



Legislative Assembly of Manitoba

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DEBATES  
and  
PROCEEDINGS

Speaker

The Honourable Peter Fox



Vol. XIX No. 35 2:30 p.m., Tuesday, April 11th, 1972. Fourth Session, 29th Legislature.

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Tuesday, April 11, 1972

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 35 students of Grade 5 and 6 standing of the Balmoral School. These students are under the direction of Miss Pohman. This school is located in the constituency of the Honourable Member for Gimli.

We also have 42 students of Grade 11 standing of the St. Anne's High School. These students are under the direction of Messrs. Tetreault and Depot. This school is located in the constituency of the Honourable Member for La Verendrye.

We also have a special guest of the Honourable Minister of Industry and Commerce, a Mrs. W. Cameron of Vancouver who is visiting with us.

On behalf of all the honourable members, I welcome you here today.

SPEAKER'S RULING

MR. SPEAKER: Before we proceed I should also like to make a statement. Yesterday the Honourable Member for Lakeside rose to ask that a matter of privilege affecting all members of the House be adjudicated upon. The nub of the honourable member's contention was that statements were being disseminated by the Minister in respect to Western Flyer Industry before being presented in the House.

Since the Chair is not aware of the particular statement by the Honourable Minister of Industry and Commerce it is in doubt whether the matter of privilege exists since many statements have appeared both within and outside the House in respect to this particular industrial concern and consequently the Chair cannot decide whether the matter has been raised at the earliest time as indicated by our Rule 24. Aside from that I should again say, as I have indicated previously in my rulings, that I am dealing only with technical and procedural aspects of the matter and not in any way with the merits of the situation or the allegations.

Privilege as defined in May's 17th Edition states: Privileges of parliament are rights which are "absolutely necessary for the due execution of its powers." They are enjoyed by individual members because the House cannot perform its function without unimpeded use of the services of its members; and by each House for the protection of its members and the vindication of its own authority and dignity. These definitions are very general; it is perhaps on purpose that a clear and logical definition has never been given of parliamentary privilege. However, authorities on the subject argue that privilege includes freedom of speech in the sense of immunity against suits in defamation; freedom from arrest in certain very limited circumstances, exemption from court duty as a witness or as a juror; protection against undue influence and reflection on members. There are also the collective privileges of the House dealing with the control of its proceedings and publication; the calling and protection of witnesses; reflections and indignities affecting the House as a body or as an institution; the right to set up its own rules and the traditional privileges claimed by the Speaker on behalf of the House at the opening of parliament.

It will be seen thus that parliamentary privilege is concerned with the special rights of members not in their capacity as Ministers or as Party Leaders or as Whips or Parliamentary Secretaries but strictly in their capacity as members. Allegations of misjudgment or mismanagement or maladministration on the part of a Minister in the performance of his ministerial duties does not come within the purview of parliamentary privilege.

I have attempted as thorough a study as possible in respect to cases of privilege in which cases reported dealt with situations where members felt they had been adversely affected in their right to participate in parliamentary work without undue pressure, influence or accusations either from inside or outside the House. In fact, nowhere can there be found authority for the proposition that administrative misdeeds as such can be raised by way of the question of privilege. The Chair is even more hesitant to come to the conclusion that information disseminated which is of interest to the public and of a non-confidential nature can be construed as an irregular procedure of this House or be classified as a misdeed. It may be a discourtesy but that is not a procedural matter for the Chair to judge. The Chair is not aware of any rule which stipulates that public information must first be made known in the House.

(MR. SPEAKER cont'd)

Further, I should like to refer honourable members to a ruling issued by Mr. Speaker Lameroux on March 31st, 1969, where he declined to entertain a motion that a matter of privilege prevailed surrounding the circumstances described as a leak to the public of confidential information before being presented to the House of Commons. In conclusion, therefore, I must indicate to the Honourable Member for Lakeside that he may possibly have a grievance but the Chair cannot accept it as a matter of privilege.

Again I should indicate that I have ruled on this matter in the strict procedural sense. The effect is to refuse precedence to this discussion as a matter of privilege, but no barrier is raised to the presentation of this matter under different circumstances on another occasion. For example, the subject matter can be brought before the House as a grievance on the next motion to go into Supply or can be dealt with by substantive motion or by motion of no confidence. Thank you.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Labour.

#### MINISTERIAL STATEMENT

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, I wish to make a statement dealing with the matter of unemployment and the latest statistics dealing with that question, and in accordance with the rules of the House I have a copy of my statement, Sir, for you and for the Leader of the Opposition.

My statement, Mr. Speaker, is as follows: Manitoba's unemployment rate fell in March while unemployment was increasing for Canada as a whole. Manitoba's rate fell in March to 5.8 percent -- and I want to say, Mr. Speaker, I am not satisfied with that rate but it is the rate -- a reduction from the rate of 6.3 in February. Manitoba's rate of decline was the sharpest decline in all provinces of Canada. The actual rate of unemployment in Canada increased from 7.3 percent to 7.4 percent and the seasonal rate increased as well from 5.8 percent to 6 percent. Manitoba's actual rate of unemployed fell from 24,000 to 22,000. The total number of unemployed for Canada as a whole increased from 627,000 to 642,000.

It is very important, Mr. Speaker, in my opinion, to note that employment in Manitoba increased while it was decreasing in other areas, from 358,000 to 359,000 over the comparable months. It is always significant, Mr. Speaker, to compare by years and I am pleased to record and to report to you, Sir, and the Assembly that there are 10,000 more employed in the Province of Manitoba in March of this year than there were in March of last year, indicating that we are progressing in the Province of Manitoba.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, I listened with interest and read with interest the information that the Honourable Minister of Labour furnished. Unfortunately I think that in the statement there happens to be an error and I think we can acknowledge it. The increase was from 358,000 to 369,000 in terms of the number of employed, which accounts for the 10,000. --(Interjection) -- So it's 1,000 over. Well it stands to reason . . . On the annual comparison there are 10,000 more in the labour force; on a comparison last month there is 1,000 more in the labour force and we have essentially decreased in the number of unemployment by 1,000.

Mr. Speaker, I think members on this side are happy to see progress with respect to unemployment. There is no question that we as well as the government want to see a situation achieved in which the rate of unemployment would fall to what is considered tolerable and which is considered reasonable and this has been accepted by the government as well as by the Economic Council of Canada as well as by the Federal Government to be that of three percent. This has been acknowledged in the statement that the Minister of Finance has made at dominion-provincial conferences and we accept that. Applying that standard to the specific information that's been supplied, Mr. Speaker, we still have 10,000 unemployed over what is considered the tolerable figure. Because if we have approximately 400,000 employed, more or less, I'm trying to round it off, we're talking in terms of 12,000 as a tolerable level. We've got 22,000 unemployed; we have 10,000 we have to be concerned about.

Mr. Speaker, we acknowledge the fact that the government through its course of action, through a determined policy has assisted the problem of unemployment through the massive

(MR. SPIVAK cont'd) . . . injection of public effort and monies through the public sector program and public work programs. We acknowledge that those programs themselves have been good for Manitoba. But, Mr. Speaker, we reject the fact that the achievement of the goal that has been cited by the Minister of Labour is the only goal that could have been achieved at this time if there had been a recognition of the necessity for the private sector to be encouraged to do the things that it could do to be able to help unemployment. We feel that if anything there is in the statement of the Minister further indication of the fact that the government is failing and continues to fail in trying to create and develop a program which will allow private entrepreneurs and private sector in the private -- (Interjection) -- . . .

MR. SPEAKER: Order, please. Order, please. May I ask the Honourable Minister of Labour what he's speaking to? He's already spoken on the statement.

MR. PAULLEY: On a point of order, Mr. Speaker, I think I indicated accordingly. I'm sorry you did not hear that. I'm rising on a point of order, Mr. Speaker, under our new rules. I believe that under our new rules a Minister is entitled to make a statement and I followed through -- (Interjection) -- Right. And I followed through the rule of the House by giving to my honourable friend the Leader of the Opposition and you, Sir, a copy of my statement, and I believe the basic principle of that being done is that it does not create a debate but rather a very short reply, a brief comment in respect to the announcement or statement.

I respectfully suggest, Mr. Speaker, that the utterances of my honourable friend the Leader of the Opposition cannot be conceived as being a brief comment because I think he was arguing as to the situation respecting employment and unemployment in the Province of Manitoba.

MR. SPEAKER: On the point of order raised by the Minister of Labour, the point is well taken. The Honourable Leader of the Opposition should confine himself to a brief remark.

MR. SPIVAK: Mr. Speaker, on the point of order.

MR. SPEAKER: I have ruled on the point of order.

MR. SPIVAK: Mr. Speaker, it is my intention in just the few moments that is permitted under the rules of the House to editorialize in the same way that the Honourable Minister did. Mr. Speaker, I indicate again to the House that while the figures themselves may appear to be encouraging they also indicate the failure on the part of the government to carry out programs which would stimulate the kind of activity in the private sector to in fact provide a situation in Manitoba that would achieve the goal of three percent unemployment.

MR. SPEAKER: Order, please. The Honourable Leader of the . . . The Honourable House Leader.

MR. PAULLEY: Mr. Speaker, may I refer my honourable friend to page 6 of the mimeographed new rules of the House and subsection (4) dealing with the matter of the order and the Ministerial Statement. And if I may have your permission, Sir, I would like to read it so that it is noted: "A spokesman for each of the parties in opposition to the government may make a brief comment with respect to the announcement or statement and the comments shall be limited to the facts which is deemed necessary to make known to the House but should not be designed to provoke debate at that time." And that announcements or statements shall be made available by the Minister to the parties concerned.

I respectfully suggest, Mr. Speaker, that my honourable friend the Leader of the Opposition is going beyond the intent of the recommendation of the Rules Committee in this. He will have ample opportunity I'm sure, Sir, to debate what the government is doing in respect to unemployment on some other occasion.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER JORGENSON (Morris): Mr. Speaker. . .

MR. SPEAKER: On the same point?

MR. JORGENSON: I don't think that it was ever the intention -- on the point of order -- I don't think it was ever the intention of the Rules Committee or anyone else that the replies of the opposition to any ministerial statement should be limited to singing paeans of praise to the government. Opposition parties are entitled to make their comments relating to the matter that was raised by the Minister, and if they happen to be critical remarks that certainly is not out of order. I agree that the remarks should be limited; they should be brief. But nothing in that rule suggests that the Leader of the Opposition is confined to singing the praises of the government. On the contrary, it is a time when opposition statements can be made to ministerial statements, and that's what the Leader of the Opposition is doing.

MR. SPEAKER: Order, please. I believe I have indicated -- Order please -- I believe

(MR. SPEAKER cont'd) . . . . I have indicated that the point was well taken. I thank the Honourable Member for Morris for the further contribution; it too is well taken. But nevertheless brief is brief and I do think that the Honourable Leader of the Opposition has had a brief reply and has made his point. If he's going to get up and debate the issue he will be out of order. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I'll add to what I've said by asking the government to indicate in this House as soon as possible how many students they expect to enter the labour force in the next period of time; what forecasts they have of unemployment for the next quarter period . . . month by month. I would like, on the basis, Mr. Speaker, to be in a position to evaluate again the basic premise that was made earlier; and I think, Mr. Speaker, if we had this information we would be in a better position to evaluate and judge the figures that have been presented.

Mr. Speaker, I do not believe that the figures that the Honourable Minister has presented to this Legislature are that encouraging. I think they indicate and forecast greater uncertainty with unemployment. I think as well that they forecast the necessity for further action, not only by government but by the private sector; and unless that action takes place I can only foresee continued high unemployment in Manitoba.

MR. SPEAKER: Any further ministerial statements? Tabling of Reports; Notices of Motion; Introduction of Bills. The Honourable Minister of Transportation.

#### INTRODUCTION OF BILLS

HON. PETER BURTNIAK (Minister of Highways) (Dauphin) introduced Bill No. 20. An Act to amend the Highway Department Act. (Recommended by His Honour the Lieutenant-Governor).

#### ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question to the part-time Minister of Mines and Natural Resources. I wonder if the Minister can tell me was there any particular reason why he chose not to inform the members of this House that commercial fishing was to be resumed on Lake Winnipeg?

MR. SPEAKER: The Honourable Minister for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Speaker, I want to rise on a question of personal privilege. According to a write-up in the Free Press yesterday I was quoted when we were talking about the cost of regulating Lake Winnipeg that it was going to cost \$252,000 per Indian family. That is not right. I said that it was \$252,000 per person. There was about 25-30 families involved and this would have cost \$2,252,000 per family. I rise because I may not be able to correct this in Hansard if it is wrong, but it is certainly wrong in the paper, and I understand how he made the mistake because it is very difficult to think that it would cost \$2,252,000 . . .

MR. SPEAKER: Order, order please. The honourable member is debating. This is just a matter of explanation. The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I direct a question . . .

MR. SPEAKER: The Honourable Member for Pembina.

MR. HENDERSON: Thank you, Mr. Chairman. I was just hoping that the Press would print this correctly though because it is a terrific difference. It's just a matter of \$2 million per family.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I would like to direct a question to the Minister of Colleges and Universities. I understand that there is a report published by the Committee on post-secondary education that was reported on the radio this morning. Could I ask him if this report has yet been distributed to the members of the Legislature?

MR. SPEAKER: The Honourable Minister of Colleges and Universities.

HON. SAUL A. MILLER (Minister of Colleges and Universities) (Seven Oaks): Mr. Speaker, there is no report published. It hasn't been distributed to the members of the Legislature. It hasn't been distributed to the Minister.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: A supplementary, Mr. Speaker. Could the Minister comment on the report which he was credited with making, that there will be some changes in the structures of the

(MR. CRAIK cont'd) . . . . community colleges, in the way of providing independent advisory bodies and administration?

MR. SPEAKER: The Honourable Minister of Colleges and Universities.

MR. MILLER: Mr. Speaker, now I gather that the question is not about the post-secondary task force but about community colleges. An announcement was made about two months ago about the restructuring of community colleges administration which would mean also the changes in the advisory councils and the nature of the representation.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, a final supplementary. May the members of the Legislature now have that two-month old report then?

MR. SPEAKER: The Honourable Minister of Colleges and Universities.

MR. MILLER: It is not a report. It is the decision of the Minister, it was made and made public over two and a half months ago.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Honourable the First Minister. I wonder, Sir, in view of the statements made by his Minister of Education with reference to the suggestion that a separate committee or commission be set up to study the matter of aid to private and parochial schools between sessions, does this mean that the government has now decided to defer the question of aid to private and parochial schools until the next session?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, that will be determined by events.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: A supplementary question to the Minister of Education, Mr. Speaker.

MR. SPEAKER: Order. The honourable member has had two supplementaries on that question. -- (Interjection) -- Well would the honourable member state that it's a different question, not a supplementary?

MR. CRAIK: It's to the Minister of Education, Mr. Speaker -- not to the Minister of Higher Education, it's to the Minister of Lower Education.

MR. SPEAKER: The Member for Riel.

MR. CRAIK: Mr. Speaker, the Minister is credited in the paper with saying that most MLA's including Premier Schreyer see the need for public involvement in the separate schools question.

MR. SPEAKER: Statements in the paper have no relevance to this procedure unless you can ask a specific question. The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, my question is, can the Minister indicate whether he made a statement saying that most members of the Legislature are in favour of public involvement; and secondly, can he indicate who those members are, and if he has canvassed members of the Legislature to determine whether there is a majority?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education) (Burrows): Mr. Speaker, I am sorry I have not seen the newspaper report to which the honourable member makes reference and I do not therefore feel qualified to comment on it.

MR. SPEAKER: The Honourable Member for Riel. Order, please. The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I have a question for the Honourable First Minister, concerning the reported brain drain from Sweden of leaders of science and industry due to the decreasing quality of life over there. Is any effort being made to attract these leaders in science and industry to Manitoba?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I am not aware of the facts as alleged by the honourable and fair lady Member from Fort Rouge, but I can tell her that if it is a fact that science and technology expertise could be made available to Canada and Manitoba by having scientists from Sweden decide to live here, it is certainly a possibility that we would be most interested in exploring further.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the Honourable Minister of Agriculture. Could he - without preamble, Mr. Speaker . . . could he indicate to

(MR. WATT cont'd) . . . . the House what position he has taken on the recent problem with the Vancouver port . . . Manitoba wheat through Vancouver port . . . Has he taken a position on that, and has he taken part in the negotiations that have gone on in Winnipeg? This is not preamble . . .

MR. SPEAKER: Order, order! The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Mr. Speaker, I think I had answered a question similar to that one on a number of occasions.

MR. SPEAKER: The Honourable Minister of Education.

MR. WATT: Mr. Speaker . . .

MR. SPEAKER: Order please . . . Supplementary. The Honourable Member for Arthur.

MR. WATT: I ask the Minister again, and I have on several occasions, what part he has taken in helping to direct grain out of Manitoba, through our transportation facilities and through the port of Vancouver and through Churchill. Could he give us a statement now of what he has done?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, if the honourable member would like to know. One member of my department is now discussing matters with the Hudson Bay's Route Association in Saskatchewan. That same member is party to discussions with the Federal Government on all matters relating to grain handling and transportation.

MR. SPEAKER: The Honourable Member for Arthur. Would the Honourable Member for Arthur place his question.

MR. WATT: Yes, I just asked the Minister, Mr. Speaker, if he could give us the name of the person that he's referring to in Saskatchewan?

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Speaker, I have had an opportunity to peruse the article referred to by the Honourable Member for Lakeside and Riel, and I wish to answer the question which I was unable to answer earlier during the question period. It is true that I do favour maximum public discussion and that I also made reference to public involvement in this legislation, and in all legislation, which is the policy supported by the majority of the members of this House who happen to sit on this side, because that is the manner in which we attempt to proceed with all legislation presented in the House for consideration.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I thank the Minister for his reply but does the statement not refer to all members of the Legislature? I think he has restricted it to members on the government side in his reply.

MR. SPEAKER: The Honourable Minister of Education.

MR. HANUSCHAK: This story does not quote me on that particular issue but makes reference to most MLA's, and again I repeat, most MLA's in this House are on this side.

MR. SPEAKER: The Honourable Minister of Municipal Affairs. Order! Would the Honourable Minister for Lakeside like to have the floor?

The Honourable Minister for Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Mr. Speaker, The Honourable Member for Birtle-Russell on March 17, 1972 directed a question to me in respect to the percentage of taxes unpaid in regard to rural municipalities in the province. Until all statements are in following municipal audit it is not possible to describe outstanding tax arrears in terms of a percentage of a year's tax levy. Attached, however, to a form which I will table with the Clerk, there is a detailed statement of estimated tax imposition and estimated tax collection for the years 1970-71 with respect to all municipalities in Manitoba. The statement basically indicates that the 1970 percentage of collection was 95.4; the 1971 percentage of collection 99.27, and the number of municipalities showing improvement 155; those municipalities showing impairment 57 in the province. I table this at the present time with the . . .

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable Minister of Industry and Commerce relating to the operations of Western Flyer Limited now Flyer Coach Industries. In view of the conflicting reports on the degree of success being achieved by this corporation, would the Minister be prepared to table the latest financial statement of the operation so that members could make their own judgment as to whether or not they are successful?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, there are no reports of any worth which criticize the operations of Flyer Industries Limited. There are no conflicting statements.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, a supplementary question by way of explanation. I was referring to financial reports of Flyer Coach Industries. Would the Minister be prepared to table the latest financial report?

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

MR. EVANS: Mr. Speaker, I believe there will be an annual report available of that company.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, I would like to direct a question to the Honourable Minister of Tourism, Recreation and Cultural Affairs and ask him does the province continue to have some responsibility for the use of and the promotion of the new Winnipeg Convention Centre, or has the province relinquished that responsibility?

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

HON. LAURENT L. DESJARDINS (Minister of Tourism, Recreation and Cultural Affairs) (St. Boniface): Mr. Speaker, I think that the question should be addressed to the Acting Minister of Public Works who has been the representative from the province on this.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I considered directing it to the Acting Minister of Public Works and thought perhaps it was to the Minister of Tourism and Recreation. I will redirect it if I may, Sir. The question was, whether the province continues to have some responsibility for the use of and promotion of the new convention centre, or has it relinquished that responsibility to other bodies?

MR. SPEAKER: The Honourable Acting Minister of Public Works.

HON. RUSSELL DOERN (Acting Minister of Public Works) (Elmwood): Mr. Speaker, the Acting Minister of Urban Affairs and myself and other provincial departments have a continuing interest and a continuing role in the promotion of the Winnipeg Convention Centre.

Mr. Speaker, I would like to also at this time, answer the Member for Fort Garry. He raised some other questions concerning the convention centre yesterday. I would like to inform him that the projected date of completion is in the summer of 1974; that the official promotion for the convention centre is only now beginning, but there have been a number of inquiries concerning the booking of conventions for the summer of 1974 on. I might also point out that we consider this to be a realistic target date. It is possible, of course, that the Centre could be completed in the fall, but I think that it is just as realistic to expect that it could be completed several months prior to the target date.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: I thank the Minister for his information, Mr. Speaker. A supplementary question. Does the province, this Minister and the Acting Minister of Urban Affairs or whoever is responsible, intend to take early action to appoint a manager and a sales staff for the convention centre?

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, since I was referred to may I indicate that the prime - what's the term - the responsibility for the construction is that of the City of Winnipeg. We are making our contribution. We are not involved in the management of the operation at this stage. There may yet be discussions held with the City of Winnipeg as to any possible sharing of responsibility for continuing operation, but at this stage we have not undertaken to be responsible in connection with the operation management control of the convention centre.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Honourable the Minister of Municipal Affairs. I wonder, Sir, if the Honourable Minister can tell me why the Autopac agents particularly in Gimli and Selkirk are finding it necessary to band together to insure job security?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: I would seriously propose to the honourable member that he may wish to consider asking them.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: A supplementary question, Mr. Speaker. Is it the intention of the government to perhaps dispose of the newly created Autopac agents in the near future and have the residents of Manitoba purchase their insurances at offices conveniently located by the government?

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, my question is for the Minister of Labour concerning the unemployment figures that he gave us a while ago. I wonder if the Minister has a breakdown of percentages of unemployment between rural and urban areas?

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: No, Mr. Speaker, I am not aware of any statistics that give this actual comparison. I have it in respect of involvement in labour of course and I'd be pleased to give any information I can to my honourable friend.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. EARL McKELLAR (Souris-Killarney): Mr. Speaker, I'd like to direct a question to the Minister of Municipal Affairs. Would the Minister inform the House as to when the agents for Autopac will receive their commissions for the period of November 1st, 1971 to February 29, 1972?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: All that I can say to the honourable member, that in main the commissions have been received in respect to that particular period of time. There are certain instances where adjustments have required to be made. If the honourable member would like to relate to me a particular agency, then I would be glad to look into it.

MR. SPEAKER: The Honourable Member for Souris-Killarney.

MR. McKELLAR: Is he aware this involves all the agents, that they've only received partial payment on their commissions - around 30 percent?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, the answer that I gave the honourable member was that in the main the commissions have been received subject to certain adjustments. Those adjustments developed as a result of various errors which occurred for one reason or another, whether it be at the Motor Vehicle Branch and/or in the offices of the agent which required an adjustment in the final returns that were forwarded to the agents in question. The adjustments are being made at the present time.

MR. SPEAKER: The Honourable Member for Thompson.

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I have a question for the Attorney-General. Could he inform the House what action he is taking in response to the statement made by the Chief of the Fort Alexander Reserve where he claims his life has been threatened regarding the recent controversy?

MR. SPEAKER: The Honourable Attorney-General.

HON. A. H. MACKLING, Q. C. (Attorney-General) (St. James): Mr. Speaker, I'm aware of the allegation and as I understand it my department has made enquiry into it and I'm not aware of what the results of those enquiries are.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY McKENZIE (Roblin): Mr. Speaker, I have a question for the First Minister. I wonder could the First Minister indicate to the House why one of the Treasury Bench members was not sent to the annual meeting of the Hudson Bay Route Association at Weyburn?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there was as is customary an invitation to have a member, a Minister attend at the annual meeting of the Hudson Bay Route Association, but inasmuch as members of Cabinet have met with the association only in recent weeks, and also because of the fact that the House is in Session, it was understood that it wasn't particularly convenient at this time.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I would like to file a return to an Order of the House No. 8 which was brought in on the motion of the Honourable Member for Fort Garry on behalf of the Leader of the Opposition.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the gallery where we have 40 students of Grade 7 and 8 standing. These students are under the direction of Mr. Kentner and Mrs. Hanks. This is the Baldur School and they come from the constituency of the Honourable Member for Rock Lake. On behalf of all the honourable members I welcome you here today.

ORAL QUESTIONS - (cont'd.)

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, before the Orders of the Day I have a question for the Minister of Finance. I wonder whether he can indicate to the House the approximate gross, the approximate gross of the actual Provincial Government expenditures in the last fiscal year?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I cannot.

MR. SPEAKER: Orders of the Day. Proposed motion of the Honourable Minister of Finance and the amendment thereto by the Honourable Leader of the Opposition. The Honourable Member for La Verendrye.

MR. BARKMAN: Mr. Speaker, I adjourn this debate for my colleague the Member for Portage la Prairie.

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ORDERS OF THE DAY - BUDGET DEBATE

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, we have now had presented to the House the financial report for the third fiscal year during which the course of the province and its economy has been guided by the NDP. The results of the current government's handling of the economy and the money of the people of this province stand clearly visible for anyone who wishes to take the time to look behind the propaganda, the slogans, the facade and the verbiage in which this government through its Finance Minister attempts to mislead the people of Manitoba into believing that "Big Brother" is looking after their interests and everything is well.

After last year's budget address, I expressed great concern that the Minister of Finance had taken advantage of his position and used his budget speech to deliver an unbecoming and inflammatory political harangue. It has always been the tradition that budget speeches contain a financial reporting for the past year and an economic forecast for the forthcoming one, and no more.

MR. SPEAKER: Order, please. I wonder if the honourable members would extend the courtesy so that I could hear the honourable member who is on the floor now. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: We expressed our regret then that the Minister had found it necessary to depart from the tradition of parliament and use his budget speech as an opportunity to rant and rail, to create paper dragons and strawmen which he and his colleagues can then delight in tearing down.

The present government in all its presentations seems to thrive on the politics of clash, of confrontation and of concealment and propaganda. That precedent of last year was carried forward into this year's Speech from the Throne in which the NDP government proudly patted itself on the back for producing non-existent results. And again last week when the Minister brought forward his budget he did not lose the opportunity to tell the people of Manitoba that things couldn't be much better, that the NDP have brought the best of all possible worlds, that the economy is growing, that they are progressing in a material way, that black is white, that love is hate, that war is peace, that decline is growth, that loss is profit, that expense is revenue, that a tax increase is really a tax decrease and so on.

Because of the inadequacy of the Financial Report presented by the Minister of Finance, it becomes necessary to examine in some detail and to report accurately to the people exactly where we stand in this province. But first one must point to some of the inconsistencies and inaccuracies, even in the propaganda statements issued by the Minister of Finance. He tells us on Page one that his is an activist government dedicated to bringing greater justice to the people of Manitoba. Yet it is his government that has abused almost every ingredient of a democratic process. It refuses to hold public hearings on items of major importance such as the Lake Winnipeg project, the new estate and gift tax system. It refuses to pass a bill of rights to protect the fundamental rights of the people. It follows the practice of withholding important information from the public and public representatives. It passes tax legislation and affects the lives of people in the constituency in this province, Mr. Speaker, while denying them the right to have a representative to speak for them in the House.

The standard defense of a government when it is criticized is to attempt to destroy the character of the critic, for we have rarely heard any criticism countered on its merits by government spokesmen, rather the approach has been to vilify the critic, question his motives, attempt to create public contempt against him or anyone who dares to raise his voice in criticism, simply because he sees things differently.

Mr. Speaker, these phrases that we have heard in recent years have really not been of much credit to this Chamber in the past three years. So surely we can criticize objectively, we can differ but we can still try to work together on the important matters.

For the second straight year, Mr. Speaker, the Budget Speech points with pride to the great accomplishment of a Government of Manitoba in the spectacular breakthrough precedent it established in the development at Leaf Rapids. Yet we have never been able to get a copy of the agreement, nor has the government tabled any information as to precisely what the terms and conditions of the development are. In spite of this we have suggested that the tax deal may not be as wise as the government thinks it should be, but then again we have no way of knowing

(MR. G. JOHNSTON cont'd) . . . . nor has this been debated publicly.

The Budget Speech proudly announced a new approach to the employment problems in Manitoba. Indeed on Page 2 the Minister speaks of a new policy of a fundamental kind. I agree. It is new and it is fundamentally different but that does not make it right. In fact it is quite wrong in my opinion. The only escalation in employment in this province since we have been treated to the NDP style of government is the massive escalation in government employees growing in size each year much faster than the economic growth of the province. The only kind of jobs this government is capable of creating is jobs in the public sector and not in the private sector; and even many of those jobs are of a make-work temporary nature.

The real economic position of this province and the ability of this government to create full employment and an environment in which people are prepared to take risks, invest, create jobs and create futures for themselves and all of us in this community can best be seen by looking at two figures. For the year ended 1970 the cost of administering the Civil Service of this province stood at 1.6 million; for 1972 the estimate is 4 million. That's a 150 percent increase. For the year 1970 welfare payments were 17.7 million; for the current year they will be 47.7 million, an increase of nearly 300 percent. Mr. Speaker, I think those figures tell more about the economy and the style of government and the ability of this government than any speech the Minister of Finance could possibly make.

While the government carefully stages its announcements of tax change in the manner most likely to keep the public from seeing the total tax escalation that has occurred this year, the record must show that over and above the tax increases that were announced in the budget speech itself, the public faces the following taxes which were never levied before in Manitoba. A provincial capital gains tax in the amount of 42.5 percent of the federal capital gains tax. Gifts over 5,000 between husband and wife will now be taxed. The exemption from gift tax where a farmer made a gift of farm land to his son has now been removed. Some inheritances between husband and wife will now be taxed where they had been tax free for the past four years. Corporation tax for small businesses in Manitoba used to be 24.86 percent which included both federal and provincial taxes. As of January 1st, this year, because of federal and provincial tax increases they are now 28.25 percent. Drivers' licenses have increased in price as have park entry fees and others.

It may content the Minister of Finance to reassure his friends that the tax changes are minor but I'm sure the people of Manitoba will not be fooled. The Minister goes to great length stretching even the credibility of some of his colleagues to try to demonstrate that the economy is moving along well. The NDP have found a new slogan: "selective growth." It's a new excuse, it's a new slogan to cover up a number of unpleasant facts which the public haven't the right to know about.

In the past several years, the past three years of this government's operation there hasn't been a single major industrial development occur in this province, other than the construction of the Boeing Plant and the announcement of the Canadian Mint made by Ottawa. There has not been a single major rural decentralized industry established in the province in that time. The previous administration was able to demonstrate that this could happen. A distillery in Gimli, farm implement manufacture in Minnedosa, a chemical plant in Brandon and so on. The business climate in Manitoba has gone down to the point that we have seen a record rate of bankruptcies of some of the most established businesses in Manitoba, even those that had an MDC loan.

The government budget speaks of an average wage increase of 7 percent in Manitoba last year but inflation took away nearly 4 percent of that raise and the balance is going to taxes. The government may say it as often as it likes that the people are now better off but I'm sure the people do not go for that story. Capital investment in this province declined in 1970, it declined again in 1971 and still the government resolutely predicts a major expansion is just around the corner. At a time when education costs are skyrocketing beyond the capacity of people to pay, the government permits over 3,000 non-resident students to be educated at public expense in our universities at a cost of about \$3 million per year. The same three million could go a long distance to completely removing education tax from the property of senior citizens without having to resort to the gimmicks that are being practiced. In answer to this I'm sure the Minister will say that well it's a federal-provincial responsibility to work out the financing of post-secondary education. Even if that is true this government has not yet put forward a meaningful negotiating position on the whole Confederation issue.

(MR. G. JOHNSTON cont'd) . . . . .

Let it be well understood, Mr. Speaker, that the Liberal Party congratulates the government for attempting to remove from the property tax base the cost of financing some of the education. It must be done. Indeed it was us on this side of the House who proposed for two years resolutions asking for this type of reform to take effect. And while the Honourable Leader of the Opposition was highly suspicious of how this money is going to be given back to the people, at least we say that it's a step in the right direction and we hope that the plan will work.

But, Mr. Speaker, low and no income Manitobans will not thank us for forcing them to now file a tax return when they didn't have to file one before. Nor will anyone really believe that the program could not have been implemented this year rather than having to wait an extra year. We are left to wonder why if the government was genuinely sincere in its objective that the public wasn't simply permitted to deduct the tax rebate from their property tax payment without having to go through the complex and costly process of first paying his property tax, then applying for a refund on his income tax return. But then we have to have the cheques sent out I guess for political reasons. We are left to conclude that the government has adopted this plan for -- well strictly for political reasons. It takes the money with one hand and gives it back a short while later with the other hand.

We must also regret that this tax relief is not adequate for the farm communities, for even if a farmer does receive the maximum of \$140.00 it will really be a minor gesture to him when he faces several hundreds of dollars of property tax for education as well as his ordinary tax for municipal purposes.

We also regret that the government found it necessary to increase the tax on production machinery for the business community to the tune of 12 million per year, and this is at a time when industrial expansion is at its lowest rate that it has been for a very long time. We recognize that the money had to come from somewhere and we recognize that we are now facing a 15 million deficit as a minimum in 73 and 74. A proper approach would have been to stimulate the economy sufficiently to create a larger tax revenue through natural economic growth rather than taking more from the same sources.

And this also raises the question of the financial reportings of this House. The Minister intends to borrow nearly 400 million this year. He says that 92 million of this is for general provincial purposes. Well then let it be recorded, Mr. Speaker, that it is our position that this 92 million, or a good part of it, should probably be classified as current spending, and if that were done the public would see that the true facts, namely that the deficit for this year will not be 2.7 million but will be somewhere in the order of 100 million. In fact if proper accounting techniques were adopted by the government and full disclosure made, the public would soon see that the figures for this year, as was the case last year, still fail to take into account perhaps another 100 million of current losses that must be written off. I am referring to that in its expense projections for the year the government makes no allowance for the following: losses of nearly \$10 million by the MDC on uncollectable interest from the CFI Complex; losses in the operation of that Complex, perhaps in the area of 35 million. No one can really say because the Minister has not disclosed anything about this matter.

Then there's the capital loss of anywhere from 50 to 65 million in the writing down of the value of the CFI project, and this is based on the evidence that has already come out before the Commission of Inquiry. The Minister describes his budget as expansionary throughout the speech. We challenge him to show us in which way it is expansionary, other than in expanding the civil service and the government take-over of economy. Where will it create permanent private sector jobs that will survive and remain long after this government has gone? The Minister says on Page 32 of his speech that he is operating on the premise that the NDP was given a mandate by the people to develop budgetary policies which will further the quality of the human condition in Manitoba. Well that's a rather pious proclamation I would say. Everybody tries to do that, it doesn't matter what stripe they are, what party.

So the question for the people of Manitoba is this: how much more social democracy can we take? Let us look at the real figures. That is the only way the public and the members of this House can evaluate the government's financial non-performance. In 1969 before the government took office we spent in the area of 400 million. In 72 the government will spend 576 million. In three short years spending has risen by 176 million - quite an increase. This year's increase in government spending estimated at something over 11 percent is nearly triple the rate of spending increase faced by Canada's wealthiest province, Ontario, which is

(MR. G. JOHNSTON cont'd) . . . . increasing spending at the rate of about 4 percent per year.

This government continues to mislead the public on the statement of public debt. It continues to speak only of net dead weight debt. Thus when it borrows money to build a bridge, it says we haven't really increased our debt because we have an asset, the bridge. I suggest to you that this is misleading the public. The only figures that have any meaning for the people of the province are those which tell us what is the direct debt owed by the province and what is the indirect debt, the debt for which we are responsible because it is owned by the Hydro or the Telephones or the schools or the hospitals. These figures are staggering. In 1969 the direct debt of this province was 455 million; by 72 it will be nearly 600 million, an increase of 150 million in three years, or 33 percent. Taking into account our debt of government agencies the comparison is even more astonishing. On December 31st, 1969, six months after this government took office, a total direct and indirect debt in this province was approximately \$1,190,000,000.00 By December 31st, 1971, it is \$1,528,000,000.00. That is an increase in provincial debt in the amount of 300 million in three years. This will increase by another 400 million this year according to the Budget Speech. In other words by the end of 72 after three and one-half years of social democracy the debt of this province will have increased by 700 million. Those are the facts and those are the figures, Mr. Speaker. These are the bits of information that the government really doesn't want to spell out in that manner. Put it another way, Mr. Speaker. The interest alone on the total new debt will be 60 million, that's on the new debt in the last three and a half years. That's almost as much as we raised in sales tax in this province. It is perhaps in this perspective that the public will understand that the total sales tax that's required to pay the interest on the new debt and, that's about \$300.00 per family, more than double the maximum of \$140.00 tax rebate.

Now, Mr. Speaker, a few words about the economy. I do not find it very easy to put out figures, and no doubt there will be cries of doom and gloom but the facts are here. In the private sector in 1969 investment grew by 19 percent; in 1970, the first year of the NDP Government the normal increase in private sector investment declined to a growth rate of 1.4 percent and this only because I suppose some spending commitments had been made in the previous year. In 1971 the real impact of the NDP mood and economic environment was felt. The private sector investment declined by a further 7.7 percent. Even in the face of this the government projects that it will start growing again in 1972 by a modest 3.3 percent. We can have little confidence in government estimates and hopes because even last year the Finance Minister projected a growth in the economy and this failed to materialize. There is no reason to be hopeful therefore that the government will be more successful in its projection for the future.

In the housing field the government is quite proud to point to housing as an area where we are growing. Yet when we look at the method by which that growth is obtained we notice that the government activity in the housing industry accounted for a majority of the houses built in that year. For example in 71 the government financing was responsible for 5,700 units out of 10,705 new dwellings, so while there's growth there the private sector has sagged badly to where they're only putting out less than 5,000 units in 71.

In the matter of income distribution in the province, Mr. Speaker, let's have a look at that. The true plight of the Manitoban is the fact that he faces the highest taxes in Canada and has among the lowest incomes will never be seen from the figures given to us by the government, but I would like to refer members to the Government of Canada publication "Taxation Statistics for 71" where Manitobans will be able to see how well they have fared compared to other Canadians in this province. And the figures are rather depressing. Eleven point two percent of Canadians earn over 10,000 per year. In Manitoba 9 percent earn this income. In Canada 22 percent of Canadians earn over 8,000 per year; in Manitoba 17 percent fall into this category. In Canada 36 percent of Canadians earn below 4,000 a year; in Manitoba this figure is 50 percent for the province.

There is even more startling pictures which can be shown and which will indicate that the present government has got its priorities a little mixed up, and that it should be finding ways to help Manitobans earn more rather than pay more. The people of the province, Mr. Speaker, don't want handouts; they are not beggars. They don't want to be subsidized by government. They are thrifty and hard working, and they're aggressive, and they want work not welfare. We need jobs that can pay more rather than stopgap programs of make-work-nature. The failure of this government is seen in the fact that while its welfare payments has

(MR. G. JOHNSTON cont'd) . . . . . escalated in three years, its spending on developing of new jobs through the Department of Industry and Commerce has declined. The evidence of financial madness is certainly there where the department of government that should be making an all out attempt and should have more money to operate with, haven't got it.

Let us look at the incomes of some of the cities in the country. The City of Winnipeg is the fourth largest city in Canada, yet it is fifty-second in average income. The average income in Oakville, Ontario is 8,000 per year, while in Winnipeg it is 5,900 per year -- quite a difference. In Montreal, the average income is \$6,346; Toronto, \$6,741; Vancouver, \$6,573; Ottawa, \$6,992; Calgary, \$6,491; Edmonton, \$6,353; Victoria, \$6,040; Winnipeg, \$5,867.00. Lest the Minister say that we have taken an unfair comparison, that for some reason Winnipeg faces a lower than average income, let's compare the income of our second largest city, Brandon, with other comparable cities in the west. Regina, average income \$5,818; Saskatoon, \$5,923; Prince George, \$6,750; Brandon, \$5,449 average income.

Now I turn to our rural economy where we need no statistics to tell us that farm income is unacceptably low. Yet even the cities in our rural area have income levels that are lower than comparable cities in Canada. Let me speak of my own city, Portage la Prairie. Red Deer has an average income of \$5,735; Yorkton has an average income of \$5,400; Moose Jaw, \$4,900; Sept Iles, Quebec, \$6,700; Brampton, Ontario, \$6,900; Nanaimo, B. C., \$6,560; Portage la Prairie, \$4,500. Again it takes no financial genius to see that the people of Manitoba are not well off and that their position is not enviable. Nowhere can this tragedy be seen more clearly than when we look at the position of rural Manitoba. Thirty-three percent of all Manitobans live below what the Economic Council of Canada has said is the acceptable poverty line. In rural Manitoba the situation is worse. Fifty percent of all non-farm families in non-urban Manitoba live below the poverty line. One need only drive through the towns and villages to see the decline, to see the closed stores, and the empty houses.

This is a true economic picture of the province; these are the figures that the public ought to have been given but which the government didn't see fit to disclose. It's this government's failure to stimulate the economy that permits this low and no income situation to carry on. Manitobans can no longer accept it. It was bad enough before, but this is just getting worse. Instead of concentrating on the critical and urgent problems of the economy the government contents itself in praising itself for past accomplishments and proudly proclaiming that it will continue to expand the bureaucracy and the study groups that haunt the government.

If the Minister had presented an accurate summary of his government's financial management since coming to office he would have told us the following facts: that because government spending has escalated the costs of running the government has skyrocketed in three short years. In 69 the Finance Department spent 5.2 million to administer the financial matters. This year it will be just under 14 million, an increase of 300 percent.

The Attorney-General's Department is another example. This department supervises and administers all the boards and tribunals and commissions and agencies, etc. In 1970 the budget for the entire department was 6.6 million; in 72 it will be 11.6 million, nearly 100 percent increase in two years. In the Attorney-General's Department alone salaries in 1970 were three million and this year will be six million -- double.

The bureaucracy and the give-away society being built can be seen for example in the Department of Education. In 1970 the student aid program was 1.3 million, today it is 5.1 million -- an increase of 400 percent. And because the government has created no new jobs to absorb our university graduates they're going to spend another 2.6 million to create short-term summer jobs. When the figures are added together the increase is 600 percent since 1970. In order to administer the big civil service, salaries in total have risen by 100 million in government administration in the three years of the government's operation.

Last year alone salaries of Health and Welfare went up by 4 million. These figures present the true economic conditions and the financial position created by the government, and it's high time that the public realized this and that the House debate the question of whether or not this spending is going to produce any real results.

In many respects I have reached the conclusion that there is too much doubt about the government's wisdom in handling money to permit the situation to remain unexplained to the public. From the estimates that have been filed, and from the Budget Speech, it's clear that all is not well in the financial affairs of this province.

Instead of attracting new mining projects to Manitoba our Mines Minister at that time

(MR. G. JOHNSTON cont'd) . . . . spent public money to travel to Madagascar to take part in the French Cultural Conference. I don't know what that did for the economy, but it didn't do much for the mining sector.

Instead of attracting capital to Manitoba our Industry Minister spends public money going to Mexico to invest Manitoba assets in a Mexico seed venture, which I am sure will have the same success as some of his other Crown corporations are having. Instead of seeking ways to cut the skyrocketing . . .

MR. SPEAKER: Order, please. The Honourable Member for Inkster.

MR. SIDNEY GREEN, Q. C. (Inkster): Mr. Speaker, on a point of order, I wonder whether the member is stating - wishes to state that this government spent public money for the purposes of sending me to Madagascar because if he wishes to state that, it's not correct. This government did not spend the - the Federal-Liberal Government spent public money.

MR. G. JOHNSTON: I accept the correction.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Instead of seeking ways to cut the welfare costs, public officials of this government travelled to Sweden at public expense to study ways and means of importing the Swedish socialism into Manitoba, a socialism which has already seriously hampered the Swedish economy in the eyes of many of their own people. -- (Interjection) -- When I say public money is being directed into ventures which really have little or no merit, or have created no new jobs, I mention a few. The purchase of Brett-Young Seeds, 1 1/2 million. The purchase of Steele Briggs Seeds, 2 1/2 million; the purchase of Symbionics Computer, one million; the investment in Tantalum Mining about one million; the investment in Flyer Coach Industries, 3 million; the investment in Saunders Aircraft 2 million; for a total of 11 million. Had these investments not been made we would not have had a deficit this year. We would not have needed the tax increases that will act as a disincentive for further development in the province. We could have used this money to completely remove education tax from senior citizens who are now on income supplement. We could have done much more with the money which would have been productive.

When we look through the public accounts, one wonders about the custodian or the guardianship that we are under. I am unable, Mr. Speaker, to understand why \$150,000 have been paid to various taxi firms, mostly in Winnipeg, and also over 19,000 in car rental in Winnipeg when we keep hearing about the fact that the government has so many cars in its own fleet. Hasn't the government heard about public transportation? That mode of transportation is good enough for the ordinary citizens. What about the travel bills for the government? I think the public would be interested to know that it was necessary for the government and its small army of civil servants to spend nearly \$800,000 in air travel, according to the public accounts book. Perhaps we should ask the question that was asked during the war, is this trip really necessary? Nor is the government spending limited to its own unofficial air force, we paid Lake Winnipeg Navigation \$16,000 last year. I suppose some of that would be for the luxury trip taken by the Welfare Department officials down the lake last year.

Perhaps, Mr. Speaker, we should strengthen the role of the Auditor-General. The question of government spending then would be handled much the way it is in Ottawa. The Auditor-General in fact made reference in his report to matters that he had discovered and felt should be reported to various ministers or officials. Surely the public has a right to know if there's any waste, and where it is, and what is being done about it.

MR. SPEAKER: . . . to indicate the honourable member has five minutes.

MR. G. JOHNSTON: Was the payment in 1971 to the Fort Garry Hotel in the amount of \$48,000 really necessary when we have a building such as this in which to hold our meetings? Is it really necessary to spend \$48,000 for hotel conference rooms, and hotel rooms in one year?

And while the Department of the Attorney-General increased salaries from 3 to 6 million, we also find that outside lawyers were paid a quarter of a million last year, and we have our own legal department in the Attorney-General's office.

These are merely some of the tips of the icebergs that surface, Mr. Speaker. Perhaps the Auditor General should be strengthened in his office and by legislation, given the opportunity to scrutinize the books the way it's done in Ottawa.

I'd like to draw to the government's attention, that's if it can be persuaded, to reverse some of these steps and start looking at stimulation in the business economy of this province

(MR. G. JOHNSTON cont'd) . . . . where the long-term jobs are to be had. The movement of companies out of the province, and the laying off of staff of others, still continues. Northwest Fabricators Limited, the largest trailer building company in this area, is moving to Alberta. A few days ago National Seed announced it was also moving, and there are others -- for what reasons we do not know. But, Mr. Speaker, I'd like to make some suggestions as to what should be done.

The government must renounce its anti-business stance and make a genuine commitment to industrial development in the province.

An independent analysis and investigation of all government programs and spending must be undertaken with a view to ending waste and dismantling obsolete bureaucracy in the government.

The budget for the Department of Industry and Commerce should be increased, as must the budget for the Department of Tourism, where our strongest job potential lies, to enable those departments to go into the market and create the private sector enterprise that will give us a better standard of living, a higher tax revenue, and of course it will reduce our welfare costs.

It remains our conviction that the Civil Service can be made more efficient by at least 10 percent and for that reason a freeze on the Civil Service size must now be implemented and a program of reduction commenced. We are not saying there should be any wholesale firing, we are simply saying that the people who retire or leave the service should not be replaced if the work can be done by the people already in that area.

A wage guideline policy for government service should be established, the same as was done in B. C. a few days ago.

Major revisions are required in legislation to set up the Auditor-General so that he can properly do his job as a watchdog and a critic rather than as a reporter.

A capital gains tax rebate system should be introduced for the small businessman and the farmers, especially as an incentive to stimulate further development and investment.

The government must introduce a different tax incentive program in order to stimulate the economy.

The education tax system; the rebate on education tax should be changed so that priority is given so that there is 100 percent exemption for senior citizens and the second priority would be to do more to relieve the farmer and low income earner of the educational tax.

Mr. Speaker, I know that some of the things I have said today are not very palatable to the government, and I appreciate that, but if they don't like the figures they can check the sources. I notice there was no denials, Mr. Speaker. So I move, seconded by the Member for La Verendrye, that the motion be further amended by adding: "is not efficiently handling public funds, but is wasting money and has created economic stagnation and decline by its failure to implement a coherent strategy for economic development."

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, I would like to just offer a few words this afternoon in regard to the debate in reply to the - to participate in this Budget Debate. In all debate involving political and social economic affairs, I think it is primary concern of us all to remember the real goal, the real purpose, of us being in this Chamber. That surely that real goal and that purpose must be to improve the conditions of human life, of human beings in the Province of Manitoba. It's a masterful task; it involves the co-operation and participation of all members regardless of political stripe. It means that in many areas we must be much more conscious of what the real wants and needs of human beings are, those that are in need and in want, and sometimes as I listen to the remarks of honourable members in this House, I sometimes wonder where they have spent most of their lives, whether or not they have seen some of the horrid, and degrading, and poverty ridden circumstances that have existed in this province for many decades. For it they have seen, then sometimes I wonder if they have felt and they have really realized, they have really breathed the atmosphere which is issued from those type of living conditions.

And it is language such as that which we have heard in the last little while which seems to be more of an emphasis upon reducing the taxes of some, of reducing expenditures -- and the figure was given that some way or other this government could shave somewhere in the neighborhood of \$50 million from its expenditures. I know not what the detail of this proposed

(MR. PAWLEY cont'd) . . . . shaving is but I must say to you, Mr. Speaker, that I am most concerned as to just what they thought the motivation is insofar as that statement. I am curious as to know what programs are to be shaved. I can only suspect that it is programs that were advanced by this government during the past three years that it is intended that the Leader of the Opposition would shave. I suspect that it is not programs that the government of his day established for I have yet to hear him really concern himself about the priorities that were set during his period of office, but he points his finger in respect to priorities and social programs developed by this government. This is what concerns me. You know he nods his head, Mr. Speaker, in agreement that he is referring to our programs and . . . .

MR. DEPUTY SPEAKER: The Honourable Leader of the Opposition. On a point of order?

MR. SPIVAK: Yes, on a point of privilege, Mr. Speaker. The honourable member has indicated that I in some way motioned in a way which confirmed what he is saying. It's true that I nodded but not in confirmation by in any way for what he said, because as a matter of fact I don't think I've made any of the statements that he's suggesting.

MR. DEPUTY SPEAKER: It's not a point of privilege. The Honourable Minister of Municipal Affairs.

MR. PAWLEY: I am relieved to hear that, then it is not the programs that our government has proceeded with in the last two and a half or three years that the honourable member is concerned about, and I'm glad that he has so indicated by his statement in the House that that is the case.

Still questions have been raised and proposals made in respect to certain areas, and I would like to deal with some basic examples of what I think are some of the real major problems that do concern people. Now I want to refer to some of the little instances that have come to my experience in the last while. One example relates to an experience in the constituency of the Honourable Member from Lakeside, and I would have thought that the Honourable Member from Lakeside would well, before this point in this Legislative session, have wished to deal with some of the real progress that has taken place in a corner of his riding; how in fact an experience, an example, of social progress in a part of his riding is possibly the type of experience that we should be repeating elsewhere in the Province of Manitoba. I make reference here to the type of policy enacted by this government in order to assist people to develop their own destinies, to create their own jobs within the province. I can recall a number of years back when it was considered by most that St. Laurent was a community of -- a dead end community, a community that was not going to go anywhere. During the period of the former government it was considered one of those communities that was due to depopulate, a community that there was little industry except for that of receipt of social assistance and welfare. But this community in the constituency of the Honourable Member for Lakeside has experienced a real meaningful change in human relationship. In the space of the last two years, this community has through the assistance of this government, because of this government's philosophy, because of this government's approach, has developed its own co-operative plant, co-operative plant in which the men of the community work in. Stepladders are built and provided to retail outlets from one end of this country to the other. The people in the community developed that industry themselves, they didn't wait for the private sector, or the public sector, but they created this industry through co-operative means as a result of the assistance and leadership and guidance of this government.

A short time after this housing conditions that had long been the blight of this particular community, that had existed for decades without any real meaningful effort to erase, and which it appears there was no real concern about, as we spoke of capital gains and other taxes, a real effort was made to change this. The people were called together in the community. They were called to a community hall meeting and they discussed the conditions of housing in the community of St. Laurent. They dealt with the design and the planning of houses for their community, and in co-operation with representatives of this government they decided upon the designs of homes in their community, and then they decided more and beyond that, Mr. Speaker, which families in that community should live in these homes. They decided, Mr. Speaker, what men-folk in the community should work on those homes. They even went as far as to elect their own foreman that was to work on those homes, and they set for themselves goals, weekly goals, insofar as the amount of construction that was to take place per week within that housing development. I must say, Mr. Speaker, one of the most meaningful experiences that I have

(MR. PAWLEY cont'd) . . . . had in the last few months was to attend at that community and to see the workers of that community working on these homes well after the usual 5 o'clock closing hour, cheerful at their job and with incentive and great inducement to carry on with this type of work, learning skills, knowing they were building their own homes for their own community.

So, Mr. Speaker, I sometimes wonder where it is proposed there should be savings. Are the savings to take place by the trimming down of these type of programs that are taking place within the very constituencies of the honourable members? Is the intention to trim down on the providing of skills with the involving of people and the building of their own homes? We have such a tremendous job, and I am not for one, Mr. Speaker, proud over the housing conditions in this province. I regret that there was so little done before 1969. I have here pictures of some of the housing conditions that existed in the area surrounding the Town of The Pas, and the constituency of the Minister Without Portfolio. Houses 24' x 20', two families crowded into those homes, a table, some chairs, large families, the house made of logs extended with plywood paper, cold, and the rain seeping into the homes in question when those homes leaked. These are the type of momentous challenges that I am sure faces every member in this House. I think these are the issues we should want to contend ourselves with.

The example that I have mentioned here is but one of hundreds, and indeed thousands of housing conditions. In the City of Winnipeg, I have pictures here that you look at those pictures and one must but wonder if they were pictures that were snapped in India - or in Africa or somewhere, the terrible housing conditions. I would table these pictures, Mr. Speaker, for the benefit of the members so that all should know what type of conditions some, in this very capital in the Province of Manitoba, what type of conditions some do have to live under. I think sometimes we tend to forget. I might say before I leave housing, Mr. Speaker, that within the next few weeks I trust that we can organize a tour of some of the public housing developments in the City of Winnipeg that honourable members can have themselves an opportunity to see some of the progress that is made.

The Member for Portage made reference to rural problems and I agree that one of the most important difficult problems facing this government, as I believe faced previous governments in this province, is in order to improve the standard of living in our rural areas. I don't think we will do any good by making incorrect comparisons and I couldn't help but smile at the type of, what you would call it, manoeuvre by the Honourable Member for Portage when he was drawing certain comparisons between centres. He compared, for instance, the City of Brandon with the cities of Saskatoon and Regina, both four times the population of the City of Brandon, and then, very neatly when he was dealing with rural centres compared the City of Portage la Prairie with the City of Moose Jaw, three times the population of the City of Portage. I would have thought that a more fair and reasonable comparison would have been to have drawn the comparison of the salary figures between Moose Jaw and Brandon. But I would not for a moment rest my case on any comparison, city to city. It can be so misleading. The important issue is what is being done in order to contend with the questions of rural economic difficulty.

I think the major area that ought to be condemned, is the fact that the Federal Government, the cousins of the Honourable Member for Portage la Prairie, have spent in the neighborhood of \$900 million on DREE grants, millions of dollars which have gone to large industrial developments without any meaningful or effective return for human beings; none for human beings. And only a short time ago we heard of debate in the House of Commons where it appears that government representatives were even being used as bagmen to collect monies from these large concerns for which these monies were being spent on. So that there has been no effective leadership shown at the federal level in regard to the rural problems of Western Canada. This government has made a real move in order to provide some attempt to improve that standard of living.

I could again deal with the entire question of housing which, for the first time, government involvement in housing has been opened up to the rural communities. If we have the time this afternoon, Mr. Speaker, I could list dozens of such communities in which there has already been a commencement in regard to housing development in rural areas; but I would rather point to an interesting development that has received very little attention to date, by honourable members, a move by this government which has been long overdue, and that has been the program to provide for some form of assistance for sewer and water in rural communities. Surely rural communities, cannot, for a moment -- (Interjection) -- not all the towns in his constituency have

(MR. PAWLEY cont'd) . . . . sewer and water. I would refer to the Interlake Flyer, dated March 10, 1972 in which on page 2 of that Flyer reference is made to sewer and water in which they state any community without a public sewer and water system will have difficulty in bringing about any meaningful improvements to housing for their community. This drives home the importance and the urgency of the need for an assistance program for towns and villages to enable them to provide water and sewer facilities to the residents at a cost that they can afford.

Mr. Speaker, British Columbia had moved long ago in this direction, as had Saskatchewan and Ontario; and yet, while those provinces were pushing ahead no program had ever been developed in this province in order to provide assistance, and as a result, for instance, a community such as the Town of Stonewall, the Town of Teulon, major towns in this province, within close driving distance of the City of Winnipeg, were held back from progress, from development, because the means were not provided to them, in order to give them some vital and necessary assistance in providing some of those amenities that are required for better living, and for some form of means in order to obtain industrial development.

A MEMBER: Where did you get that from, the . . . ?

MR. PAWLEY: Mr. Speaker, therefore this is an area -- and when we speak in generalities I think it is important that members should deal with the specifics, and this is a specific program introduced by this government after decades of neglect and failure on the part of other governments, old line party governments, that saw fit to hear not and to see not at all.

The honourable member last night I understand made reference to the question of Autopac, and I think I should seize upon the opportunity to make some comment.

I was not -- I hear, Mr. Speaker -- Mr. Speaker, I regret that I am being heckled so . . .

MR. SPEAKER: Order, please. The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, I wouldn't want you to be too severe because the heckling came from a board member of Wawanesa Insurance Company and I know they have the real concerns -- who had seated beside him the honourable member which represents Wawanesa itself.

Mr. Speaker, reference was made to the fact that certain concessions were made to the City of Winnipeg that was not in fact made available to rural Manitoba. I would like to say in precise answer to the Honourable Member for Souris-Killarney, that that concession which was made to the City of Winnipeg was made because here we had a large class of insurers, all the same class which had in fact been to a large degree self-insurers previously, and I suggest that this in itself is justification for considering the area in question. And if the honourable member suggests for a moment that some way or other we are discriminating against the constituency of Souris-Killarney, I might suggest to him that he travel back and forth along the back roads of Souris-Killarney and speak to some of the farmers and see what they are paying for their farm truck rates now compared to what they were paying before. And Mr. Speaker, if the honourable member wishes to argue with me, I am prepared to make a little wager with him, policy for policy, dollar for dollar.

The Leader of the Opposition made a number of comments which I do think when one eliminates all the verbiage -- and I know that my honourable colleague, the Minister of Finance will answer in more detail -- but I believe when you eliminate the verbiage still two basic important facts come out, and one is that the two groups which the Honourable Leader of the Opposition made reference to will benefit most, most from the educational tax credit proposals. It is an undisputable fact, and no one dare challenge this, that the vast majority of old age pensioners in the Province of Manitoba, will see 100 percent of their education tax eliminated next year, eliminated; and how can a government do better than that, Mr. Speaker? It is also an undisputable fact, Mr. Speaker, that the vast majority of farmers, the vast majority of farmers in the Province of Manitoba, will receive the maximum education tax benefit of \$140. So that here are the two groups that will receive very substantial benefits.

But the Honourable Leader of the Opposition states that he wishes to develop some form of program which will eliminate the education tax credit assistance to these two groups. Well I don't know, again, Mr. Speaker, where the Honourable Leader of the Opposition has been. Surely he hasn't been in the travels that I have been in, because I have found some of the worst burdens of paying for education, some of the greatest yokes around necks, around those that are receiving minimum wage, among our working poor, who have found the crippling burden of education tax so substantial and so increasingly severe and heavy for them developing year after year. These are the groups within Manitoba's society that it appears the Leader of

(MR. PAWLEY cont'd) . . . . Opposition would provide no benefit for. He glibly slides along as though these families in the Province of Manitoba do not exist. That they should continue to pay the crippling burden of taxation that they have, in fact, been burdened with over the past. And let me tell you, Mr. Speaker, the strength of this program is that it divides, not Manitobans into age groups, not that it divides Manitobans into occupational groups, but it says to Manitobans you will receive your benefit according to that earning capacity, that earning power that you have. So that the family of the working poor can receive the same type of benefits as an old age pensioner and his wife might receive, in fact the pensioner might be in better condition, than that particular family of the working poor. The proposals of the Leader of the Opposition therefore, Mr. Speaker, would create more inequality, more injustice, and would increase, and not decrease, the burden upon the working poor in this province.

I would just like to comment, Mr. Speaker, in regard to some of the issues that were raised by the Member for Portage. I note again the tremendous concern that the Member for Portage, or that person that assisted in the writing of the speech, in taxes, and I think there is a strain, or a tendency, within his entire speech, tremendous concern about corporation taxes, reference to capital gains taxes, reference to the production machinery tax, a desire that all these taxes -- as though these taxes were something unhealthy, improper, unworthy.

All that I say, Mr. Speaker, to you, is that if we could come out of our little world of Alice In Wonderland and get into the real world around us, the world as exemplified by some of the pictures that I have tabled this afternoon, then we would spend a little bit more time, Mr. Speaker, as members demonstrating our concern about human beings, about human beings as a whole, and some of the problems that they face within this province, and a little less as to whether or not capital gains taxes are too high, or whether a production machinery sales tax should have been implemented.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. CY GONICK (Crescentwood): The Leader of the Official Opposition, I must say, startled me and even upset me with his remarks particularly when he said to me that I should be applauding the budget because one of its consequences would be that the public sector would increase, not only in absolute numbers, but also in proportion to the entire economy. And here I was, as depressed as ever over the government's budgetary document because, once again, I thought it reflected a conservative thinking, a timid fiscal policy; but the Leader of the Opposition was telling me that no, I was incorrect, that it would mean a significant rise of public sector of the proportion of goods and services that people would buy outside the marketplace and of course I was naturally pleased to hear this from the Leader of the Official Opposition because I have always believed that it's within the marketplace that people are exploited.

MR. SPEAKER: Would the honourable member please remove that outside the Chamber. The Honourable Member for Crescentwood.

MR. GONICK: Mr. Speaker, I was pleased with the possibility that in fact this was happening under this budget, and other previous budgets of this government, that the proportion of goods and services that were available to people outside the marketplace exceeded that which was rising faster than that which they were able to purchase within the marketplace, because I have always believed that it's been within the marketplace that people have been exploited, and are exploited, and it's outside the marketplace in the public sector that they get a break. So I was naturally pleased to -- and in fact I was certainly prepared to believe the Leader of the Official Opposition, I took him at his word and I pounded my desk when he suggested that I should. And I began to doubt my own impressions that this again was a conservative budget. Maybe I was wrong. Maybe, in fact, I was wrong before.

So I began to check back, Mr. Speaker. Had in fact the public sector, what I call the non-exploitation sector, of the economy really expanded relative to the total economy, as the Official Leader of the Opposition said it had? I checked the figures and I found that it had. The non-exploitation sector of the economy had expanded to a degree, and here is what I found in the three years of NDP Government. In 1969 government spending was \$356 million, the gross provincial income was 3.6 billion, which meant that the non-exploitation sector was 9.8 percent of the total. In 1971 the gross provincial income was \$4.1 billion, and government spending was 516 million, or 12.6 percent of the total. In other words under this administration the proportion of the non-exploitation sector rose from 9.8 percent of the total to 12.6 percent of the total. The proportion of the economy which represents the exploitation sector, the private sector, fell from 90.2

(MR. GONICK cont'd) . . . . percent of the total to 87.4 percent of the total, and, Mr. Speaker I have to admit that that is progress. It's slow progress, it's not much of a relative increase but at least it's progress, and the Minister of Finance has told us and has been saying, as well as the First Minister that after all this is a conservative province and this government can only make that kind of slow progress.

So, Mr. Speaker, I then checked to see what progress of a similar kind had been made under the Progressive Conservative administration while they were in office. What happened to the public sector while they were in office? The Leader of the Official Opposition who opposes large increases in the public sector would have us believe that under the Conservative administration the public sector would not have risen relative to the total. And the Minister of Finance, and the First Minister, who say they want to see it expand, say they are doing their best but they are unable to expand the public sector any faster than they have been able to do because it is not politically possible to do so. The bond market won't allow it; the finance kings of the bond market won't allow it; the budget of Manitoba will not allow a larger sector. So I checked back to see what the Conservatives had done in their years of office, particularly in the last three years, to compare their last three years with our first three years. I thought that would be a fair comparison. I took the three-year period 1966 to 1968. In 1966 the gross provincial income was 2.8 billion dollars, and government spending was 195 million or 6.3 percent of the total. In 1968, the last fiscal year of their administration, the gross provincial income was \$3.3 billion, government spending stood at 346 million, and that is 10.4 percent of the total. So in their last three years of administration the public sector rose from 6.3 percent of the total economy to 10.4 percent of the total economy. In other words as a proportion of the total provincial income, it rose by 65 percent, and if you'll recall, Mr. Speaker, that under the NDP administration the first three years it rose by something like 24 percent in the public sector, and we find therefore that under the Tories in their last three years it rose relatively to the total three times as much as it did under the NDP administration.

So I suggest that both the Official Leader of the Opposition and the First Minister and the Minister of Finance are incorrect. The public sector, evil from the point of view of the Leader of the Official Opposition, but good from the point of view of the Minister of Finance and the First Minister, rose faster under the Tories relative to the total than it has under the NDP which is an ironic situation. And I wonder whether the names of the two parties should be switched, and the Tories should be called the democratic progressives, and the NDP called the conservative new democrats. It's certainly ludicrous for the Tories to . . .

MR. SPEAKER: Order, please. Order, please. I should like to indicate that my attention has been drawn that a number of members are bringing cups into the Legislative Assembly. Now I have no wish to be a policeman around here. It's your rules and until you change them I have to abide by them and indicate that you cannot do this. Now if the Assembly wishes to change its rules that liquids may be brought in by cup other than that which is distributed by the pages, I am willing to go along with it. But until you change it I must indicate that those members who are bringing cups in, should not do so.

The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I wonder could we have an indication of the House right now as to whether or not any members object to bringing coffee into the Chamber.

MR. SPEAKER: Is there any objection? The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, so far as I am concerned one piece of mischief will lead to another piece of mischief and if you allow cups to be brought into the House, I'm afraid we'll regret it.

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Chairman, I think this is a ridiculous situation. We have in this House urns for the dispensing of water. We could have urns in here for the dispensing of coffee under this sort of an approach, and we could also have urns unknown to anyone that may have contained something else. It's my understanding reading history that in the Mother of Parliaments there were occasions when an honourable, a Minister of the Crown was alleged to have in his clear glass a concoction known as gin . . .

MEMBERS: Hear, hear.

MR. PAULLEY: And there was no objections and I think, Mr. Speaker, that it's ludicrous for us in this House to suggest that no one should be able to bring in a cup of coffee, and if we want to have a policeman at the door to sniff it, maybe that's what we should do. But I suggest

(MR. PAULLEY cont'd) . . . . that it should be permissible.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: Mr. Chairman, I think that I would not be adverse to bringing any kind of juice into the House after what we've listened to today.

MR. SPEAKER: The Honourable Member for La Vérendrye.

MR. BARKMAN: Mr. Speaker, I won't hold up the speaker very long but after hearing that voice of experience, tell us what he did, I can't but help and agree. Let's get some coffee here.

MR. SPEAKER: Do we have unanimity? (Agreed) In that case I shall observe your desires.

The Honourable Member for Crescentwood. I have taken note of the time he has lost, he shall have it made up. The Honourable Member for Crescentwood.

MR. GONICK: Yes, signs of progress, Mr. Speaker, perhaps we should take a coffee break, relax.

Mr. Speaker, I think it's ludicrous certainly for the Leader of the Official Opposition to condemn this Budget because the public sector is rising too fast because it's obvious to me, and it must be obvious to all members of the House now, that it rose much faster under the Tory administration the last few years, and those were not the most progressive years of their administration. On the other hand I think it's equally ludicrous for the present government to argue that it cannot expand the public sector any faster than it has. If it grows by only as fast as it had under the Tories under this administration, then by 1971 government expenditures would not have been \$516 million, they would have been \$660 million, if only we had maintained their record.

So, Mr. Speaker, I was wrong to pound my desk when I was prodded to by the Leader of the Official Opposition. My original impression was quite correct even compared to the years of Tory rule this government has been fiscally very conservative, and of course the Minister of Finance always claims that he is conservative, a socialist conservative. Well we have another label, a conservative socialist.

And I must say that for myself I refuse to accept the argument that we cannot afford a larger public sector than what we have attained. This party that is now in government has in the years past pledged itself to many programs, denticare, free drugs, free public transit, more funds for recreation, more funds for housing, vigorous department of co-ops. I admit that all this could not be done at once but surely even if we followed the Tory administration's record in this relative rise of the public sector compared to the total economy, we would be doing more than what we are in the past three years.

I want to say, Mr. Speaker, something about the unemployment situation. We have according to the Minister of Labour, 22,000 people unemployed in Manitoba. The government, in my opinion, is to be congratulated for creating the equivalent of 4,000 jobs this year in its winter works program. Certainly were it not for these programs unemployment would have been at a 28,000 or 26,000 level. It is not possible for a province this size to eliminate unemployment within its boundaries while it is raging outside. The program has to be of a patchwork nature, and I would say that the government has done its patchwork fairly well. The \$10 million of PEP money has been well spent; the goods and services that have been produced by the people employed in this project in my opinion are far more worthwhile than would have been produced had they been employed in private industry. Hospitals and schools have been renovated; community clubs and recreational facilities have been improved and expanded; senior citizens' housing has been repaired. It is really ironic that we seem to be able to afford these kinds of things only when the economy is depressed and surplus labour is available. In my view the public sector should really not give up this labour -- give back this labour to the private sector. The work that they are doing now is far too valuable. They're making a far greater contribution to the quality of life in Manitoba producing directly the kinds of things they are producing and, mind you, the program, provincial employment program, should become a permanent department of government rather than being dismantled when the private economy recovers.

Mr. Speaker, the Annual Budget of the Province of Manitoba is supposed to provide a realistic analysis of the shape of the forces affecting Manitoba and Canada to the extent that these affect Manitoba, and it is remarkable in my view that the authors of the budget failed to mention the one development which probably will affect Manitoba and Canada more than any other

(MR. GONICK cont'd) . . . . single development in the last quarter century, and that is the collapse of the U. S. dollar and the crisis of the American economy. I would like to spend just a few minutes discussing that and what these consequences are for Manitoba and what kind of policies should flow as a result.

I do not have time here, Mr. Speaker, to go into much detail, though I think that this would be a worthy discussion for the Economic Development Committee in detail. All that I can say here is that the two instruments of American economic imperialism, which are military spending abroad and foreign investment, have begun to cost the American economy more than it can afford. Normally these kinds of expenditures, military spending abroad, foreign investment, are paid for out of the earnings from a surplus of foreign trade, that is surplus of exports over imports, and from the profits and dividends from abroad. These are the normal ways in which the military spending abroad and foreign investment abroad are paid for. But what has happened in recent years is that as a result of American inflation and as a result of American technology falling behind European and Japanese technology, that their exports have not risen fast enough, that they have suffered for the first time since the -- in the twentieth century they have suffered a trade balance deficit and that the profits from their foreign investments however lucrative have not been large enough to make up the difference. So European bankers have been faced with a problem and that is that American dollars have been accumulating in their banks more than they want to spend, and in fact there is not enough gold stock in America to allow these dollars to be converted, and so they were concerned and they were about to take action and the American dollar was in grave difficulty as a consequence of which Mr. Nixon had to move and declare it as new policy.

His new policy, of course, was not to reduce the military budget of the United States of America, or to have foreign investment reduced, though this would have gone to the source of the problem. Instead what he decided he had to do was to insure that American industry had a larger slice of the world market so as to increase American exports and to cut off the American market to foreign producers so as to cut down imports, so that the old trade balance could be re-established and the good old days of military expansion abroad, and foreign investment abroad could go on, and that's what he's done. That is why he has forced other capitalist countries in the world to raise the value of their currency; that is why American industry now receives a rebate from the Federal Government in Washington when they purchase machinery in the U.S. rather than importing it from abroad; that is why Congress has passed the so-called DISC program -- Domestic International Sales Corporation -- which encourages American corporations to set up dummy divisions which then receive very substantial tax exemptions. Half of its federal income tax is eliminated for the exports created in these dummy divisions. These are very substantial efforts to encourage American parent companies of multi-national corporations to close down their branches in Canada in Europe and Japan, and to begin supplying them from the parent companies. And this is what's happened. Canada has not been exempted from this at all. Even the past 18 months there have been something like 100 plant shutdowns in Ontario alone, and we've had some in Manitoba.

What is happening here is that they are shifting their production into the parent plants. We know as well that the American government wants to end the protection clauses in the Canada-U.S. Autopact which would to a very large degree close down the Canadian automobile and parts industry. We know that what they really want from Canada are raw materials and they are now preparing to negotiate a free trade, free flow of our natural gas, oil and water. And soon as the Canadian Federal election is over this will be done. We know that. We know that this means that we are going to lose jobs in the exchange because we know that far more jobs are provided per dollar investment in manufacture than they are in resources. So we know the result of all this and it's really no secret to anyone who looks at the data that we will have in Canada not a cyclical unemployment rate of 6 and 8 percent but permanent level of unemployment of 6 and 8 percent around which we will have cyclical fluctuations. We know that from data we already have that this is coming. We know that it will affect Manitoba; we know that our known resources of reserves of oil will only last in Canada for 18 years, including our known reserves, providing the present rate of utilization continues; and we know that if there's a free flow of oil to the U. S. without inhibition, these known resources will only last for 12 years from 1972.

We know in the case of natural gas that under current utilization rates and known reserves we only have 35 years of reserves left in natural gas and that if we agree with the U. S. in

(MR. GONICK cont'd) . . . . providing them with uninhibited access to our natural gas we only have 12 years left. We know what this will do to prices of oil and natural gas in Canada, how this will affect Canadian industry and fuel for Canadian — for heat for homes and so forth in this country. All this is known. All this will affect Manitoba.

In giving us this information, which if I know the Minister of Finance and the other members of the government must know, must have access to, one would expect at least three things from the Minister of Finance: First of all I would think one would expect that he should be explaining these things, using his office to explain these things to the people of Manitoba, teaching them the lessons of American economic imperialism and how they will affect Manitoba if nothing changes. Secondly, he should be demanding, I think, on behalf of the people of Manitoba that the Federal Government stop its sellout of Canadian resources, refuse any revision of the autopact and halt the takeover of Canadian industry. But I have yet to hear the Premier of the province or the Minister of Finance say these things boldly and clearly to the Federal Government on behalf of the people of Manitoba. Things that have to be said by someone, and I suggest said by the Premier of our province or the Finance Minister of our province would certainly have considerable impact.

Finally I would say that what we would expect from the government, from the Minister of Finance, is a strategy to do something about it in Manitoba to the extent that these kinds of policies south of the border affect Manitoba, to establish a strategy whereby we can deal with these developments as they occur; and as we know they're going to occur in Manitoba as they already have occurred in Ontario and Quebec, not just next year but in the next probably decade if not longer.

I think it's important to speak out on these matters and to establish a strategy to deal with them for at least two reasons, particularly as it affects the Province of Manitoba. First of all, as our economy becomes more and more controlled by foreign companies, one consequence of that we know is that a larger proportion of the wealth in this province is exported, leaves the province and is available for use outside. We know that because it happens everywhere around the world where there is a large degree of foreign ownership that the profits are expropriated by the foreign companies and shipped to the home country where they are used for other purposes. And that is a serious loss. It's a loss I suspect even in Manitoba of millions and millions of dollars if you take into account the existing foreign companies, and will mean far greater losses in the future as foreign ownership and control expand. It means that money which would be available for purposes in the province for housing, for recreation, for drugs, all the things which this government says it's interested in doing is not available.

Secondly, as our economy becomes further controlled by foreign companies, it means that it is more vulnerable to economic decisions made outside the country. It means that, for example, Mr. Nixon's efforts to shift production from Canada to the United States affects us more drastically if in fact many Canadian plants close down as a consequence. I think that we can expect this to occur, that outside decisions that are made by sovereign leaders of other countries will be what decides the economic future of this country. I think if this government is seriously concerned with this problem, as I know the party is generally, it would develop a strategy to deal with it. There are many strategies that one could imagine. I'm not going to deal at this time with a general industrial strategy but only one which deals with this particular case: incidence of plant shutdowns, abandonments of plants by parent companies for whatever the reasons; I want to suggest a strategy to deal with that problem.

The strategy I suggest is this, that as soon as these companies close down their Manitoba branches as we've had instances recently of this happening, as soon as this occurs and they cease their manufacturing operations in Manitoba, they should be automatically absorbed, taken over by the Manitoba Development Corporation. The owners I would suggest should be paid not more than a nominal sum. And my reason for this is as follows, for this strategy. These corporations say -- and we've all heard their refrain -- that they're not just concerned, they're not concerned only with profits, that's what they now maintain. They're interested in the welfare of their shareholders but they are also interested in their employees and in the general community that they reside. This is a refrain which we have heard from the large corporations now for some years. They say that their property exists not just to make profit but to create jobs, to pay taxes and so on.

Now, however, when these companies decide for whatever their reasons, that they wish to abandon the community that they formerly operated in and abandon their employees and

(MR. GONICK cont'd) . . . . therefore shift the responsibility of their employees on to the general public and shift the taxes which they had formerly paid on to others which now must accept their tax burden, forcing society at large to maintain these families, the workers and their families, either by providing them with other jobs or putting them on welfare or putting them on unemployment insurance, what they've done is instead of creating jobs they've destroyed them, instead of paying taxes they forced others to pay their taxes. They've abandoned the communities and their employees and the rest of us will have to pay their taxes and have to maintain their families, families that have been affected. And since these companies are forcing society at large and the government in particular to maintain their former employees and pay their taxes which they would normally have paid, they should have no valid objection if the government took over their abandoned property, which is what I am advocating. If the property can be run economically, the company could be regenerated as a Crown corporation or as a co-op and the workers could still be employed and the taxes would still flow. If it cannot be run economically then the government, the MDC should at least be in position to sell the physical assets and distribute the proceeds to the families that are affected. Naturally the company having abandoned its employees and the community cannot expect more than a minimum payment from the government for taking its property over and assuming its responsibilities.

I would propose that this strategy be followed not only for American branch plants that close down but for any company, any national corporations, for whatever its reasons, decide that it is going to abandon its plant in Manitoba, reallocate in Edmonton or Calgary or Toronto or Detroit, that this strategy be followed. We have at least two serious incidents where this has happened in the past four or five months in the Province of Manitoba, namely, the announcement of Imperial Oil that it's going to close down its refinery in Manitoba and Saskatchewan and consolidate its operations in Edmonton. And more recently the Union Carbide case where they have decided to again close down their Manitoba operations and consolidate elsewhere. These are not isolated instances, this is occurring throughout Canada, throughout North America: centralization whereby the hinterland regions are denied industry, industries pouring into the Metropolis. It may be profitable for the companies, I don't know, I suppose that's why they're doing it, but certainly it doesn't benefit the hinterland communities -- and I suspect it doesn't benefit the consumer either because whatever efficiencies are gained are appropriated by the owners in the form of profits. In fact this whole occurrence of branch plant shutdowns we can expect to be far more frequent than in the past because multi-national corporations are by their very nature profit maximizers in the purest sense than any other corporation because they have no ties, local ties to local communities. There's nothing to stop them from relocating. If wage conditions or technology or whatever else would suggest to them that they could raise their profits by moving elsewhere, they'll do so. They have no traditional ties to local communities, there's nothing to stop them from doing so. They are therefore the perfect instrument for profit maximization, and this is a fact which Manitoba as well as other provinces have to face up to and have to create a strategy to deal with.

I'm suggesting just one possible strategy, I think it's a good one. We can't force these companies to stay in Manitoba. We can't pass a law saying they can't move. In my view what we should announce is simply that the Government of Manitoba does not allow giant corporations to flout its people, the people of Manitoba, by removing jobs and increasing tax burdens on the rest of us according to their own whims and calculations. If they do not calculate the social costs of their decisions to abandon Manitoba, then we must calculate it for them, and we must impose it on them to the degree that that is possible. That is the essence of my recommendation with regard to this one area.

I think it's important for Manitoba, not only because I expect that this will happen in Manitoba even more than it has in the past, that we'll be facing this problem and we must deal with it in a clear explicit way, but also because I think if Manitoba moved in this direction then we would provide an example for other provinces that are facing this problem in more serious dimensions than we are, such as Ontario and Quebec, and we would place a great deal of pressure on those governments. I think that's a responsibility we could accept, to place a great deal of pressure on those governments to take these kinds of steps to deal with problems that they face in even greater proportion than we face because of the nature of their industrial economies.

Finally, Mr. Speaker, I want to say something about Manitoba's industrial strategy such as it exists, and what I want to suggest is that it's hard to discover what industrial strategy

(MR. GONICK cont'd) . . . . exists in the Province of Manitoba. One goal, certainly not the only economic goal, should be to maximize jobs per dollar for every dollar invested. I don't suggest for a moment that that should be our sole goal but that certainly is one measure of efficiency, getting the most jobs out of a dollar invested. Knowing this, it would seem to me that government should take whatever steps it could to shift production as much to manufacturing as possible and away from resource production -- raw material production as much as possible. I don't imagine this can be done completely but to whatever extent it could be done that should be one aspect of our industrial strategy, if we agree that one measure of efficiency is to maximize job creation per dollar investment.

But if you turn to the statistics which the Minister of Finance provides us, the statistical appendix, you find just the reverse is true; that resource production, particularly mining production is rising twice as fast as manufacturing production. So in Manitoba we are emphasizing those industries which are the least productive in terms of job creation and we are doing worse than those industries which are the most productive of job creation. So it would seem to me that this is an indication of a contradiction between one goal, which I am sure the government accepts of maximizing jobs for dollar investment, and that the real tendency, the real trend in the province. And I don't see -- I can't find an industrial strategy which would attempt to deal with this trend. I am sure it is not a trend which happened only the last three years, I am sure it is a long term trend, but I don't see any effort to reverse it -- maybe there are efforts which I don't know of, which will be announced, but I haven't seen those as yet.

MR. SPEAKER: The Honourable Member has five minutes.

MR. GONICK: Finally, Mr. Speaker, I want to mention in passing really the tax rebate system proposed by the Minister of Finance. I think that it does do what he intends for it to do, which is to put money in the hands of low income people who are now paying school taxes. I have never been one who believes that this is an efficient way to redistribute income. It is a way to do it. It's better than nothing, I am sure, but I don't think it is the efficient way to redistribute income, because I have always felt that when you put money in the hands of poor people, and you do little else, that rich people will take it out of their hands and put it in their pockets, because they have the means to do it. There was an item in the press the other day showing the extent to which rents on housing to welfare has increased in the past few months. The facilities haven't improved; the services haven't improved, but the rents have increased mightily in the last few months, and I suggest that this is what happens when you give money to poor people, rich people take it away from them.

And so I think that the redistribution of that, of shifting taxes, is probably an inefficient way of -- it's probably an inefficient way of bringing about the results that you want to see occur. I would think that the more efficient way is to give people something that can't be taken away from them, give them real services, give them housing, more housing. I agree with the Minister of Municipalities we've been giving more housing to lower income people than ever before, we should do more of that. Give them free transit -- that can't be taken away from them. Give them free drugs -- that can't be taken away from them. Give them dental care -- that can't be taken away from them. It seems to me that that is the effective way. Expansion of the government's sector is the effective way of redistributing income rather than putting money in the hands of people who will be robbed of that money in a very short space by people who are in a position to take it away from them.

Well, Mr. Speaker, I have raised a number of points. I would be interested to hear what the Minister of Finance has to say about these matters. I have mentioned them, I hope, in a reasonably constructive fashion, but I would like some response sometime during this debate, from Cabinet members.

The Member for Inkster remarked, not for the first time, but recently, that the New Democratic Party provides the government but also the Opposition. I don't glory in being one of the people that he has in mind being -- as a member of the Opposition. I think in a way it's unfortunate that I find myself in this role, but I believe that there are serious shortcomings in the economic program that has been presented by this government, each of the three years that it has been in office, and I hear no effective criticism, progressive criticism, coming anywhere else in this House, at least in economic matters, and I have to justify the money that I am being paid by the people of Manitoba some way, and I have some tools at hand to offer effective criticism so I simply say to the Member from Inkster that the New Democratic Party will continue to contribute both to the government and the Opposition in this House.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: I was wondering if the Member would accept a question, Mr. Speaker?

MR. SPEAKER: Order, please. I think that under our new rules that his time is up. It has to be the unanimous consent of the House if he is going to proceed past his forty minutes. Agreed? Is there an unanimity? (Agreed) The Honourable Member for Fort Garry.

MR. SHERMAN: Thank you, Mr. Speaker, and I thank members of the House for their indulgence. If the Honourable Member for Crescentwood believes that multi-national corporations should be made responsible to the taxpayers of Manitoba, for example, when they are closing down branch plants here, who does he feel should bear the responsibility when government actions forces the closure of fish processing plants, or auto insurance industries in communities?

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. GONICK: Mr. Speaker, that is a very good example of the alternative ways in which government does operate relative to private industries that in instances of shut-downs, forced shut-downs caused by government actions, there is some form of compensation. It may not be what the member would like to see, but there is some effort at providing some degree of compensation to people adversely affected. The social cost is measured to some degree and a portion of it at least is paid for out of the public purse. That never happens in the case of private industry. So however short -- however much is a shortfall in the view of the Member of Fort Garry, at least in principle governments I think by and large, at least this government, has done something to pay for the social costs of the consequences of its programs.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: Thank you, Mr. Speaker, I'll have a drink of this juice. -- (Interjection) -- I'll send it across to you Russ.

Mr. Speaker I rise to -- did the page boy take it across? -- I rise to speak for the first time in this Legislative Assembly of this session on the Budget Speech, and I really have to say to the Honourable Minister of Finance, who is not in his Chair at the moment, that it is a Budget Speech that I really am not qualified to speak on. Because when you talk about a billion and a quarter dollars, there are very few people in this Legislative Assembly that can talk in terms of a billion and a quarter dollars. -- (Interjection) -- No, we are talking about a billion and a quarter. We'll talk about a billion plus.

First, Mr. Speaker, I would like to say to you that I appreciate the way that you have handled the House. Briefly we have been pretty happy on this side of the House that you have been impartial, and that you have treated the Opposition fairly, and that naturally you have treated the government, too, fairly. -- (Interjection) -- I won't go into the front bench -- I don't want to take this opportunity to talk about the Trosky's and the Lenin's and the Ivan Protraski . . . and so forth on that side of the House, because it is a little bit difficult to distinguish them from Abdul Abulbul Amir -- (Interjections) -- Yes. But I do want to say something about the billion and a quarter budget that the Province of Manitoba are now going to have to face - that is the people, and I'm not talking about those en masse out of the House, I am talking about my colleague from Souris-Killarney, who is a person, --(Interjection)-- and the Member from River Heights. I'm talking about my colleagues on this side of the House, who are people, and who will be subjected to the tax levies and the mortgage that is going to be put on our province at this time.

But I think, Mr. Speaker, that I should really refer mostly, or at this point, to the amount of that mortgage that is being put on the province that is going into agriculture. Five hundred and sixty dollars some million in capital borrowing. Out of that amount 800, no, \$8 million will go to agriculture, and I'm not surprised that the Minister of Agriculture has not stood up in the House and talked on this debate. I'm not surprised at all, because he is afraid to. He is afraid to be in the House, in his seat, while this debate is going on. --(Interjection)-- Say it out loud. --(Interjection)-- I'll keep it clean and if the Minister of Agriculture will get . . . down in his seat and we'll talk from there. But he is afraid to be in his seat right now because he knows that the capital borrowing for the Province of Manitoba at \$560 million, that there is just one fraction of that amount that is going to the base industry in the Province of Manitoba, and he will not stand up and defend his position.

I really have no objection, Mr. Speaker, to borrowing money that will be self-amortized. I do not object to money borrowed for Churchill Forest Industries that will be self-amortized. I do not object to South Indian Lake for money borrowed that will be self-amortized, but I do

(MR. WATT cont'd) . . . . object to the base industry in the Province of Manitoba that is being neglected. And it is most interesting to note that the Attorney-General, the Minister of Finance, has spoken on agriculture, but we haven't had one word from the Minister of Agriculture for the Province. Sure, he gave us an empty issue, or a report on his Estimates, but on outside of his Estimates, we haven't heard one word from the Minister of Agriculture, -- (Interjection)-- and I -- no imagination -- I think he is involved with potato bugs right now.

But I just point out this, Mr. Speaker, as a rural member speaking for the rural people of the Province of Manitoba, I cannot understand why it is on the government benches that no one has got up and spoke for rural Manitoba, or for the agriculture industry, and I have to be honest when I say that the Attorney-General has. And I don't suppose that he has ever been out of the City of Winnipeg.

A MEMBER: No, that's right.

MR. WATT: I don't suppose he has --(Interjection)-- and we have heard from the Minister of Finance, and I doubt if he has ever been outside the City of Winnipeg, but we haven't heard from the Minister of Agriculture because the only place he has been, as far as I know, is out to Rome, if he didn't drop off . . .

Mr. Speaker, to get down to the facts of the economy of the Province of Manitoba. I think that government should be reminded that the base of our economy actually is in agriculture. The base of our economy is in agriculture, and out of the capital borrowing in the Province of Manitoba, out of \$560 million, the Minister of Finance announces \$8 million will go to agriculture, \$8 million. Oh it's a lot of money, isn't it? You know there was a politician at one time that said, "what's a million dollars?" But a million --(Interjection)-- Yeah, that's right. C. D. Howe. --(Interjection)-- He was. Yeah I quite remember. If the Minister of Agriculture would get up and say from his Chair, that he got a lousy deal for agriculture in the Province of Manitoba out of this budget, then I think that the people of Manitoba would probably say maybe Sam Uskiw is not a bad fellow. But right now, when you take a look at the picture of the economy of the province and the capital borrowing that is now going forward for agriculture, we have nothing. While I like personally the Minister of Agriculture outside of the House, it is very unfortunate that he can't stand up in the House and defend the farmers in rural Manitoba. --(Interjection)-- Sure.

MR. USKIW: The honourable member says "Sure", Mr. Speaker. He made reference a moment ago to the whereabouts of Ministers, namely my colleague, and I am wondering whether he knew that my colleague was caught speeding in Libau so it means that he must have been out in rural areas of Manitoba.

MR. WATT: But that is not a question, Mr. Speaker. Well, Mr. Speaker, I do not want to belay this too long on the Budget Speech because as I said at the outset, that I'm not prepared to talk on a billion and a quarter dollars because but I don't really know what it is all about, and I don't think that the Minister of Finance, or anybody on that side of the House really knows what they are suggesting to the people of the Province of Manitoba. But there are a few things that I'd like to talk to the Minister of Agriculture. That he has gone around the Province of Manitoba at the expense of the taxpayers to tell them "you're going to get some water and sewage". We heard this this afternoon and I listened with disgust actually, disgust. Because the most of the farmers in the Province of Manitoba that have got initiative and interest and objective have got water and sewage. So who are you feeding it to? Who are you feeding the sewage to? Yourself?

I would like to know from the Minister how much money is being poured into sewage outside of just simply the sewage system that he proposes, \$15.00. How much money is being poured in? --(Interjection)-- The Minister hasn't answered my question on that and I have asked him - costly - how much money is going into water and sewage on farm waterworks? But he has not answered. The Minister says "I do not know". But I've got a pretty fair idea. I've got a pretty fair idea that probably at Wawanesa their water system is being moved out of Wawanesa because the government have destroyed Wawanesa and probably are moving it up into the Interlake. No question about it. The town is being destroyed.

The Minister gets up and walks off because he's going over to talk to the floater from St. Boniface, the floater, and it's pretty hard to say when he will float back on this side of the House --(Interjection)-- not into this party, no. I'm just talking about floaters in the House, floaters, yes. The Honourable Minister probably has never heard of sinking ships where the floater is moved to derelicts --(Interjection)-- Some of them have already sunk that's right.

(MR. WATT cont'd) . . . . There's one that will probably shortly.

I want to talk to the Minister just for a moment about the -- just about his claims to the province of what he has done, what his \$16 million is doing for the Province of Manitoba and the claims that he has made for projection of agricultural assistance to the farmers of the municipality and to the communities in different areas. Has he brought up one new program? Not one. Veterinary clinics. My honourable friend goes out and tells the people of the province that he has brought in veterinary clinics. Where did he get it from? --(Interjection)-- On his desk. --(Interjection)-- My friend says it's nonsense, but if it was put on his desk, if he went forward with it does he now call it nonsense? Does he now say that it's nonsense that we, the Conservatives, when we were in government set up the buildings, provided the buildings, provided the programs for veterinary clinics? No, he says it's nonsense. --(Interjection)-- Oh, well you'd better bring your staff in. When your staff comes before you, when your Estimates come up, we will see then whether it's nonsense or not.

Mr. Speaker, I don't want to hold up the time of the House right at this time but I go back to my original remarks that it's very difficult to speak to this Legislature and to the people of the Province of Manitoba when we're talking about a mortgage on the province of a billion and a quarter dollars. And the Minister of Finance knows it. We have one million people in our province, and what is the tax to the one million people on a billion and a quarter dollars? Has anybody got the figures in their head? I have. It's going to cost the individuals in the Province of Manitoba over \$100,000.00. The Minister says it's investment. Is it investment in the Province of Manitoba? It's a waste of money because most of the increase in the capital expenditure and the current expenditure at the moment is increased service. And where's the service come from? The relatives of most of the opposition on that side of the House.

Well, Mr. Speaker, I think that probably I've taken up most of the time of the House. There are a few things that I would like to say to the -- direct through you, Sir, to the Minister of Municipal Affairs, but I'll get an opportunity again. But I'm sure that the Minister of Municipal Affairs is quite aware of the borrowing power of the municipalities, whether they happen to be up in the Interlake region or out in Arthur constituency, that they are limited or that they have been, and if you take from one and give to the other then you are simply assessing the so-called rich for the poor. I would like him to look closely - and I'm not criticizing the Minister really for the position that I believe that he has been taking - that maybe there are people that in my area that I should subsidize, but I'd like him to look closely at it. I think, Mr. Speaker, it's almost 5:30 so I'll call it that.

MR. SPEAKER: The Honourable Member for Flin Flon. The Honourable Member for Flin Flon.

MR. PAULLEY: I wonder, Mr. Speaker, if you would recognize the honourable member at 8:00 o'clock. Possibly as there is only two minutes you may call it 5:30 and allow my friend to start at 8:00 o'clock.

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