many cases it's just developing a drone segment in our society, and I would suggest that it's only fair that the people who are producing the wealth of the province and who are in trouble should possibly be getting a little prompter attention. In many cases this flood is no fault of their own, they have lived in the area for in many cases 50,

(MR. FERGUSON cont'd.) 75 years, but there's just no way that this flooding can be controlled until such time as government action and government funds will be applied, and I would hope that help be given as quickly as possible and with a minimum of red tape.

I'd like to comment briefly on agriculture. I see our Minister is in his chair, and he did make the statement that the Lift Program was a step in the right direction, and yet I think he's admitted it in the House, I'm not just too sure of this, that considerably less than \$3 million will be paid to the farmers of Manitoba. Now the Federal Government, with all their fanfare, have introduced a plan stating that they're willing to spend between 120 to 140 million dollars to reduce the wheat acreage in the three western provinces and it was the duty of our Minister of Agriculture to secure a fair share of these funds. Now there's been no payments made as yet, possibly when the thing is figured out there will be a considerable amount of money, but I can't see it. Manitoba represents roughly ten percent of the wheat acreage, and on an equitable basis we should be receiving between 12 and 14 million dollars. Now if the provinces of Alberta and Saskatchewan are receiving no more benefits than Manitoba, then I would say that the Lift operation is merely a political ploy designed to bale the Federal Government out of the mess created by their inability and their ineffectiveness as a selling agency.

The administration will cost as much as the benefits that are paid out. I thought that when the Minister went to Ottawa recently that there would be some revision in the plan, but up to this point we've heard nothing from him or in newspaper reports that it is going to become any more beneficial or applicable to Manitoba. I still think that a straight acreage payment on land withdrawn from wheat production would have accomplished more and it would have accomplished it with a minimum of red tape and administrative problems.

I don't think that I have a great deal more to say on the estimates, Mr. Speaker, I believe that my colleagues have covered many of the other aspects. Thank you.

MR. SPEAKER: Are you ready for the question on the sub-amendment?

MR. HENDERSON: Mr. Chairman, I'd like to rise on a point of order. It's been drawn to my attention that when I was speaking that I said there was \$2,000 left in that fund and I meant two million. That's a very big difference and I thought it should be corrected now.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): I'm sure, Mr. Speaker, that Hansard will acknowledge the remarks of my honourable friend and make the correction.

MR. SPEAKER: The Honourable Member for . . .

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. John's): Would the honourable member permit a question since he's made a correction?

MR. HENDERSON: Okay.

MR. CHERNIACK: In the light of the correction, could he indicate to us whether or not he is supporting acreage payments for himself and for other farmers who are in any difficulty in connection with cash. -- (Interjection) -- No, it's the honourable member I wish to ask . . .

MR. HENDERSON: I believe you meant to direct your question to the other gentleman, didn't you?

MR. CHERNIACK: No, I'm directing the question to the honourable member who was complaining about people who were not working for a living and talking about those who were hard working.

MR. HENDERSON: Oh yes, I didn't get your question too well because I thought it was for the Member for Gladstone. If you don't mind repeating it, I'll be happy to answer it. I'm sorry.

MR. CHERNIACK: Well, Mr. Speaker, I'm taking advantage of the fact that the honourable member has risen to his feet to ask him what I wanted to ask earlier but not to interrupt him, and that is in the light of the way he spoke about the people of his generation who worked hard and are now owning property and paying taxes and income taxes and municipal taxes, whether he supports the principle of acreage payments to farmers at this time, which is a form of assistance is it not?

MR. HENDERSON: Thank you. It is a little bit of a difficult question, but I would like to draw your attention to this in all sincerity, that half of the boys that aren't making too good are a lot of the boys that got educated. They turned out to be no better than the boys that weren't, and I'm in favour of -- (Interjection) -- They weren't as good. In fact. . .

MR. SPEAKER: The Honourable Member for Churchill.

MR. BEARD: Thank you, Mr. Speaker. Perhaps the last member was right, if we cut

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(MR. BEARD cont'd.) out the education estimates we'd have enough for some of the proposals I may be able to dream up in the . . .

MR. DESJARDINS: It might be a good time to call it 5:30, Mr. Speaker.

MR. BEARD: . . . after supper. All right.

MR. DESJARDINS: It's a good time to call it 5:30.

MR. BEARD: Does he wish to call it 5:30?

MR. PAULLEY: Mr. Speaker, if it would suit the convenience of my honourable friend not to get started with only four minutes to go, I don't think there would be any hesitation on our part for you to call it 5:30.

MR. BEARD: I'm always ready to get started.

MR. SPEAKER: I call it 5:30 then and I'm leaving the Chair to return at 8:00 o'clock tonight.