

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 p.m. Tuesday, March 26, 1974

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 20 members of the 50th Brownie Pack. These Brownies are under the direction of Winnifred Keep. This group is from the constituency of St. Matthews.

We also have 27 members of the 33rd Company Girl Guides. These Guides are under the direction of Mrs. M. France. This group is located in the constituency of the Honourable Member for Charleswood.

And we have 36 members of the 198 Brownie Pack. These Brownies are under the direction of Mrs. J. Davis. This group is from the constituency of the Honourable Member for Assiniboia.

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

Presenting Petitions, Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills; Questions. The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SIDNEY SPIVAK Q.C. (Leader of the Official Opposition)(River Heights): Mr. Speaker, I have a question for the Minister in charge of the Manitoba Housing and Renewal Corporation. I wonder if he can indicate why the report of the Manitoba Housing and Renewal Corporation has not been tabled in this House?

MR. SPEAKER: The Honourable Minister of Health.

HON. SAUL A. MILLER (Minister of Health and Social Development)(Seven Oaks): Mr. Speaker, I made inquiries about the tabling of that report. I am advised that it should be ready very shortly; as soon as it is, I will table it. They operate on the calendar year, and from what I gather the report last year was ready in April, and I gather it will take the same time this year.

MR. SPIVAK: Yes, Mr. Speaker, I have another question for the Minister. I wonder if he can indicate whether any financial irregularities have been brought to his attention concerning the financial operation of the Manitoba Housing and Renewal Corporation?

MR. MILLER: I'm not sure what he means by financial irregularities. If I'm to answer that question, I believe the Leader of the Opposition should be very precise.

MR. SPIVAK: Yes, Mr. Speaker, another question to the Minister, I wonder if he could indicate whether the Provincial Auditor is now in the process of doing a special audit of the Manitoba Housing and Renewal Corporation.

MR. MILLER: Mr. Speaker, the Provincial Auditor is constantly auditing the books of all the corporations, including the Manitoba Housing and Renewal Corporation's. A couple of years ago - or last year, he expressed some concern and interest that because of the growth of the corporation, that the procedures be tightened up. And that has been done, I gather, and to that extent, that's my knowledge of his involvement, and it's a continuous ongoing involvement.

MR. SPIVAK: Yes, Mr. Speaker, to the Minister by way of supplementary - can he confirm that there's now approximately three quarters of a million dollars not accounted for?

MR. MILLER: I can neither confirm nor deny that statement; perhaps the Leader of the Opposition can, I cannot.

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

MR. I.H. ASPER (Leader of the Liberal Party)(Wolseley): Mr. Speaker, my question is for the Minister of Agriculture. In view of the statements in the Budget Speech relative to the government's concern about inflation, can he indicate to the House why he has found it necessary to raise the rents charged to farmers who are having their cattle graze on Crown land in the Rorketon area from \$500 last year to \$1,400 this year, nearly 300 percent increase.

MR. SPEAKER: Order please. Orders of the Day. The Honourable Leader of the Liberal Party.

MR. ASPER: Yes, Mr. Speaker, I'm asking the Minister for Agriculture, if he will answer, to tell us why rents have been raised by his department from \$500 to \$1,300 for the same land as was charged \$500 last year?

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MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Speaker, again I answered that kind of a question in this House a few days ago, wherein I did indicate that under the old formula there were increases based on the price index of beef sold in the province for the previous year or six-month period; and subsequent to that, we did change the formula, which could have added an additional increase, but that formula has not been changed since 1964.

MR. ASPER: To the same Minister, will the Minister confirm that the increased rentals are being charged, regardless of the economic success of the farmer who leases, that is, that the formula is tied to general prices of beef as opposed to his own profitability.

MR. USKIW: Mr. Speaker, that aspect has never been changed since 1964, when the program was established.

MR. ASPER: Has the Minister been advised of a meeting of cattlemen, for, I believe next Tuesday, and has he been invited to that meeting and has he refused to go.

MR. SPEAKER: Order please. I can't see that that question has any reference to our procedure. The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, a question to the Minister of Agriculture. Would he not confirm the fact that up until now at least, the prices of leases paid for ranchers, for cattlemen for Crown lands has varied every year up or down, according to the price index of the preceding six months averaging at the St. Boniface stockyards.

MR. USKIW: Yes, Mr. Speaker, and it will continue to do so.

MR. SPEAKER: Order please. The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Another question to the Minister of Agriculture. Has he abandoned the ability to pay principle insofar as it applies to farmers?

MR. USKIW: Mr. Speaker, I always interpreted that a rise in the price of a commodity, made that individual producing it more able to pay, and therefore the formula that was adopted by my friends opposite when they were in office is continuing.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Mr. Speaker, my question is also directed to the Minister of Agriculture. I wonder if he could confirm to the House that the transportation subsidy paid to farmers for hauling feed, hay supplies will be extended past the March 31st deadline.

MR. USKIW: Mr. Speaker, as I understand it, the present deadline is the end of April.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder if the First Minister can indicate to the House whether the irregularities of the Manitoba Housing and Renewal Corporation and the amount of three quarters of a million dollars not accounted for, has been brought to his attention.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Well, Mr. Speaker, it has not been brought to my attention and I'm not therefore in a position to give credence or to dismiss the contention that there may be some amount of funds still unaccounted for, but certainly it affords me the opportunity, Mr. Speaker, to ascertain whether this is in fact the case - and as the Minister responsible for MHRC has indicated, the involvement of the Provincial Auditor is a continuing one. If there is no getting to the bottom of the matter, if in fact the matter exists as stated, then there will be need for special inquiry, and if there is any wrongdoing the person will be fired; it's about as simple as that, Sir.

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

MR. J. PAUL MARION (St. Boniface): Thank you, Mr. Speaker. I'd like to direct my question to the Honourable the Minister of Education. Has the department studied the time table with respect to the metric changeover, and does it concur with the objectivity of a 1978 target date?

MR. SPEAKER: The Honourable Minister of Education.

HON. BEN HANUSCHAK (Minister of Education)(Burrows): Mr. Speaker, the matter of metric changeover is one of Federal responsibility and not ours, and so it is up to the Federal Government to determine the time date at which the changeover will occur. But insofar as the Department of Education's involvement in it is concerned; from the point of view of instruction in the metric system, then whatever steps and measures have to be taken to prepare ourselves for it, those steps will be taken.

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MR. MARION: A supplementary to the same Minister, Mr. Speaker, What cost sharing arrangements have been elicited from the Federal Government to cover the anticipated cost of this changeover which is, according to the last evaluation, \$1.7 million?

MR. HANUSCHAK: On the matter of cost sharing with the Federal Government, Mr. Speaker, the Council of Ministers had formally requested the Federal Government for cost sharing, and to which request the reply of the Federal Government was in the negative.

MR. MARION: Again, Mr. Speaker, a supplementary to the same Minister, will the Minister or his offices pursue the matter further with Ottawa to obtain a cost sharing formula on this changeover?

MR. HANUSCHAK: Yes, Mr. Speaker, either directly on behalf of our government and through the Council of Ministers.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. My question is for the Minister of Health. Can the Minister tell the House if the matters of the conflict of interest irregularities in the Manitoba Housing and Renewal Corporation, are these matters now being investigated by the Attorney-General's Department?

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Yes, Mr. Speaker, they are and have been for some time.

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

MR. ASPER: My question is to the Minister of Finance. I wonder if he would indicate to the House whether or not he considers it inflationary for the government to be raising, tripling the rents charged for crown grazing lands inasmuch as those rentals will be reflected in the price of . . .

MR. SPEAKER: Order please. Order please. The honourable member is asking for an opinion. The Honourable Member for Rock Lake. The Honourable Leader of the Liberal Party.

MR. ASPER: Yes, what does the Minister of Finance intend to do about the inflationary increase in the price of rentals for Crown land, in view of the fact that those rentals increased will be reflected in the price of beef in Manitoba?

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK Q. C. (Minister of Finance)(St. Johns): Mr. Speaker, I'll try and keep the answer brief. I would point out that one of the matters that concerns us very much is the world situation in inflation; the second one is what the Canadian Government, the Liberal Government in Ottawa is doing about inflation generally - and more specifically, I would . . .

MR. SPEAKER: Order please.

MR. CHERNIACK: . . . like the honourable member to read my Budget speech - which I don't think he has read yet, but on which he is going to speak later on this afternoon - including the papers I presented, in order to get an overview of the provincial government's view on the problems of inflation and how to cope with them.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Northern Affairs. I wonder whether he can indicate whether the Department of Northern Affairs does the audit of the community of Wabowden?

MR. SPEAKER: The Honourable Minister of Northern Affairs.

HON. RON McBRYDE (Minister of Northern Affairs)(The Pas): Mr. Speaker, the elected community council at Wabowden has assistance from the Department of Northern Affairs in its matters of spending and bookkeeping in that community.

MR. SPIVAK: Yes, I wonder if the Minister is in a position to confirm that in May of this year the Departmental Auditors found the community's books in such a disarray that they were unable to proceed with an audit.

MR. McBRYDE: Mr. Speaker, I am unable to confirm or deny that allegation.

MR. SPIVAK: Well, I wonder if the Minister would take it as notice to determine whether his auditors found the books in such a disarray or not?

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Honourable the Minister of Northern Affairs. I wonder if the Minister could tell me whether or not it is a practice of his department

## ORAL QUESTIONS

(MR. ENNS cont'd) . . . to transport building materials into northern Manitoba by chartered air flights - aircraft?

MR. McBRYDE: Mr. Speaker, I think that members of the opposition should be aware that various means of transportation of materials and goods are required in the northern part of our province.

MR. ENNS: Well, Mr. Speaker, I wonder if the same Minister could tell me whether or not the department paid for ten such flights into Cross Lake delivering building materials during the last ten days prior to the June election?

MR. McBRYDE: Mr. Speaker, I can neither confirm nor deny those allegations.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HARRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Agriculture, and would like to ask him if he can confirm whether his department is providing funds for the purpose of supplying specialists to replace the home economists in the areas that the home economists are being moved, in order that the 4-H Clubs will receive that service.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, the intent of the department is that the 4-H program will continue as it has - and it has been enriched over the last three or four years very dramatically; additional funds have been added each year to provide for special assistants, for per diem employees, term staff and so on - so that we are continuing as in the past with the 4-H program.

MR. EINARSON: Mr. Speaker, I would like to ask the Minister, is he going to appoint specialists to take the place of home economists that are going to be moved from the rural areas?

MR. USKIW: I believe, if my memory serves me correctly, that we do have a 4-H specialist for each region of the province, so that is, within Agri-Manitoba. I may be in error but I think that that is correct.

MR. EINARSON: I would then ask the Minister, is he using the Civil Service Commission to acquire these specialists for this purpose?

MR. USKIW: Well, Mr. Speaker, I presume so, since I am never aware of when it occurs; it is not a matter that is decided on my desk, Sir, it is decided in the normal way.

MR. SPEAKER: The Honourable House Leader.

NOTICE OF LAW AMENDMENTS COMMITTEE MEETING

HON. SIDNEY GREEN Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, I thank the Honourable Leader of the Opposition for letting you recognize me. I have forgotten this once, and therefore I want to do it while it's right on my mind. The Law Society Act, which I believe is completely non-controversial, is needed for them to be able to conduct their elections. I wonder if members would co-operate with a meeting of Law Amendments Committee tomorrow at 2:15, just before the House meets so that we can deal with that bill in committee and then perhaps deal with it in the House right following committee. Law Amendments 2:15 tomorrow, by unanimous consent.

ORAL QUESTIONS (Cont'd)

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

MR. GORDON JOHNSTON (Portage la Prairie): Mr. Speaker, I direct my question to the Minister responsible for the Communities Economic Development Fund, and it relates to the next meeting of the committee. Could the Minister give an assurance that former director, Ben Thompson and present director Don McIvor will be present at that meeting?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: No, Mr. Speaker I can give no such assurance.

MR. GORDON JOHNSTON: Well, to the same Minister, Mr. Speaker. Could the Minister then advise what credence is going to be placed in the affidavit supplied by these two . . .

MR. SPEAKER: Order please, that's asking for an opinion. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines, and Natural Resources and Environmental Management. I wonder if he can confirm that it's the practice of the Communities Economic Development Fund to send directors of the Fund to accompany government shipments of building materials to remote northern Manitoba communities?

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MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I'll have to look into that, but the honourable member could help me if he gives me an instance in which he has information that it occurred so we'd be able to specifically look into the instance.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Yes, by way of a second question, I wonder if the Minister could confirm and indicate why Donald McIvor, Director of the Communities Economic Development Fund, accompanied ten chartered air flights into Cross Lake during the last ten days of June, before the June election?

MR. GREEN: Mr. Speaker, I will determine whether that in fact occurred, and if it occurred I will try to give the honourable member the reasons why whoever was involved in it thought that it was appropriate.

MR. SPIVAK: A supplementary. I wonder if the Minister can indicate as well who instructed Mr. McIvor to distribute the building supplies in Cross Lake with the compliments of the New Democratic Party?

MR. GREEN: Mr. Speaker, I have no idea whether or not that did occur. I will certainly try to find out. I also know that in past years some of the people associated with the Manitoba Development Corporation, for instance, lauded the government for what had been done with regard to certain industries.

MR. SPEAKER: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, on a point of order. The Committee is sitting and has not reported from the Economic Development Committee. We are now hearing the Annual Report from the Chairman of the Communities Economic Development Fund. These questions have been raised in Committee and I do not see the relevance of asking these questions at this particular time and being asked again in Committee. I believe that it is out of order to be asking questions before the Committee reports.

MR. SPEAKER: The point is well taken. The Honourable Member for Portage la Prairie. Order please.

MR. G. JOHNSTON: Mr. Speaker, on the same point of order. The reason we on this side are asking the questions is because we are being denied the opportunity in Committee to ask certain questions and . . .

MR. SPEAKER: Order, please.

MR. G. JOHNSTON: . . . the Member for Radisson . . .

MR. SPEAKER: Order, please. Order, please. The point that the Honourable Member for Radisson raised is valid in respect to procedures that have taken place, members are aware of that. Whether answers are forthcoming or not in the committee is not a point of order. The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Minister of Northern Affairs or the Minister of Mines and Natural Resources. While he undertook to take the question as notice to some extent as to what the personnel or who the personnel was that was aboard these chartered aircraft, would he also undertake to find out whether or not the candidate for the New Democratic Party, the candidate for the constituency of Thompson also accompanied these flights - and whether or not he did that at the party's expense, or at the government's expense.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I will undertake to find out. My impression is that unlawful use of airplanes at public expense was discovered in the Province of Ontario. I know that the directions that I've received from my First Minister in the Province of Manitoba were that there were to be no government activities, either through use of automobile or airplane during the period of the election campaign. I know that the Premier of Saskatchewan said that during the election campaign, wherever he goes at any time, it is a government function and used the government plane throughout the election campaign. I know that those were not the instructions to us, but to the contrary, but I will determine whether what the honourable member says is correct.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I direct my question to the Minister in charge of the Manitoba Development Corporation. Could the Minister indicate what the present situation is regarding Micro-Com Electronics of Beausejour?

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MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: No, Mr. Speaker, I gather the honourable member wants me to - I will not be able to answer a question as general as that relating to a particular company. Mr. Parsons, the Chairman of the Manitoba Development Corporation will be before Committee on Thursday, 10 o'clock, April 4th - I may as well, I was going to do this later but it's, I believe April the 4th is a Thursday - at 10 o'clock the Chairman will again be before Committee and the honourable member would be able to get full particulars at that time.

MR. BANMAN: Supplemenatry, Mr. Speaker. Would the Minister confirm that this company is now in receivership?

MR. GREEN: No, Mr. Speaker, I wouldn't confirm it, but I would not say it's not so. I don't know.

MR. SPEAKER: The Honourable Member for Charleswood.

MR. ARTHUR MOUG (Charleswood): Mr. Speaker, I'd like to direct a question to the Minister of Finance. In view of the fact that the Mayor of Winnipeg has rejected the idea of special taxes to discourage land speculation, will the Minister be introducing a bill in this House such as he indicated on Thursday night?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I would think that the former Mayor of Charleswood would know very well that a Mayor on his own authority has no right to accept or reject any policy decision on behalf of a council.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Thank you, Mr. Speaker. I have a question for the Attorney-General. I wonder if the Attorney-General can tell the House why the Liquor Control Commission has removed inexpensive wines from the liquor stores in Thompson, Churchill and The Pas, a move which I understand officials in those areas have rejected very strongly.

MR. SPEAKER: The Honourable Attorney-General..

HON. HOWARD PAWLEY (Attorney-General)(Selkirk): Mr. Speaker, I believe that question was answered by, I believe the same member earlier this session. I indicated at that time it was a pilot project in order to ascertain whether or not there would be substantial reasons to extend that practice throughout the entire province. And now with the return of the Chairman to his - well, near regular work with the Liquor Control Commission after his illness, I intend to have an opportunity to sit down and to review that policy with him within the next short while.

MR. PATRICK: A supplementary. Perhaps the Minister can take notice if he hasn't got the answer. Will the Minister explain - was this done arbitrarily, or was it done in consultation with the councils in those areas?

MR. PAWLEY: Mr. Speaker, I'm unable to indicate to the honourable member whether what or what particular groups there was consultation with, but I know there was consultation involved - but whether or not there was consultation with the Mayor of Thompson, I couldn't tell the honourable member. But there have been positive and not so positive results from the test project so far.

MR. PATRICK: A supplementary, Mr. Speaker. Have any Liquor Commission outlets in Winnipeg been selected in similar prohibition?

MR. PAWLEY: No, as I indicated to the honourable member, it was a test project, pilot project, which will be extended or would be extended if it was felt that the results were of such a nature that warranted the extension to other parts of the province. But it is only a pilot project and may be discontinued completely without extension.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, my question is to the Minister of Health. Can the Minister inform the House when we will be receiving the report of the Manitoba Housing and Renewal Corporation?

MR. SPEAKER: The Honourable Minister of Health.

MR. MILLER: Mr. Speaker, if the member - when he gets his Hansard, turns back two pages, he'll find the answer.

MR. F. JOHNSTON: Mr. Speaker, I apologize that I asked the member the same question, but I wonder whether the Minister could confirm whether the reason we have not received the report is because the Provincial Auditor will not certify it?

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MR. MILLER: Mr. Speaker, I can't answer that question, because I don't know what the Provincial Auditor is thinking or not thinking in this connection. The reason that it isn't here before us is simply it's not ready. I'm told that last year it was available in April, and they're pretty well on the same time table this year.

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

MR. MARION: Thank you, Mr. Speaker. I'd like to direct my question to the Honourable the Minister of Mines and Natural Resources and Environmental Management in his capacity as responsible for MDC, Minister responsible for MDC. Will the Minister advise whether he or his officials or representatives of the MDC have had any discussions with the Abitibi Paper Company of Pine Falls regarding government taking an equity position in that company.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I know of no involvement of the Manitoba Development Corporation, aside from its Minister, in discussions with Abitibi.

MR. MARION: A supplementary, Mr. Speaker, to the same Minister. In light of the understandable concern such a statement - the Minister is reported to have made a statement with respect to pour parlez, has produced a feeling of uncertainty . . .

MR. SPEAKER: Question?

MR. MARION: . . . I wonder if the Minister would settle that detrimental effect by . . .

MR. SPEAKER: Question?

MR. MARION: . . . making a public utterance. Will the Minister make a public utterance with respect to the negotiations now under way?

MR. GREEN: Well, Mr. Speaker, I'm not aware of a detrimental effect which is caused by answering a question that was put to me by the Leader of the Liberal Party. I didn't make a statement. I believe - unless I don't recall properly - that yesterday or the day before, the Leader of the Liberal Party got up and asked me whether we are negotiating shares in the Abitibi Company, and my answer is recorded in Hansard that we are presently negotiating with Abitibi relative to its future activities in the Province of Manitoba. And I cannot understand, Mr. Speaker, how it could be less detrimental if I would say, "No we are not" - that would be a lie. If I would say, "Yes we are", then the next question would be: "Well, what is being said?" And my answer to that is, "We are trying to establish a favourable position as between the people of the Province of Manitoba and Abitibi Pulp and Paper". Now if that is detrimental to any company then, Mr. Speaker, I can't make things more favourable. I can't say, we can let Abitibi know that we will give them all of the forces of Manitoba without any problems on their part. That might not be detrimental to Abitibi; it would be detrimental to the people of the Province of Manitoba.

MR. MARION: A final supplementary to the same Minister. Are the discussions now taking place with respect to inequity position on the part of the Manitoba Development Corporation?

MR. GREEN: Mr. Speaker, no. But my answer to that extent would be misleading to the honourable member, and therefore I do not leave it at the "no". I say that we are presently discussing with the Abitibi Pulp and Paper what we hope will be a favourable modus operandi for both the people and the company in Province of Manitoba.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. A.R. (Pete) ADAM (Ste. Rose): Thank you very much, Mr. Speaker. My question is for the Minister of Agriculture, and I wonder if he could advise if the cost of inputs by farmers reflects itself as a general rule in the cost of produce to the consumers?

MR. SPEAKER: The Honourable Minister.

MR. USKIW: Mr. Speaker, that would really depend on the time that we're talking about. If you went back two or three years I would say no, the full cost of production were not realized through the prices paid to producers. At the present time, I would think that that would be so in most categories in particular - the return to producers is much more reasonable than it has been in some years.

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. My question is to the Minister responsible for Autopac. I wonder if the Minister can advise the House when he expects to present the policy for providing U-Drives to owners of vehicles that are under repair. This question was raised about four weeks ago. I wonder when he could advise if he'll be coming forward with that information?

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MR. SPEAKER: The Honourable Minister.

HON. BILLIE URUSKI (Minister responsible for Manitoba Public Insurance Corporation) (St. George): I'm awaiting a reply, Mr. Speaker, from the officials - but as I indicated to the member, that U-Drives are provided for individuals who need a vehicle for their livelihood.

MR. MINAKER: Yes, Mr. Speaker, to the same Minister. Can the Minister confirm or deny that the supply of U-Drives to owners of vehicles under repair will only be supplied to those with business coverage?

MR. SPEAKER: Orders of the Day. The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, my question is for the Minister for Mines. Has the Minister requested an early meeting with North Dakota authorities to review suggestions by the United States Bureau of Reclamation that the Garrison Diversion plan might now be altered in the face of objection to the project, both in Canada and the United States?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I believe that there is a meeting being set up as between Canada and the Government of the United States - can't remember the exact date. But it's not being set up pursuant to the suggestion that the honourable member makes; it's being set up pursuant to our ongoing Canadian position, that we accept the American's undertaking not to pollute Manitoba waters to the injury of persons or property - and we are following through such steps as are necessary to be assured that the Americans will keep their own undertaking.

MR. ASPER: To the same Minister, Mr. Speaker. Has he received official notification as to the nature of alterations that are being proposed in the United States, in terms of providing new benefits to Manitoba which don't exist under the present plan, in order to alleviate the now proven damage that Manitoba would face under the original plan?

MR. GREEN: Mr. Speaker, I believe that there have been some suggestions of that kind. I believe that the President of the Environmental Council, in talking about that type of suggestion referred it to duplicity and other derogatory remarks relative to the American position. We will be discussing all of those things in accordance with the mechanism that we have set up to protect Canada by virtue of having received, Mr. Speaker, a diplomatic note from the United States State Department saying that nothing will be done which will pollute Manitoba waters to the injury of persons or property.

MR. ASPER: Well, Mr. Speaker, I wonder if the Minister would confirm, in the light of his answer that he would consider it damage to Manitoba environmentally if there is a 38 percent increase . . .

MR. SPEAKER: Order, please.

MR. ASPER: . . . sorry, Mr. Speaker, you're quite right. Mr. Speaker, with the plan to add 38 percent increase in salinity imbedded in the original proposal for Garrison, does he consider the 38 percent salinity level damaging to the environment of Manitoba?

MR. GREEN: Well, Mr. Speaker, the information that we have to date indicates that proceeding with the Garrison Diversion in accordance with their now existence plan would damage the Province of Manitoba's waters. We have filed that with this House. We obtained that as a result of our activities vis-a-vis the Government of Canada and the Government of the United States. The honourable member asks whether I think it would be a problem if an increase of 38 percent of the salinity content of water in the Souris River resulted? My first impression is, yes, that that would be a problem. That's the problem that we have been dealing with.

MR. ASPER: In view of the answer, Mr. Speaker, will the Minister now make some undertaking to the people of Souris, or southern Manitoba generally, that the Government of Manitoba will be prepared to finance legal actions by those communities in the United States' courts as requested by the Mayor of Souris?

MR. GREEN: Mr. Speaker, if there were activities that were going to take place which we felt could be thwarted by one course of action or another, including legal action, we would try to deal with it. I believe that the honourable member, the Leader of the Liberal Party, issued a press release saying that the only way we can stop them is to go to war. He is now suggesting we can stop them with legal action. I, Mr. Speaker, am not certain as to what all of the mechanisms are - and I think that if we say that one mechanism is what we are going to rely on, we will be revealing our position to the extent of prejudicing overall action.

A MEMBER: Point of order, Mr. Speaker.

## ORAL QUESTIONS

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

MR. ASPER: Mr. Speaker, it's not my habit - as it is the Mines Minister - to rise on points of order to refute absolutely incorrect statements made about things I am reported to have said or not, even though he does. Mr. Speaker, I have never suggested. . .

MR. SPEAKER: Point of order please.

MR. ASPER: Yes, Mr. Speaker. The point of order is that the Mines Minister said to the House - and he knows it isn't true - that I suggested that the only way to stop this was to go to war. Mr. Speaker, my concern for that is, it might be taken seriously - and there is some reason to believe that we would win that war, and then what would we do?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, you know the honourable member says that he doesn't rise - I will admit, Mr. Speaker, when I'm accused of doing something that I did not do, and when I am accused of misleading the House knowingly, I do rise. The honourable member says that I knew that he made no such statement. Mr. Speaker, I read the statement in one of the newspaper reports of this press conference that he held on the Garrison, together with the Honourable Member for Fort Rouge, in which he also said that we should demand a minimum compensation for the program. Now I will admit that people can be reported wrongly, Mr. Speaker. The honourable member says that he did not make the statement attributed to him, which I read in the paper; I will withdraw having said it, but I did not "knowingly", Mr. Speaker, attribute to the honourable member a remark which he didn't make. I got my information from what I agree is sometimes a very unreliable source, but that's where I got it.

MR. SPEAKER: Order please. Order please. Order please. The honourable gentlemen have both had a difference of opinion; they've given their explanations. Neither one did have a point of order. We're in the question period. --(Interjection)-- Order please. One at a time, gentlemen. I'll recognize both.

The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I would question, Sir, whether an honourable member can get up in the House anywhere and say that a Minister or another member has knowingly made a false statement in the House and that does not constitute a point on which a member could rise, because you have said that neither of us had a point of order. I would ask you to read Hansard and get from the honourable member's remarks where he said; the Honourable Minister said that, it is not correct; he knows that it is not correct, and it is on that point, Sir, which I rose.

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

MR. ASPER: Yes, Mr. Speaker. The point of order was this: the Mines Minister rose in the House and he said that I had said that we should go to war, Mr. Speaker, not as compensation, which is his usual camouflage, "go to war" were the words. Now, Mr. Speaker, I say that I have never said that and he knows I never said it - and that is the point of order, that he should withdraw that statement or indicate that it was one of his sleights of rhetoric under which circumstances he sometimes gets carried away.

MR. GREEN: Mr. Speaker, I have already rose. I have already --(Interjection)-- No, Mr. Speaker, I believe that this is an important point, Sir, with me - if it is not with you. The honourable member repeated the statement which I have already withdrawn. I said, if the honourable member did not say it, I read it in a newspaper. I admit it's unreliable, I withdrew it; I asked the honourable member to withdraw his statement that I "knowingly" attributed to him a remark which he didn't make - and that's all I ask for.

MR. ASPER: Mr. Speaker, it's become confused. Is the Minister saying that he read in the newspaper that I said we should go to war with the United States?

MR. GREEN: No, I said that I read in the newspaper that the honourable member said that the only way of stopping this project was to go to war - that there was no way of stopping it except by war - not that he said that we should go to war, but that the only way of stopping the program was by war. That's what I read in the paper; that's what I attributed to him; that's why I found it confusing for him now to say that we should go to court instead of to go to war.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, speaking of war, I should like to direct my question to the Minister of Mines and Resources, and ask him now if he will entertain the suggestion I made last Friday about he and the Leader of the Liberal Party putting on the gloves for ten rounds at the Conservative fund raising dinner on the first of May?

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MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I believe that this matter should not remain where it is. I have hesitated to do this before. The honourable member, the Leader of the Liberal Party - again I read this in the paper - said that the Liberal Party has information that I was lying to the House. I submit that as a member he should place that information before the House, in which case I would have to behave accordingly. I'm not going back to that one. But today, Mr. Speaker, he was quoted in the paper as saying that the reason he called me a liar is that the Liberal Party had information that I knew about the activities relative to the CEDF, and that's why he called me a liar. I did not ask him to produce that information, although I think it's his duty to do so. He has not stood up and said that I "knowingly" attributed something to him which he didn't say. I accordingly withdrew the statement, and I think that the Leader of the Liberal Party should be man enough to say that maybe I was confused - any qualification that he wishes to make, except the reflection that I "knowingly" misled the House.

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

MR. ASPER: Mr. Speaker, the House Leader is quite right. I didn't hear him say - I must have missed it - I didn't hear him say that he withdrew the statement. But in view of his having said that, certainly I withdraw, and I accept his word that he did not know and that he stated something believing it to be true - and I appreciate his comment that he has withdrawn the statement. That was all that I was after.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): On a point of privilege, Mr. Speaker.

MR. SPEAKER: Order please. I do believe we must have some decorum, and the Chair should have the option of picking the people one at a time. I cannot entertain two members occupying the total time of the House. I think they've all had opportunity to explain both their positions on a number of occasions and if they have further privileges that they think they should raise, they'll have the opportunity later.

The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, on a point of privilege. I can appreciate your problem with this clash of legal minds. We have now been discussing this matter for some ten minutes and I believe we should get on with the business of the province.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I direct a question to the Honourable Minister of Agriculture. I believe today's hog marketing prices were \$40.00 in Winnipeg as compared to \$46.50 in Toronto. Can he undertake to investigate this growing differential, for which at least one of the reasons the Compulsory Producers' Board was established to help overcome.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Well, Mr. Speaker, the Honourable Member for Lakeside knows very well that that responsibility rests with the Producers Marketing Board.

MR. ENNS: Mr. Speaker, I then direct a supplementary question to the Minister of Agriculture. Is the Minister of Agriculture of the Province of Manitoba not concerned about this question?

MR. USKIW: Mr. Speaker, we are concerned about all questions, but I think my honourable friend should appreciate the responsibility, and that is the responsibility of marketing hogs in this province is that of the producer-elected board.

MR. ENNS: A final supplementary question then. It's only if the wrong people get elected to the hog marketing board that you get . . .

MR. SPEAKER: Question please. Question please. The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Speaker. I direct my question to the Honourable the Minister of Industry and Commerce. Further to my questions on Friday re productivity audits, has the Minister's Department done an internal productivity order audit?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East): Mr. Speaker, I wonder if the honourable member would clarify the intent of his question. I'm not clear on his question.

MR. BANMAN: Mr. Speaker, I'll rephrase the question. Has the Minister's Department, namely the Department of Industry and Commerce done an internal audit?

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MR. EVANS: If the honourable members means by that question, do we or have we reviewed the organization and performance of the staff - Mr. Speaker, this is an ongoing process that occurs periodically.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder if he's in a position to indicate what Manitoba's position will be - and his position tomorrow at the meeting to be held with the Prime Minister and Premiers with respect to the raising of the, or the elimination of the oil freeze?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I can certainly tell the Honourable the Leader of the Opposition this: that the position Manitoba is taking is consistent with the position we took at the January Conference on Energy in Ottawa and that is, that we agreed with those other provinces in Canada that if there must be some upward adjustment in the price of oil, that it be substantially below that of world market prices - and like the sister provinces of Ontario and British Columbia, we certainly agreed with considerable unhappiness and reservation to the proposal that was made by the Government of Canada to a \$6.00 price. If there is any suggestion tomorrow that the price is to be somewhat higher than \$6.00, then certainly we do not concur and I don't believe that other consuming provinces in Canada will concur either. That is the essence of our position; there are of course reasons to discuss this further, and that presumably is the reason why the meeting is being held tomorrow.

MR. SPIVAK: Yes, by way of supplementary. Will the First Minister ask the Federal Government to use the increased revenue from this export tax to in fact cushion the blow for consumers in Manitoba as well as the rest of Canada?

MR. SCHREYER: Well, Mr. Speaker, Manitoba is part of Canada. We cannot - if we are to be taken seriously - ask for consideration, that is, a deviation from consideration that would have to be given with respect to the consumers of Ontario, British Columbia - all provinces of Canada.

MR. SPIVAK: Yes. To the First Minister. Will Manitoba ask the Federal Government to use part of the revenues from its new export tax to in fact cushion the increase and rise to consumers in Manitoba?

MR. SCHREYER: Well, Mr. Speaker, certainly that kind of proposal can be made, but unless it is joined in by the other provinces of Canada, it is just grandstanding.

MR. SPIVAK: A supplementary, Mr. Speaker, to the First Minister. Will Manitoba ask the Federal Government to bring in such a policy?

MR. SCHREYER: Mr. Speaker, Manitoba's position at January, and I restate it now, is one of resistance to any increase in price beyond that which was agreed to by the provinces at the January meeting and even then of course, it did not meet with the concurrence of the two producing provinces. I have no way of knowing if tomorrow there will be a proposal for an additional increase in price, but any increase in price that might be suggested tomorrow is not likely to obtain the concurrence of the consuming provinces and certainly will not receive the concurrence of Manitoba. And with respect to making a request for some special subsidy, Mr. Speaker, I've indicated that we are not about to do that. We are however asking the Government of Canada to use its authority and jurisdiction to restrain prices so that they remain substantially below world levels and not higher than \$6.00 a barrel.

MR. SPIVAK: Another question to the First Minister. Will Manitoba present a position to the Prime Minister in connection with the distribution of the new profits as a result of the new export tax received by the government?

MR. SCHREYER: Mr. Speaker, that is the purpose of the meeting.

MR. SPIVAK: Mr. Speaker, then I take it it is the position of the government and it's . . .

MR. SPEAKER: Question. Question.

MR. SPIVAK: Well, to the First Minister - that he will be asking the Federal Government for some additional moneys for the Provincial Treasury, but he will not be asking the Federal Government to subsidize the consumers who will be paying Canadian prices.

MR. SPEAKER: Question. The honourable member is making a statement again.

MR. SPIVAK: No, Mr. Speaker, that was put in the form of a question.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, Manitoba has at no time indicated to the Government of

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(MR. SCHREYER Cont'd) . . . . Canada that we prefer the utilization of the export tax revenues for diversion of funds into Provincial Treasury as opposed to consumer subsidization and, as a matter of fact it certainly would be of some satisfaction to the Government of Manitoba if an amount of the revenues earned by the Government of Canada in the form of the export tax were used to cushion the impact of price increases that are now to take place with respect to oil. At the same time the counter argument is, that the very fact that the price of oil will be approximately four to five dollars below world market prices, is in itself of some comfort to Canadians in protecting them from the wild escalations in oil prices that have taken place in the world in the past half year.

MR. SPEAKER: Orders of the Day. The Honourable Member for Thompson.

MATTER OF PRIVILEGE

MR. KEN DILLEN (Thompson): Mr. Speaker, I rise on a matter of privilege. During the question period today, some reference was made to the candidate in the Thompson constituency accompanying building materials into the Cross Lake area of the Thompson constituency, and if I didn't rise on this matter today the Mines Minister had agreed to bring back information when it became available to him - and in so doing, it would mean that this question would go unanswered for three or four days. And I would like at this point to say that I categorically deny ever accompanying any material into Cross Lake - and I would further to that, like to point out to this House that I have had no knowledge up until about two weeks ago of the existence of R. & M. Construction or J.M.K. Construction.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Yes, Mr. Speaker. I wonder if you would call the Budget debate.

MR. SPEAKER: Thank you.

BUDGET DEBATE

MR. SPEAKER: Proposed motion of the Honourable Minister of Finance and the amendment thereto by the Honourable Leader of the Opposition. The Honourable Leader of the Liberal Party.

MR. ASPER: Mr. Speaker, I wonder if I might, before beginning my remarks, address a comment to the House generally about the difference of opinion that arose between the Honourable Mines Minister and myself as a matter of personal privilege.

MR. SPEAKER: I believe we have settled that matter.

MR. ASPER: Well, Mr. Speaker, in fairness to the Mines Minister, I wish it to be categorically clear that having had his assurance I withdraw the remark that offended him.

Mr. Speaker, we received the speech of the Minister of Finance in moving his Budget for 1973-74 at a time when the government's financial credibility, and that particularly of the Honourable Minister of Finance is at the lowest ebb since the first election of this government in 1969. On all sides, the government is beleaguered by complaints and accusations, many of which have been supported by hard evidence, to the effect that the NDP government has become morally corroded by five years in office, and has become guilty of financial mismanagement, bungling and incompetence to a degree never before witnessed in this province.

Massive waste in the northern winter roads program, moral, if not legal corruption in the use of public funds to promote NDP political objectives in the Department of Northern Affairs, the squandering of millions of taxpayer dollars through foolish adventures in business through the Manitoba Development Corporation, and scandalous miscalculation in Hydro costs for the Nelson River Development, to the tune of \$1 billion in this year and \$4 billion over the past 6 years. These are the main badges of guilt that this government and its Minister of Finance must carry.

Against that background, Mr. Speaker, it's no wonder that we on this side of the House and in this Party can no longer believe the Minister of Finance when he reports to the House on the financial condition of the province. Can we be blamed for being suspicious and regarding as unworthy fiscal hocus-pocus his financial gyrations, when even the provincial auditor can't stomach it any more and finds that he's forced in his auditing role to report things like the fact that the government slipped \$15 million last year into the MDC so that the MDC could take the \$15 million and pay interest to the Government of Manitoba so that the books of the Government of Manitoba would look good, when in fact they oughtn't to have looked good. Or when the government of Manitoba conveniently declares a financial break-even in '73,

## BUDGET DEBATE

(MR. ASPER cont'd) . . . conveniently forgetting that there's a \$40 million proven loss in the Manitoba Development Corporation; that we would have created a major deficit if that \$40 million loss had been taken into account as it should have in presenting the story to the public. But it wasn't presented because it was an election year Mr. Speaker.

It's a sad day, Mr. Speaker, when the Minister of Finance for any province stoops to the kind of antics that have characterized this financial report to the public. But sad though it may be, it's a story that must be told and retold, so that the lesson is well learned, and so that the generation of Manitobans that come behind us and who have to pick up the bill for the capricious and irresponsible antics of this government may learn a lesson from which that future generation may benefit. No, Mr. Speaker, the Minister of Finance has little credibility left, and with the present budget he exhausted even the modest amount of credibility that we wanted to afford him.

Mr. Speaker, there is the economic report presented in the Budget, and then there's the true economic report - they're quite different. The Minister begins his oration by telling us that we have just concluded a "boom" year. He says "virtually every indicator", every indicator, Mr. Speaker, "thus far suggests that 1973 was a boom year in the truest sense." And he tells us too that the purpose of his Budget is to seek further "economic justice". Well, Mr. Speaker, it's not true. In fact, the very kindest parliamentary word that can be used to characterize this economic report, is to say that it's deceptive.

Mr. Speaker, the Minister for Finance reminds me of a policeman who's called to a shooting incident and he finds a corpse in a parking lot, and he looks down and he calls to his partner, - "The man's dead!"; and the partner says, "What are the problems?" He says, "Well, there are two bullet wounds, both of which are fatal, but the third one isn't so bad." And that's the kind of economic report we've got; we've had the report on the third bullet, the one that's not so bad. Mr. Speaker, there are many fatal bullets in the Manitoba economy that the Minister should be correcting and failed to because his own myopia refuses to permit him to recognize and deal with the problems basically.

Mr. Speaker, it becomes clear that the smugness and the complacency that has now characterized the NDP for some months since five years in office have elapsed almost, has also spilled into the Minister of Finance's area of responsibility. If he really believes what he told this House, to the effect that "every economic indicator" supports his claim, and I'm . . . Yes, Mr. Speaker, the Minister says "every". Mr. Speaker, the correct, the exact words are "virtually every", which means there's nothing of any significance other than the ones he gave as being the economic report for the province Mr. Speaker. Well, if he really believes that we enjoyed a boom year, then he has looked only at those indicators which can be conveniently constructed and presented in a manner to support his otherwise shaky and untenable thesis. Because a look at objective, independent and irrefutable information does lead to the conclusion that under the NDP, the Manitoba economy continues to lag behind the rest of Canada - and indeed, the gap that was there in 1969, which was the base year for measuring the performance of this Minister, that gap has continued to widen and grow.

Mr. Speaker, I will endeavour to give what I consider to be a truer, much more accurate economic report, in the hope that it will spur the Minister to action. Mr. Speaker, because of the propensity of the Minister to throw up smokescreens in debating data, I will give - though it may take time - I will give the source of every statistic I use, and challenge the Minister, and I'm sure he'll have his officials, at great expense to the public, working through this in any event. I will, Mr. Speaker, give him the source. Boom year, Mr. Speaker, out migration (brain drain) - is it a boom year when nearly 7,000 Manitobans leave as they did in 1972-73, the year for which he has just reported? And that is the truth Mr. Speaker. - 6,900 people more than came in, left, continuing a pattern which has continued every year since this government took office, to the point that for the years ended 1969-73 the total net brain drain out of Manitoba is now at 44,200 people. And if that's not damning enough, Mr. Speaker, consider it beside the Ontario figures which showed a net inflow during the same period of over 110,000 people. The source of that, Mr. Speaker, is Statistics Canada - unpublished data, population estimates, census division, based on family allowances, census year June 1 to May 31.

Mr. Speaker, boom year. If it's a boom year, then we should expect some staggering, startling, exciting growth in population. Well, Mr. Speaker, at least it should be equal to the rest of Canada; that would be a boom year for this government, if we only equalled the national

## BUDGET DEBATE

(MR. ASPER cont'd) . . . average. And yet, Mr. Speaker, in every date compared, the rest of Canada as a mass nation is growing nearly three times as fast as Manitoba. From 1969 to '73, the population of Manitoba has increased only 1.9 percent, whereas Ontario's population - and I use Ontario, because I think it's a model that we should try to copy some of the benefits from - Mr. Speaker, the population of Ontario grew at the same time by 6.5 percent. Canada as a nation grew by 4.9 percent. Now compare that with Manitoba's performance of a 1.9 percent increase. The source, Mr. Speaker, Population Statistics Canada, Table 91-202, Table 91-201 Estimated Population as of June 1.

Mr. Speaker, I apologize for finding it necessary to quote the source of these statistics, but I must do it, Mr. Speaker, because every year we have laid before this House facts on which we have based economic suggestions - and instead of having our economic proposals debated, Mr. Speaker, we find an assault on the facts, the data on which we base our assumptions. So Mr. Speaker, we put it into the record now. Mr. Speaker, let's look at the labour force - a great economic indicator. At this stage, virtually every economic indicator is not indicating the boom year that the Minister of Finance tries to con the people of Manitoba into believing. If he's not yet satisfied, Mr. Speaker - and I don't believe anyone who can deliver a self congratulatory speech as he did on Thursday evening can really be persuaded to look at the other side of the coin. But, Mr. Speaker, let him look at his government's performance in the development of the labour force between 1969 to '73 - the labour force in Manitoba has grown by 9.4 percent up to 408,000. Looked at all by itself, in the selective way in which he seems to enjoy, that sounds good, but consider that against the growth in the labour force in Ontario in the same period was 15.7 percent, nearly double. And more appropriately, consider our growth rate in employment - or rather the labour force - against the growth in the Canadian average, in the same period it was 13.7 percent. So can one earnestly suggest that when Canada's labour force grows by 13.7 percent and ours grows by 9.4 percent, almost a 50 percent lower growth rate, that we're in a boom period? That's less than two percent per year, Mr. Speaker. And if he can, if he can still believe his pious oration of the boom - if we're in a boom period, Mr. Speaker, then I tell you the rest of Canada is in a boom, boom period, and we're not capturing our share of Canada's economic prosperity. The source of these statistics in labour, Mr. Speaker are Statistics Canada, The Labour Force Table 71-001 annual monthly labour averages.

Now Mr. Speaker, let's look at the number of people who are employed, as well as the number who are unemployed, on a comparative basis. When this government took office in 1969, there were 10,000 people unemployed. Today there are at least 16,000 unemployed, using the same technique of calculation used for all years. That represents a 60 percent growth in unemployment - that's growth, Mr. Speaker. The Minister speaks of growth - he's got growth all right, growth in unemployment. During the same period, the growth in unemployment in Ontario was not 60 percent as we had, but only 49.5 percent. And for Canada, the national growth of unemployment in this period was only 36.1 percent as compared with 60 percent in Manitoba, so we led the nation in unemployment growth, a dubious distinction. And while we led the growth in unemployment, we bring up the rear in growth in the number of people who are actually employed. In 1969, again the base year for comparison, there were 363,000 people working in Manitoba. The annual monthly average of employed persons rose to 392,000 in 1973, that's for an increase of eight percent over the five years. And for the same period, the number of people employed in Ontario rose by 14.6 percent, and the number of people employed in Canada as a whole rose by 12.6 percent. The growth rate in Canada again averaged 50 percent greater than the growth rate of the new jobs being created in Manitoba. The source: Number of Employed, Unemployed, Statistics Canada, the Labour Force, Table 71-001. If the Minister of Finance considers that a boom performance, 50 percent below the national average, we must pray, Mr. Speaker, that we will be preserved from what he considers a status quo or stagnant economy.

Mr. Speaker, he referred to - and the Honourable Leader of the Opposition yesterday referred to the value of mineral production, Mr. Speaker, even in this area where we have the natural advantage, and natural resources to boot, where we can excel, we have not kept pace with the national average. Between 1969 and '73, the value of mineral production rose in Manitoba from \$246 million to \$404 million, that's an increase of 64.4 percent. Yet at the same time, the national average exceeded ours, reaching a growth rate of 73.9 percent. The Statistics Canada Source in the Value of Mineral Production, Table 26-202 Preliminary Estimate.

## BUDGET DEBATE

(MR. ASPER Cont'd) . . . . .

Mr. Speaker, even in the field of retail trade that the Minister referred to in his speech, the Manitoba Economy under the so-called dynamic leadership he refers to giving it, this economy has been out-performed by the rest of Canada and we've not kept pace with the rest of the country. Between 1969 to '73, the value of retail trade in Manitoba rose from 1.2 billion to 1.67 billion, for what looked like a healthy 39.2 percent growth, but the health of that statistic failed when it's considered that for Canada as a whole, the same indicators are up 41.3 percent. So even in retail trade, we are not achieving the national average. Mr. Speaker, I ask the Minister of Finance, is that performance? Is that the definition of a boom economy; one which on every major test so far is behind national averages? Mr. Speaker, the statistic I have just used on retail trade can be found in Statistics Canada, Estimated Retail Trade, Table 63-0005.

Now another great indicator that indicates the economic prowess on a comparative basis, Mr. Speaker - and it's accepted by most financial analysts - is the value of cheques passing through clearing houses, turning over. Now, looking at each centre alone doesn't give you any kind of a real picture, as the Minister might suggest. It's only when you compare the performance in one area to that of another that you get any kind of a picture of who's booming and who isn't. Well, during the period 1969 to '73 just ended, the value of cheques cashed in Winnipeg has risen from 36 million to 58.3 million; it's an increase of 62.6 percent. That's the kind of information that the Minister delights in handing to the people of Manitoba, absolutely uncomparad.

Well, Mr. Speaker, let us look at Toronto in order to see how ludicrous is his statement. Because during the same period, the rise in the value of cheques cashed in Toronto was 118.8 percent, double, nearly double the growth rate of Winnipeg - and more reasonable, because we know Toronto is booming. That's booming. Winnipeg, Manitoba, under the Minister of Finance's careful guidance, is not booming as he would have us believe.

The national growth rate for the same period was still 86.3 percent. Mr. Speaker, this is not a favorable comparison, nor is it something which lends anything to the Minister's proposition that we're in a boom economy. The source of this, Statistics Canada, Table 11-003, Canadian Statistical Review; and Table 61-001, Cheques Cashed in Clearing Centres table.

Mr. Speaker, now let's turn to the business climate, because while it's not true that we are booming as he suggests, it's true that we have our share of the busts. As a matter of fact, Mr. Speaker, we had more than our share of the busts.

Under the NDP stewardship of the economy, the number of commercial failures, business failures in Manitoba has risen from 47 in the first three quarters of 1969, to 64 in the first three quarters of 1973. I used those three quarters, because the results for '73 are only in three quarters. Now while the number of bankruptcies in Manitoba is up 36.2 percent, the amount of money lost by the public, the creditors, in these bankruptcies has risen by 108.4 percent, from 3.2 million to 6.8 million. You are left to imagine, Mr. Speaker, why the Minister doesn't tell us these things in his glowing report about his management of the Manitoba economy. The source of that statistics, so he can begin the refutation process, is Statistics Canada, Table 61-002; Business Conditions, Commercial Failures.

Mr. Speaker, let us talk about Capital Investment, because that is one of the most profoundly important indicators of how an economy is performing. Here again, the story has to be told that we're being outstripped by the rest of the country. In the area of new investment in manufacturing facilities - notwithstanding the fact that costs of the facility has risen astronomically since 1969 - the value of new plant in manufacturing in Manitoba has dropped dramatically, while the rest of the country has grown. In 1969, the private sector invested 116 million in new manufacturing facilities in Manitoba. In '73, the value of that kind of investment was only 96.7 million, for a drop of 16.6 million; at the same time, the value - the same period - the value of new investment grew in Ontario by 27.5 percent, and for Canada as a whole, by 31.1 percent. So we are now nearly 50 percent below the national average in new manufacturing plant values during this five-year period of NDP experimentation and flirtation with the economy.

Mr. Speaker, in capital investment in housing, another vitally important indicator, the

## BUDGET DEBATE

(MR. ASPER Cont'd) . . . . value of spending in housing by the private sector and the government has only risen in Manitoba during 1969 to '73, by 23.4 percent. At the same time, it has nearly doubled in Ontario; it grew by 44.6 percent in Ontario, that's more than double. And for Canada as a whole - sorry, that's nearly double - and for Canada as a whole, the increase has been not 23.4 percent, but 43 percent. We're not even close to the national average, Mr. Speaker, in this area.

In the field of capital investment total - bust up and beefed up and pushed up by provincial government spending, which has reached unprecedented levels - in all sectors the year 1969 to '73 have been dismal when compared to the rest of Canada. New Capital investment in Manitoba grew between 1969 and '73 as a total, by only 20.2 percent. Now, Mr. Speaker, take into account inflation and the cost of goods rising, and that will tell you we had no growth. Ontario enjoyed a growth rate of 42.4 percent, more than double; and Canada as a whole enjoyed a growth rate as a whole by 42 percent, also more than double the Manitoba growth rate in capital investment.

Mr. Speaker, I submit that that's a true indicator, not the misleading and selective isolated indicators the Minister of Finance put forward. It's this kind of data that should cause the Minister to have come before the House frankly and openly and told us we have a problem; we're not growing, Manitoba is not sharing in the economic prosperity of Canada to the extent it is entitled. And that he then would propose truly aggressive fiscal measures to correct things. But of course he doesn't do that, Mr. Speaker; he would rather deny that it exists; he would rather hope to sweep it under the rug. And Mr. Speaker, again, the source of those statistics on capital spending, Statistics Canada, Table 61-205, Table 61-206; and for the heading, Public and Private Investment in Canada.

Now as I said, Mr. Speaker, the fact is that if you wipe out the inflationary aspect of price-wise, and translate the figures I've just given you into constant dollars, 1969 dollars, it will readily be seen that capital spending in Manitoba by the private sector has dropped in 1973 to below the '69 level. Yet in spite of the terrible housing performance as evidenced by the figures I've just given, the Minister still has the courage - maybe affrontery is a better word - to face the House and describe as he did last Thursday, the massive efforts he's making in housing. Those are his words, not mine.

Mr. Speaker, turn to another indicator. Personal income. He doesn't even have the good grace to be ashamed of the relative position Manitobans have when it comes to their income growth, as compared to the country as a whole. In fact, it's the reverse - he blandly tells us in his Budget speech that there have been "rapid increases in per capita income". Well, upon hearing that, Mr. Speaker, one might think that we had outpaced the rest of the country, but the fact is, that we didn't even keep in line there. From 1969 to '72, which is the last year for which figures are available to us from tax returns, the total personal income earned in Manitoba had risen by 31.3 percent, while for Canada as a whole, it rose 32.4 percent. And even that's not an adequate yardstick, because that only looks at the gross income. It's only when we look at personal per capita, per individual income, that we get a truer picture of where we stand under the, again, allegedly dynamic leadership of the NDP. And here again, Mr. Speaker, Manitoba has fallen below the national average. In 1972, the personal income per capita for Canada was \$3750. Ontario was above that at \$4324, and Manitoba of course, was below the national average at \$3580 - hardly anything for the Minister of Finance to crow about. Source: Statistics Canada, National Accounts, National Income and Expenditure Division. Mr. Speaker, I look forward to any kind of refutation of the kind of date we're putting forward, because it is not refutable.

Mr. Speaker, while our people have not enjoyed the same income increases that have been enjoyed in Canada as a whole, the NDP can proudly say one thing: that they've made certain that, notwithstanding the lack of income growth, the amount of tax, income tax, taken away from them by the province during this period has certainly not lagged behind the national average - for there, and only there, does this government exceed national averages. The income tax taken from the people of Manitoba by the NDP in this year, 1974, will be up 173 percent from what was taken away from them in '69. That's just income tax, the ability-to-pay tax, Mr. Speaker. Unfortunately, the other provinces of Canada aren't quite as progressive as this Minister, cause during the same period, the amount taken away in income tax on a national average basis only rose by 150.2 percent. Now, Mr. Speaker, that is called

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(MR. ASPER Cont'd) . . . . taxing inflation - and we'll talk about profiteering from inflation later. The statistics, Mr. Speaker, that I've just given, which show Manitoba leading in the amount of tax taken away from the people in growth terms - Statistics Canada, Table 68-205; Provincial Government Finance for the year ending March 31.

Now let's look at low income, high taxation and now let's turn to cost of living, consumer price. Mr. Speaker, while Manitobans have had to accept one of the lower rates of increase in personal income, they have not been spared the ravages of inflation. In fact, here again the Minister of Finance can proudly say that we have the dubious economic distinction of leading the rest. It's a fact, and one for which this government cannot be proud. But one for which it must take part of the blame at least, that the rate of inflation in Winnipeg between 1972 and '73 far exceeded the national average of inflation. The cost of living on the Consumer Price Index for Canada went up 7.6 percent, but Winnipeg suffered a 15.6 percent Consumer Price Index rise. So, Mr. Speaker, Manitobans under the NDP have been suffering one of the highest rates of inflation, pressed by one of the lowest rates of income increase, and punished by the heaviest income tax load growth in Canada. The source of these statistics, Mr. Speaker: Statistics Canada, 62-002 Table, under Prices and Price Indexes.

And now, Mr. Speaker, I want to speak of a more frightening and more alarming indicator. I'm speaking of the phenomenon that has occurred in this province, known as the disappearing youth. Mr. Speaker, I submit that instead of the economic boom described by the Minister of Finance - exalted in by the Minister of Finance - we are in economic malaise, compared to the rest of Canada. The warning signs can be seen from every indicator we have thus far examined. But perhaps the most alarming, as I said, is the loss of young people, and the trend is unmistakably clear, Mr. Speaker. It can be seen by independent financial data, if the Minister of Finance has the courage and the stomach to look at it. In 1969, Mr. Speaker, there were 99,000 people under the age of 25 who filed income tax returns; by 1970, that number had decreased to 74,000; by 1971, which is the latest year for which the Federal Government has published the tax return data, the number of young taxpayers under 25 was down to 64,500. So, in the first three years of the administration of the NDP, the under-25 age group of taxpayers decreased by 34,500. That's a 34.9 percent drop; and it represents the most clear condemnation of the failure of this government to devise programs that would keep our young in the province working here with us, rather than working somewhere else. Mr. Speaker, the source of that is: Table 10; 1973 Taxation Statistics, Department of National Revenue.

MR. CHERNIACK: Mr. Speaker, would the member permit a question?

MR. APSER: Mr. Speaker - no, I'll accept questions when I'm through, Mr. Speaker. Mr. Speaker - and the Minister of Finance, in considering the propriety of asking in the middle of the speech, might consider whether he'll answer questions next year in the middle of his Budget Speech.

Mr. Speaker, we've seen Winnipeg continue to decline in proportion to other Canadian cities, as an attractive place to come and work and live. In 1969, we were the fourth largest city in Canada, and we ranked 52nd in average income. But by 1970, we have slipped to 56th place; and by 1971, which is the last year for which the figures are available, we've slipped to the point where we are now 60th from the top; that's slipping from 52nd place to 60th place in the Canadian average income position. To give some idea of the seriousness of our competitive position for attracting people, let's look at the average income of the taxpayers in each of Canada's leading cities. Now, Mr. Speaker, I'll read the figures:

The major city of Ottawa, the average income is \$8,361; the average income for Winnipeg, which is at the bottom of all major Canadian cities, is only \$6,930; and Toronto is \$7,868; and Hamilton is 7,822; and Vancouver is 7,727; Calgary is 7,623; and Edmonton is 7,490; and Montreal is 7,399 - and we're at the bottom of the major Canadian cities. In fact, Mr. Speaker, the average income of those major Canadian cities was \$7,516 per taxpayer, compared with our \$6,930 - that's \$600 a year, Mr. Speaker. We are below the national average of the leading cities by eight percent, and there's nothing the Minister can take comfort from in that. The source of course is: Taxation Statistics, Department of National Revenue, Taxation Division 1973.

Mr. Speaker, I cite these figures and provide this data in the hope that even if the Minister of Finance has hypnotized himself into believing that we're enjoying an economic boom,

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(MR. ASPER Cont'd) . . . . that maybe his colleagues will recognize that we are not - and maybe they'll urge him in the private councils of their party to take the kind of budgetary and fiscal measures, which will arrest the decline and begin to move the Manitoba economy forward to the point where it can, without the gimmicks, provide Manitobans with good jobs at good pay and government with sufficient revenue to - at reasonable tax rates, I might say - to enable government to do the socially required things that we all recognize need to be done here.

Mr. Speaker, I want to leave the economic forecast or report to deal with specifics now. Mr. Speaker, it's against this background of economic data that the Minister brings his Budget before the House. The condition economically is not good. The data I've just provided clearly indicates that we're not keeping up with the rest of Canada in economic growth, but we're leading the nation in increases in the cost of living, and the biggest single contribution to the increase in that cost of living is government spending and its taxing policy. What's more distressing, this government either does not care or does not know how to cope with the situation - and it becomes a matter of absolute incredibility that the Budget contains virtually no significant thrust at economic development. Apart from approving a new federal program of economic development under DREE, nothing in the Budget speech holds out any hope for effective stimulation of development within the province in the next year. And so, Mr. Speaker, we will be before the House next year again, filing more data, as we have for the past four years, indicating that we continue to fall further and further behind - and this government will continue to turn a deaf ear and proudly trumpet instead its social achievements, ignoring its economic failures.

Mr. Speaker, the greatest social achievement a government can make is to create an economic climate in which all of those who are capable of working, will work, and they will work at ever-increasing wages, and their wage increases will continually outstrip any increases in the cost of living. And the cost of living will be zealously policed by government action, to the end that our people in Manitoba will have opportunity; they'll exercise that opportunity, and they will not need to avail themselves of government social programs which can be more effective if they're aimed at the people who really need them.

Mr. Speaker, there isn't a smidgen, there isn't a scintilla, there isn't a syllable, there isn't a hint of that kind of thrust in this Budget. Rather, the 11,000 jobs per year that are needed in order for Manitoba to keep pace with the rest of Canada, are again ignored. And so, Mr. Speaker, the brain drain will continue, and capital investment in new plants will be made elsewhere; and tax revenue from salaries and corporate profits will be paid to other provinces, and Manitoba will not share its fair amount in Canadian prosperity until this government is turned out of office and a fiscal policy that's relevant to the real world is introduced.

In spite of this, Mr. Speaker, the Finance Minister says in his speech, "Our government has done much in the past two years to deal with inflation and unemployment." We know what kind of things they've done about unemployment, Mr. Speaker, just read the civil service and the contract list of government employees. If that's a sincere statement by the Minister of Finance in his Budget speech, then we can only say, thank God that they haven't done more - because inflation is out of hand in this province, and in many areas the blame can be laid directly at the door of the provincial government. You heard a question today in the House on that issue. The government contributes to inflation at every turn of the screw, and that's the most appropriate way to describe what they're turning.

Mr. Speaker, let's ask a simple question. How could this government in this Budget have dealt with the inflation effectively. Well, Mr. Speaker, I won't deal with price control, because the government will say we can't do that. But if you won't deal with the price control, then the least one can do in government is to see that the people have money in their pockets with which to meet increased prices. And there was a golden opportunity presented by the Budget this year to do that. We said during the June election, Mr. Speaker, that the government would have in the next year - that's the year we're in, this year - \$80 million of extra disposable income with which it could do much for the people. During the election, Mr. Speaker, the Finance Minister and other members of the Cabinet scoffed at those figures. They went on television - the Minister of Finance appeared on television, denied our claims. Now it turns out that our claims were modest because we had, by his own accounting, not an \$80 million increase in revenue but \$140 million increase. And even after taking into account

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(MR. ASPER Cont'd) . . . . the salary increases for government and the normal increase in the cost of existing government programs and uncontrollable expense items, but not ignoring government waste, the Minister was in a position this year to come before the House and say, we have \$100 million folks, what will we do with it? And it's that \$100 million, Mr. Speaker, an amount equivalent to the total amount collected by sales tax nearly, it's that \$100 million that could have and should have been used for the purpose of combatting inflation. There is no more effective way that a provincial government can combat inflation than by cutting taxes. The lowering of taxes simply allows the taxpayer to have more disposable income in his pocket with which to meet price increases and which in effect allows him to nullify the effect of inflation on him by having more cash to at least meet the price increases.

Mr. Speaker, during the election we argued that the most inflation-feeding taxes are the sales taxes, because not only does the sales tax hit retail pricing of goods and increase the price by a minimum of five percent, but as the retail price moves up through inflation the tax increases itself. So that it is truly a tax on inflation. We argued that it could have and should have been reduced to three percent. That would have used up no more than half of the extra revenue, the surplus revenue compared to last year that was available, and that would have been a positive step, Mr. Speaker, in reducing the cost of living, reducing the cost of living by two percent for consumers' items, as opposed to the drop in the bucket approach that the Budget offers in its cost of living tax credit rebate scheme. --(Interjection)-- Yes, Mr. Speaker, I'll deal with that.

We remember the Honourable Minister of Finance when he was in opposition; we remember the many times he denounced the sales tax. We expected action five years ago when he became Minister because of the strong protestations he made when sales tax was introduced. But in this respect, as in so many others, he has disappointed Manitobans. Mr. Speaker, I hear the Minister of Finance from his chair saying "it is not true". Well, Mr. Speaker, I don't propose to deal with his comment at this stage. However, I assure him that if he will afford me an opportunity I will read into the record of this House, I will read into the record of this House unmistakably clear statements that would have led even, even the Minister of Finance to conclude - or the Minister for Mines and Resources even - to conclude that the Minister of Finance when he was in opposition denounced the sales tax. And I'll do it, Mr. Speaker.

Mr. Speaker, this government is supporting inflation because it profits from inflation. If the Hydro rate increase announced last week isn't inflationary then I don't know what is, because that increases the cost of living for every person in this province, rich or poor. Mr. Speaker, if raising the rent, tripling the rent of Crown farm land used for raising cattle isn't inflationary then I don't know what is, Mr. Speaker, because that reflects itself in the price of beef. Mr. Speaker, if the recent increase in drivers' license fees and auto insurance isn't inflationary then what is, Mr. Speaker, because that applies to four hundred and some Manitobans who have just had their cost of living raised by government action which could have been restrained.

Mr. Speaker, if charging farmers for mineral tax, the mineral tax that the Minister said he wasn't going to charge farmers but now is charging farmers, isn't inflationary I don't know what is. And, Mr. Speaker, I don't say it's wildly inflationary, I'm saying that piece by piece government nickles and dimes the public upward in cost. Mr. Speaker, the Minister hasn't got the nerve to come before the House and say that he has done anything to control inflation. Instead he comes before the House and says, "Our government has advocated selective controls as a means of dealing with inflation." Well what's selective controls? If he's sincere let him begin by controlling himself and controlling his colleagues. Let him control the voracious appetite for spending of the other members of the front bench. Let him begin with meaningful tax reduction which will put more spending power into the hands of our people to enable them to meet government artificially induced rising costs.

The sad fact, Mr. Speaker, is that this government has now learned the very cynical lesson, that government generally profits from inflation. And the government wants to profit from inflation and has in fact profited this year in an indecent amount. Skyrocketing increase in public debt by \$700 million in the coming year, Mr. Speaker, is clearly inflationary; 700 million of increase in public debt. The massive increase in government spending on

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(MR. ASPER Cont'd) . . . . . current accounts is inflationary and the unprecedented waste of public money in all the ill-conceived government programs, mismanaged finance, that's inflationary, Mr. Speaker. But this government profits by inflation and it has a vested interest in continuing it. This year alone it will take in \$30 million more in personal income tax than it did last year. That is a profit on inflation, because the government is taxing increased income which were increased to give workers a chance to help them offset their cost of living increase. The \$40 million increase in sales tax for the coming year is nothing but profiteering from inflation. We commend the Government of Manitoba for being concerned about super profits and inflation profiteering by corporations. But let it apply the same yardstick to itself. Let it apply the same standard of propriety to its own dealings which are to say the least, Mr. Speaker, absolutely shameful.

Mr. Speaker, I remember four or five years ago before I entered this Chamber in a similar debate, I was moved by some emotion to call the Minister for Finance for Canada, the Honourable former Minister, Mr. Benson, a fiscal nymphomaniac because he was unable ever to be satisfied, get enough. Well, Mr. Speaker, we have seen an obscenity which was raised in the House yesterday by the Minister for Health suggesting that something we were saying was an obscenity. I'll tell you what's an obscenity. The Budget is an obscenity because, Mr. Speaker, it speaks of, in graphic terms, of the constant plundering and raping of an entire province, there's no socially redeeming feature to take it out of the pornographic class. Mr. Speaker, that's the kind of Budget that this Minister presented for the fifth consecutive year. Perhaps if he would look around and see what's happening in the rest of Canada and how other governments are rising to meet the problems of taxation and inflation and economic growth, he might then realize the damage that he's inflicting upon Manitobans for generations to come. We face in Manitoba one of the highest rates of inflation; we've given you the figure. We have the highest income tax, the highest corporation tax, the highest gift tax, the highest death tax. The Minister still refuses to grant any incentive that will stimulate the private sector or encourage further industrial growth - job-creating growth. Nothing for that.

Mr. Speaker, let the Minister look around and see what the world is doing. Prince Edward Island abolished its death tax; Nova Scotia abolished its death tax; New Brunswick is abolishing death tax; Alberta is abolishing death tax and they are being reduced this year by 20 percent in Quebec. And even British Columbia is talking about raising exemptions considerably.

Mr. Speaker, in Ontario the death tax law has been changed to bring in reasonableness, to allow tax-free transfers of property totally between husband and wife. We don't have that in Manitoba. In British Columbia there is now no gift tax when one transfers a residence between husband and wife but we don't have that little thing in Manitoba. We tax a husband when he transfers the property to his wife. In Ontario changes have been brought in to permit tax-free transfers of farms between father and son. We can't do that in Manitoba. The Minister couldn't stand or stomach the idea that a man should be able to transfer to his son who spent 30 years working the land with him, when he retires to transfer the farm to him. No, Mr. Speaker, he has to have his pound of flesh, the pound of flesh I described in the debate on estate tax and capital gains tax. Mr. Speaker, things are so ludicrous, I want to give honourable members an example of what goes on under our gift tax act, the one that he brought in two, three years ago, of which he's so proud and so relentless in refusing amendment.

Mr. Speaker, a young man decides to become engaged, so his grandmother says, "We have this family heirloom that I brought over from the old country, I'd like to give it to you so that you can use it and it will stay in the family that way." The grandmother gives him the \$5,000 ring. Bang - \$3,000 becomes taxable. Mr. Speaker, the young fellow then becomes engaged and he gives the engagement ring to his girl. Bang - a gift tax. Mr. Speaker, the \$5,000 is now taxed again in the value of the ring. Well three months later, Mr. Speaker, they break up and, Mr. Speaker, this is a girl of New Democratic Party stock and so being that kind she gives the ring back. Bang - another gift tax. And, Mr. Speaker, the son being of Liberal stock gives the ring back to the grandmother. Pow - another gift tax. Mr. Speaker, all that this family has got out of a broken heart is a couple of thousand dollars of gift tax under his legislation.

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(MR. ASPER Cont'd)

So now it goes on. What goes on is the young fellow goes down to his lawyer with the grandmother and enters into a lease with the ring and he's got to take an option to buy it and \$400 worth of legal fees later you've escaped the tax in order to get engaged. Mr. Speaker, that is true. That's the law of Manitoba.

Mr. Speaker, Quebec has introduced tax incentives for industry. In order to ensure capital expansion in that province industry will now be allowed rapid write-off on new capital equipment put in for expansion purposes. And also, in order to attract investment capital - something we're terribly short of in Manitoba - Quebec has totally abolished, virtually abolished I should say, all tax --(Interjection)-- virtually, virtually abolished - has reduced the provincial tax to one-twentieth of one percent on investment companies investing through Québec. Mr. Speaker, the flight of capital that was leaving Quebec has been arrested and reversed as a result of that bold, yes, incentive step, something that would never ever be imposed or introduced by this government obviously.

Mr. Speaker, the Government of Manitoba and the Minister of Finance could learn a lot from all of the events going on in this country many of which are adaptable for use in Manitoba. But the fact of the matter is this: that the only thing that isn't overtaxed in this province is the Minister of Finance's brainpower. Mr. Speaker, when you strip away the verbiage from that Budget Speech, two things come out loud and clear: 1. The government has no intention of launching an intelligent industrial development strategy, and 2. The government has no intention of really combatting inflation, but rather intends to encourage it so that it will continue to profiteer from it. Both of these policies, Sir, will injure Manitoba for a very long time.

Mr. Speaker, it's often been said, probably best by Professor Dwight Parkinson - or rather Professor Parkinson of Parkinson's law fame, that spending by government rises to meet the income that's available. There's a lot of truth in that statement, therefore it's in the best interests of the taxpayers of Manitoba that this particular government not be permitted any higher revenue because they'll simply spend the money even if it's not necessary. A look through the Public Accounts should persuade anyone, and the Budget itself should persuade anyone that that's true. While the income of Manitobans rose only about 25 percent in this period of 1969 - '72 the money paid by government to travel agencies for trips taken by the ministry rose 274.4 percent. Mr. Speaker, they're busy. The amount paid for riding around in taxis in Winnipeg went up by 87 percent, and the amount paid for the air charter services so they could fly around went up 284 percent. Those are signs of waste and high living by government. Even more revealing is the analysis of the rise in government spending in the five years by departments. Mr. Speaker, in 1969 this province was able to get along very well thank you on a Budget of \$342 million. The Budget just brought in calls for a budget of \$834 million, an increase of 144 percent. Now the question is: do Manitobans really believe - I think they're better off than they were in 1969 - but, Mr. Speaker, are they 144 percent better off? Because that's what it's cost them.

A MEMBER: No way.

MR. ASPER: Mr. Speaker, it's even more indicative of this government's financial priorities when you look at where those increases in spending went. Because they're not on the programs that will give benefit to people at large; they're not on programs that will create more economic wealth; their spending is on planning, research, thinking, plotting, scheming and political patronage. The cost of administering the Cabinet has risen in these five years by 204.8 percent. The cost of the Planning and Priorities Secretariat of the Cabinet is up 285.4 percent. Salaries for Management Committee of Cabinet are up 234.6 percent. The cost of administering the burgeoning civil service is up 222 percent. And most remarkable of all, the Research, Planning and Evaluation cost of salaries in the Department of Health and Social Development are up 1108.3 percent. The administration including salaries and wages of the Department of Mines, Resources, 241.1 percent higher. --(Interjection)--Yes, Mr. Speaker, I hear my colleague saying we have shortages of hospital beds because we can't afford to build hospitals. Mr. Speaker, the operations of Northern Affairs - I'm sorry, the air operations, just the flying around - you heard about the ten airplanes that went into Cross Lake carrying political goodies. Mr. Speaker, I wasn't on the plane but I do know that somebody's using a lot of planes because northern air flying costs

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(MR. ASPER Cont'd) . . . . . have risen 470 - some percent.

Mr. Speaker, to show you where this government's priorities are. Mr. Speaker, the amount spent to promote tourism in these four years - the amount spent to promote tourism which will bring money in, which will bring us tax revenue, that's only gone up 63 percent, but the amount of salaries in the administration of the Department has gone up 235.2 percent. Mr. Speaker, nothing is more telling than that. If you say that you're going to spend money to promote a product, spend it to promote it, but don't spend it to plan it and to think about it, to research it and then to evaluate it and then to write reports and then table a whole bunch of glossy page things that don't do anything for us, or give jobs or take trips or what have you, Mr. Speaker.

Mr. Speaker, I said that the planning wages of Health were up 1100 and some percent. Mr. Speaker, the one Department that is charged with creating industry, creating jobs, creating new wealth, Industry and Commerce, the wages in that department went up 33 percent. Mr. Speaker, that tells you the priorities of this government. We've come to a point in the history of this province where this government is so hypnotized with the social side of its operations that it has totally abandoned its economic responsibility. Mr. Speaker, you will know from other points I've made in the House over these years that it is our view that government only functions well when it can balance the economic with the social, and you can only go so far on a free ride socially. Eventually you've got to face the economic music, and the time is coming.

. . . . . continued next page

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(MR. ASPER cont'd)

Mr. Speaker, I don't say there's nothing good in the budget by any means. I do say that when you spend \$834 million, after all there has to be some good, but Mr. Speaker, the Liberal Party will find it easy to support any program dealing with land servicing and mortgage financing if the structure of those programs genuinely brings down the cost of those commodities for the average Manitoban and doesn't wind up being in the column. . . which I'll be reciting to you next year, the cost of the MHRC going up another 300 percent or so. If it's used to get to the people we'll support it. Mr. Speaker, we'll obviously support any intention to enter into a new DREE agreement with Ottawa to spur DREE developments in Manitoba.

Transportation subsidies to the City of Winnipeg, though meagre, are at least a starting point for discussion. We were pleased to learn now - yesterday I believe, in the question period - that public transportation, the Government of Manitoba is apparently willing to consider favorably a cost-sharing program on public transportation which may ease the burden and improve the quality of transportation for all urban centers in Manitoba.

We welcome the decision of the Provincial Government to take advantage of the Federal program - and I repeat, the Federal program - for day care centers, and we will be particularly watchful in this area to make certain that the initiative of local groups who want their day care centers will not be thwarted, but rather will be encouraged.

Mr. Speaker, the plan to extend Pharmacare to all citizens is welcome, but anyone looking at the figures will quickly realize what a drop in the bucket it really is. Two dollars per Manitoban, that's what they're spending on Pharmacare, \$2.00 per Manitoban. Now of course they won't get the \$2.00 - we know that from past experience. First of all you have to write a letter to all the Manitobans. That costs you 10 cents per letter. Then you have to spend 8 cents sending the letter to all Manitobans because that's what they do with everything at public expense. Then they have to go into several hundred thousand or tens of thousands of dollars of radio, TV and newspaper expenditures to tell Manitobans what great programs the NDP is bringing to them, and the residue - which may be three quarters left - will go to the people. So maybe it's \$1.75 per Manitoban or \$1.57.

Mr. Speaker, quite frankly we were surprised to hear Pharmacare extended at a time when we had been promised that Denticare would have been extended. Mr. Speaker, twice now you have had the occasion to rule out of order, resolutions by the Liberal Party calling for a Denticare program in two years because it has been promised by government in the Speech from the Throne or elsewhere. Mr. Speaker, this year it was ruled out of order by you because in a casual comment some place in the Speech we expected to see Denticare. Well there's nothing in the budget and there isn't going to be Denticare, Mr. Speaker. It's been promised but denied. We have had several assertions and I can show you headlines for the last three years where the First Minister, who trades on the things he promises several times before he delivers them, has been promising Denticare, and this was the budget in which it ought to have been brought in. We can only assume now that this 1973 pre-election promise will probably be implemented in 1976 or in '77 just in time for the next election, because, Mr. Speaker, that's how this government operates. That's how the Minister of Finance, who poses, who ponders and who postures himself as a man of great integrity, he brings in budget after budget when he knows full well that the money will be used, programs will be directed, they'll be fashioned in such a way as to get the greatest political mileage rather than the best effect for all Manitobans.

Mr. Speaker, we have to record strong disappointment that the Budget Speech did not bring in or refer to proposed amendments to the Mineral Acreage Tax Act, because we expected at this session the Minister would cure the obvious inequities and anomalies that have developed. Mr. Speaker, we regret that the Minister has not kept, or has not brought in this legislation, so that it will have to come in from the opposition side of the House, because we passed that Bill last year believing that farmers weren't going to be taxed and we didn't know how the Minister would interpret that, and now we know how he's going to interpret it. I said let's assume it's an honest mistake or difference in interpretation, but the Budget should have referred to the bringing in of a Mineral Acreage Tax Amendment to take care of the problems that have arisen.

Mr. Speaker, I want to deal with the cost of living, the cost of living tax credit plan. Mr. Speaker, I'm not impressed with any plan which takes money from you, holds it for a year, and then because you've had a cost of living escalation, gives it back to you 15 months after it

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(MR. ASPER cont'd). . .took it from you. And that's the plan! Mr. Speaker, the cost discount itself by it drops 10 percent because of the interest factor.

Mr. Speaker, it would have been so much simpler to cut sales tax, because that Mr. Speaker, even on a selective basis, on necessities, on certain kinds of items--(Interjection)--Well, Mr. Speaker, the Minister for Labour implies that those who are obviously in the upper income brackets benefit more from a sales tax cut than those who are in the lower brackets. Well, Mr. Speaker, what utter garbage. Mr. Speaker, I will quote to him what he said in 1968. I will quote to the Honourable Minister of Finance what he said about who the sales tax affects - Who did they say it affected in 1968? They said it affected the poor, the pensioners, those on fixed incomes. They said it is a tax that benefits the rich. Well, Mr. Speaker--(Interjection)--

MR. SPEAKER: Order please.

MR. ASPER: Mr. Speaker, I excuse the Honourable Minister of Labour for not being well under the circumstances. Mr. Speaker, taking it and giving it back happens to bring a few fingers into the pie which cost administration. Mr. Speaker, we say that the government made a profit on inflation this year. We say it made a profit of \$140 million. Now it expresses its concern by giving back to the people \$14 million. It takes \$140 million and says, we'll give you back \$14 million - ten percent. That is shameful, Mr. Speaker, because the net effect for many Manitobans will be zero, if not less, when the hydro rate increase goes through, and when you add Autopac and licence fee increases, the net effect of this plan is zero for most Manitobans. So it's utmost hypocrisy for government to, on one hand, raise the rates for government service, Autopac, Hydro, and say to us that that's the inevitable effect of inflation, and then in the next breath claim that it's fighting inflation with an amount less in a tax credit plan.

Mr. Speaker, the Hydro rate increase is \$15 million and the giveback is \$14 million. Mr. Speaker, we don't know how much the Autopac increases were, but one thing we know is the aggregate of what government is taking from the people in increased fees and charges alone exceeds the amount being given back on the tax credit plan. So who's kidding who? But Mr. Speaker, I can see that it's very politically astute, very, very, smart politics. That's a sad thing to have to say. Not sound economics, not responsible fiscal policy but very astute politics.

Mr. Speaker, what's worse is that this tax credit plan does virtually nothing for the forgotten victims of the NDP regime the middle income poor. Those are the plumbers, the policemen, the teachers, the junior office executives, the cornerstone of our society, the people who happen to have the bad fortune of making more than \$6,000 or \$7,000 a year. They are the most beleaguered of our income groups. Mr. Speaker, take the single taxpayer, a secretary, single, earning \$4,500.00. Let's see what this government thinks about her problem. Her rent goes up by at least \$12.00 a year to cover the landlord's increase in hydro, that's on April or June 1. Her car insurance has just gone up by another \$15.00. The government says, having taken something like \$28.00 away from her in increased government charges, that she gets help with inflation to the extent of \$8.53 on the rebate plan. And God help her if she happens to be making over \$5,000, because she gets zero. She gets nothing.

And we have to ask what help it will be to the married taxpayer with no children who is making \$8,900 to give him a \$9.00 inflation fighting tax credit. Mr. Speaker, do you know what the cost of bookkeeping is: the filing of the return; the processing of the return; the checking of it, and the sending out of the cheque; the writing of the cheque; the going to the bank; the clearing . . . ? For \$9.00. What virtual idiocy in a government plan. Nine dollars. Mr. Speaker, that same man if he happens to be making \$10,000, that a married man, \$10,000 a year, which I would like to hope that all Manitobans strive toward, he gets zero because he's committed some crime Mr. Speaker. He has reached the magic hate number, \$10,000. Mr. Speaker, tell me why the married taxpayer with two children, with a gross income of \$10,000, who faces the Hydro increase, the Autopac increase and so on, why he gets \$17.64. Does the government think that's going to help him? And anyone at the \$12,000 level in this income group gets zero, because at \$12,000 you hit the magic hate number for married people with two children.

Mr. Speaker, the NDP seems to think that this is a two-class province. Are we going to continue this divisive NDP good guys versus bad guys kind of philosophy? Does the Minister of Finance not realize that the middle income group also suffers from inflation? That it's the victim of the highest government taxation and extravagance and it's entitled to relief just as well? Mr. Speaker, it's high time that this government recognized that there are no second

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(MR. ASPER cont'd). . . class citizens in this province, inflation hurts everyone. The government does not have the right morally to play favorites as to who it will help and who it will leave to suffer. Mr. Speaker, the disposable income of the person making \$8,000 is very little different from a person making \$6,000 because of the higher marginal income tax rates, yet he's denied the benefit of the recognition and assistance to which I say he's entitled.

Mr. Speaker, it's never been more blatant, more clear for everyone to see the inequity of the NDP philosophy. We don't for one second suggest that the low income groups should not have more assistance than those in the middle and upper middle income groups in order to lessen the impact of inflation, but what we object to vigorously is the principle that the single person making \$5,001 per year should be considered rich enough by this government to be able to absorb the cost of government extravagance and the inflationary income and sales tax increment and is not entitled to recognition or relief by this government.

We resent the insult to the married couple with 2 children that earn \$9,000 when he is handed a \$40.00 per year increase in his Hydro and Autopac rates, and then told he'll receive a \$27.00 credit on his cost of living escalation through the new tax credit plan.

What crime have these middle income people committed that requires them to be denied the recognition of their needs? We strongly urge the Finance Minister to reconsider this scheme at least to extend the limits of the income category, and we appeal to the government to add at least \$30 million to the program by reducing spending in the other areas by that amount. And when the Minister of Finance asked, "Where? Where?" we'll be delighted to show him. Mr. Speaker we ask the government to eliminate the bookkeeping bureaucracy of the new scheme by implementing this plan either through a sales tax cut or income tax cuts selectively, or some combination of both.

We see the beginning here, Mr. Speaker, and I have no hope of persuading the government, I don't think, to change because we see the beginning of a new election gimmick, and watch it, Mr. Speaker, watch it grow in the years to 1977. The pattern has already been well established; we simply ask that the thing be done fairly, that it be made for the benefit of all Manitobans and not just those who constitute enough members to elect a government, because that's the way the plan is geared and everybody knows it.

Mr. Speaker, there are some unacceptable aspects of the budget address. It was very deeply regrettable to me when I heard the Minister of Finance announce in the speech that he was echoing the words of the Honourable Minister of Mines and Natural Resources, when he had announced earlier in the same day a totally new concept of taxation for the mining industry. Mr. Speaker, I expect that kind of thing from the Minister of Mines, but I had hoped, obviously in vain, that the Minister of Finance recognized that in order for taxation to be just, it must be certain and it must have the sanction of the Legislature. The plan advanced by the Minister for the new mining tax concept is neither.

Mr. Speaker, it shouldn't be necessary for me to say this, but because of the well-known propaganda techniques always used by the NDP, that is characterizing anyone who opposes them or opposes their program, as a tool of big business, the spokesman for the privileged class, and so on ad nauseam, let me say - it shouldn't be necessary but I say it - that I do not now, nor have I ever owned any shares in a mining company, that my family does not own any shares in a mining company, nor has my family ever owned any shares in a mining company, that I have never acted for any of the mining companies in Manitoba as a lawyer, and that I have no financial interest in their affairs except this: as a Manitoban I am very concerned about any sector of our economy that is as important as the mining industry.

Mr. Speaker, I don't think for one second that having just made that disclaimer of personal interest in what I'm about to say, that that will prevent the NDP propagandists from attempting to distort what I am now about to say, but nevertheless, for the record, I wanted them to know that if they do say it that they will be lying, and that they will now know that they are lying, because, Mr. Speaker, we've heard some strange utterances about what was said during the election when we debated the election reform resolution of the Liberal Party. Mr. Speaker, I could not bring myself emotionally to enter that debate because of what I have to say when I feel rationally. . . to enter that debate as to what was said.

Mr. Speaker, there are two aspects to the mining tax. First is the method whereby the tax is to be levied. The method. The second - the tax rates themselves. They are two different issues, Mr. Speaker, and I hope the media, I hope honourable members, I hope the public

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(MR. ASPER cont'd). . . will follow this debate carefully because they are two different issues. The first is simple. Methodology. We don't know what the rates are going to be so we can't talk about the tax plan. They are not stated in the Budget. But Mr. Speaker, the Minister of Finance proposes three things:

1. A tax system will be introduced whereby royalties will be set by the Cabinet of the Government of Manitoba and not by this Legislature.

2. Royalty rates will henceforth be set by negotiations between companies and the government, and presumably, Mr. Speaker, that must lead to tax rates being different for company A than being for company B.

When I speak of tax rates, Mr. Speaker, so that I don't get into a hair-splitting debate with the Minister at some point, I speak of royalties, I speak of the volumetric tax concept, I speak of charges made by government.

Third, Mr. Speaker, the price or the royalty will be based on the gross selling price of minerals, not on the profits made by the company.

Mr. Speaker, all three are, in the circumstances of Manitoba, odious principles. They are as regressive as the policies which led to the American revolution under the slogan of, "No taxation without representation." Mr. Speaker, taxes must be set by the Legislature, not by the Cabinet in the back room, the back room of political decision-making, of political influence peddling, of political compromise. Taxation must be set in the open, it must be debated in the Legislature, and it is nothing short of totalitarian arrogance for the NDP to try to rob the parliamentary institution of its exclusive right to set taxation policy and rates.

A MEMBER: Hear, hear.

MR. ASPER: I expect, Mr. Speaker, honourable members on this side, and I hope on that side, to rise up and say, "We will not tolerate this erosion, this assault, this unwarranted attack on the legislative process." Because, Mr. Speaker, let it be known, whatever energy I have as a man who has spent a fair amount of years being concerned about tax policy - not in this provincial setting necessarily - I will not, I will not permit any energy of mine to escape being used to fight this issue. The Legislature, the Legislature will set the taxes of this province, not Order-in-Council Cabinet. Mr. Speaker, we will not tolerate any scheme which permits tax rates to vary between one company and another. Both concepts are foreign to democratic process. If this policy, this principle is adopted, you will ensure a dictatorship in the tax field, you will ensure corruption possibilities which are totally unacceptable in our process.

Mr. Speaker, imagine, imagine Company X coming in to negotiate with Cabinet its tax rate for the year. And I don't care what government's in office, Mr. Speaker; it can be Liberal Conservative, New Democrat. But that company perhaps makes a telephone call and says, "Who's the bagman for the party in power?" And he learns. Mr. Speaker, he then makes his donation. And then he comes in to negotiate with Cabinet. Negotiate with politicians your tax rate? Mr. Speaker - and I make no accusation, I make no suggestion whatever of impropriety against this government. I say that putting that kind of legislation on the books opens the way to corruption, and I will not support it.

Mr. Speaker, as to the second aspect, the notion of tying the tax rate to gross selling price of a product, this totally aborts the NDP's oft-stated principle of taxation that taxes should be based on the ability-to-pay principle. Mr. Speaker, the only way the ability-to-pay principle can be honoured is to tax profits, not the gross selling price. Because, Mr. Speaker, the government is saying that if the price of goods rise, the tax will rise, even if the cost of producing the goods rises greater than the price rises, and produces a loss. Now does the government then intend to subsidize losses? If you're going to tax price increments, surely you should subsidize price decreases. That's a fair corollary, Mr. Speaker. Well, what we are seeing, Mr. Speaker, is a clumsy attempt by the government to take over the mining industry without paying for it, and that is morally indefensible. If the government of Manitoba wants to run the mining industry in this province, think they can do a better job than the private sector for the people of the province presumably, then let it come out and say so. Let it buy out the companies. Let them pay fair value for the investment they've made.

The proposal before us is nothing more than the Kierans Report with whiskers, in disguise. And I must say, Mr. Speaker, in a more insidious form. At least Professor Kierans, mistaken though he was, stated his honest belief and preferred to act openly. He said let's take them over. But, Mr. Speaker, this government does not have the courage for that kind of

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(MR. ASPER cont'd). . . an open act. It must hide behind gimmicks and sleight-of-hand maneuvers. The statements contained in the Budget relative to the mining industry give us cause for concern over the future well-being of Manitoba. The Kierans Report was thoroughly repudiated; it was factually disproven by independent economic studies. The information contained in it was held up to serious challenge and it did not meet that challenge. The notion that there are super profits in the mining industry is purely an appeal, a typical appeal by the NDP and the Minister of Finance who we thought was a little more restrained in his use of appeals to ignorance and emotionalism.

The mining industry is a high risk industry. According to the minerals yearbook, the Financial Post Survey of Mines from 1969 to 1971, 42 producing mining corporations disappeared while only 17 new ones started up. The Canadian mines that have reported to Statistics Canada for the last year for which official records are available, out of the 277 companies reporting 133 had no income and 100 reported a loss. So only 44 out of 277 showed a profit. And of the companies operating in Manitoba, in the recent four years - I'm speaking now of the companies that are the victim of this new plan - the recent four-year average of those companies has been to show a return on investment of less than 15 percent on the capital investment. Now, Mr. Speaker, when you consider the corporate bonds, mortgages, are yielding around 10 percent without risk, surely it's not super profit to say that in a risky, in a remote, in a regionally remote area, a mining company that makes a return of under 15 percent is exactly making super profits.

Mr. Speaker, the companies in Manitoba are being plundered by the NDP proposal. The financial data before us doesn't support any kind of a thesis that there are super profits to be taxed. And, Mr. Speaker, there isn't a shred of evidence to suggest that there have been windfall profits or that there are windfall profits likely to accrue. But if there are, then even then the government's proposal is totally without merit because this Legislature has the power to be called within days, we have the power to levy an excess profit tax on earnings that are above and beyond what's considered by our society to be a reasonable return on capital, and if the Minister of Finance wants to say, "Ah, yes, but they can bury it, they can bury their profits and escape an excess profit tax," I'll draft an Act for him, an excess profit tax act, that they won't be able to escape the intent of this Legislature. Mr. Speaker, I suggest that taxation in that form is a far more reasonable and preferable approach to this discretionary, behind-the-scenes tax plan for government Cabinet tax-setting policy.

Now, Mr. Speaker, I don't say these things only because I want to see fairness for the shareholders of the mining companies - many of whom are, by the way, Manitoba citizens - I say it because I fear for the future of our province in the development of that industry and our resources if the terror tactics continue and the government does not withdraw this plan. Indeed, the words of the Minister of Mines as a prelude to the Finance Minister's statement the same day gave us cause for alarm, for he says that if these new taxes aren't acceptable to the mining industry and they don't continue exploration and development, well "don't you worry, baby, we'll move in and do it. We'll take over. We'll become the mining czars of Manitoba."

Mr. Speaker, this government has such a dismal record in every business venture it undertakes, from its own mining company, Tantalum, which only lost half a million dollars last year to its own Autopac where with guaranteed customers and a monopoly, it could only manage to do nothing better than lose somewhere between ten and fourteen million dollars. This government has categorically demonstrated its incompetence when it comes to the operation of business. They don't even tell us what's going on. We have a standard joke in our caucus, Mr. Speaker. We say that when we want to ask a question of the Minister of Mines about the Manitoba Development Corporation and all these companies that you and I own, we the public, we don't elicit information. If you ask him: "Mr. Green, Sir, did you take a bath tonight?" he answers by saying, "Why? Is one missing?" Because, Mr. Speaker, he is incapable, and if he becomes now the magnate where on top of his 10 or 15 MDC companies he's going to have a whole bunch of mining companies, well, Mr. Speaker, our problem and the problem of the people of Manitoba in disclosure will become compounded.

Mr. Speaker, maybe the Minister of Finance hasn't read the financial statements of the companies in which Manitoba Development Corporation has invested. If he does, Mr. Speaker, he will know--well he'll know what true government effect there is. You know, we operate on the premise we thought that we had eliminated capital punishment in Manitoba. Mr. Speaker, we have capital punishment, a different kind. Capital punishment occurs when

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(MR. ASPER cont'd). . . that Minister taxes you, takes the money to use as capital to go into business to compete against you, and then taxes you again to make up his losses in the state-run industry. That's the kind of capital punishment he's guilty of in this province.

Mr. Speaker, the NDP is on the wrong track here. You can milk something only so far, and admittedly you get some short-term benefits, but in the long run we'll run out of benefits, we'll suffer a flight of capital, and we'll see an end to explorations and a slowdown - I hope the Honourable Member from Thompson and all other northern MLAs are listening - we will see a slowdown in northern development and the slowdown in the breaking of that northern frontier.

If the government proceeds with this ill-conceived scheme, thousands of potential jobs in the industry will be lost. Manitoba will be ignored as a place in which to invest not only mining capital but any capital, because it will be clear for all to see that if you invest your capital in Manitoba and make no profit, you will get no help from government, but if you invest your capital and do well, you will be taken over by government.

Mr. Speaker, without the mining industry operated on a risk and a profit basis, there would be no more Thompson, no more Leaf Rapids, no more Wabowden, no more Lynn Lake, no more Flin Flon, Mr. Speaker--I don't mean de-existing but I use them as typical of what the mining industry resource development was able to do in those days when there was incentives for exploration. Curious that the number of new mines in Manitoba has declined over the past few years as incentives decreased.

Mr. Speaker, the government fails to take into account that the mining industry companies in northern Manitoba contribute not only in taxes and not only in jobs, but also in the amenities they are required to build. Now I exclude from this Leaf Rapids, of course, because that was a deal made by this government. It was one of those very very brilliant deals which required the company to put in no money. Mr. Speaker, if you go through the Town of Thompson or in the mining towns we hope to see in the future in this province, you will see schools, hospitals, sewer and water systems; you'll see roads; you'll see recreation centres, all built by the mining company as part of their cost of development.

Mr. Speaker, let it be clear before the Finance Minister says it, I don't suggest that it is an improper objective for the Government of Manitoba to maximize the return to the people of Manitoba from the resource industries, and I agree that those resources belong to the people. So now we don't quarrel on philosophy, so that that's clear, we don't quarrel on the objective. I've always said that there's a way to do it fairly and without killing the goose that lays the golden egg, and that is through a fair and equitable tax system, one forthright, one that's not subject to capricious change by anyone other than the duly elected representatives of the people. Mr. Speaker, there's still time to abandon this foolhardy scheme, and in reconsidering the Manitoba position I ask all honourable members to compare the regressiveness and the harshness of this proposal to the direction being taken by the Province of Ontario in exactly the same field. And I have said Ontario to me is a much better model than Saskatchewan, because look at where Saskatchewan goes economically and socially and look where Ontario goes.

Mr. Speaker, only a month ago Resources Minister for Ontario Leo Bernier, told the Canadian Press that he will be offering in next week's Budget new incentives to the mining industry or to those who are prepared to get in and do some exploring, because he's worried about any decline in the exploration and prospecting for new resources. He says it will be his objective to stimulate \$25 million to \$30 million per year of annual exploration in Ontario. Now, Mr. Speaker, we have a province too. At the moment in this province, exploration for new resources is running only \$7 million a year compared to 25 to 30 million dollars that Ontario thinks is rational for that province. Mr. Speaker, one can just imagine what a decline will take place even in our modest \$7 million a year exploration program if the NDP concoction goes ahead. Where will you explore, Mr. Speaker? In Manitoba or in Ontario? Particularly when Ontario has announced they're bringing in exploration incentives.

Mr. Speaker, it's a sad thing when a government makes mistakes which have adverse effect on the people, but in this case we're looking at the prospect of self-inflicted wounds from which we may never fully recover. So if only out of respect for parliamentary authority over taxation, I will appeal to all members and the Minister of Finance to reject this particular proposal of the Minister of Finance.

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(MR. ASPER cont'd)

Mr. Speaker, there were alternatives. The NDP and the government, the Minister of Finance and I are so far apart when it comes to the matter of finance that I have no optimism that they'll listen to reason. The government had an unprecedented opportunity with this Budget Speech to bring in programs that would create--to launch the kind of programs that would have had lasting benefit, programs that would have started industrial incentive to create high-paying jobs. And again, it's startling that this has been ignored by the government. A reduction of corporate taxes for companies which would locate in rural Manitoba and for those who would export their products, would have been effective in attracting new industry to the province. It's not there, Mr. Speaker.

We had the financial capacity to stimulate home repairing, home improvement, by exempting the cost of a reasonable amount of repairs from property taxes. We had the money to bring in a genuine anti-inflation reduction in sales tax. Not done. We had the financial ability to bring in a tax program which would rebate taxes to northern citizens on the basis of the sharply higher cost of living experiences they're having, but none of this was done. The Budget Speech should have declared a new industrial growth thrust to match the social programs of which this government is so proud. We could have had a resource policy which gave tax incentives to encourage further processing and refining of our minerals here in the province, rather than shipping it out raw, in raw ore form, and shipping out jobs with it. If the government were really interested in getting a better return from our resources this Budget would have said, "We will establish several new provincial wilderness parks; we will begin a program of building roads to those resources in a much more stepped-up manner than in the past in order to both open up tourist potential and resource exploration potential."

Mr. Speaker, unfortunately the energy of the NDP government is diverted to such peripheral and incidental issues as running business corporations and trying to devise ways of taking more out of the existing corporate and individual citizens of Manitoba, that it has completely lost sight of the programs that are needed to bring new investment, new jobs, new capital and new population to Manitoba. Because of the lack of a comprehensive work incentive program, we have high unemployment at a time when employers are begging for workers. And that's an incredible paradox. The province of Manitoba has lost millions of dollars in foregone tax revenues that would have been gained had the garment industry of this province had the workers to allow those companies to fulfill existing sales contracts that were made available and had to be let go. And most of those contracts were for sales outside the province having a good effect on our balance of payment position.

But, Mr. Speaker, this government is diverted from the real problems of Manitoba. It's got itself into so many messes after operating Saunders Aircraft or William Clare and a host of others, it doesn't have the intellectual reserve or the capacity to develop our true economic potential which will see all of the sectors of our economy expand and benefit.

Mr. Speaker, a "now" budget, a modern, a motion that would have compelled our respect and support would have been one which would have reduced the cost of communication for our rural citizens by simply applying a \$6 million sum toward phasing out long distance telephone calls for calls made within the province. And we demonstrated that in the Public Accounts Committee, the Public Utilities Committee, when the Manager conceded that we could do that as a beginning that could have been done. This is the next breakthrough that is required if we believe in equality of opportunity and really believe in the stay-option: to cut the cost of communication for rural Manitobans, to make it no different for them than for urban.

Mr. Speaker, we would have applauded a proposal to remove income tax completely on low income senior citizens, a program which our financial means allowed us to do this year.

Mr. Speaker, I want to talk or express my regret that we see nothing in this budget to provide some relief, some financial assistance to the Manitoba small business operators who provide the cement of our economy. The small business operator has become the orphan of this system. The financial institutions are leery of him. His buying power is dwarfed by the giant corporations against whom he has to compete. His capacity to attract top management is severely curtailed because he isn't a public company and he can't give his executives stock options etc. etc. We all know the dilemmas facing small business. Could the NDP not find something in the budget for him in recognition of the tremendous contribution he makes, as some small encouragement to him not to sell out to Eatons or The Bay or some other national or

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(MR. ASPER cont'd). . . multi-national company. And let's make no mistake about it, that's what's happening in Manitoba. That man, that small businessman, is giving up. He's throwing in the sponge. He's throwing up his hands and saying, "To hell with it. I've had it," he says.

Now I've interviewed dozens who tell me this. He says, "I spend my days filling in forms for the government. I spend 11 months of the year earning enough money to pay my creditors, my suppliers, my employees and my taxes to government, my commitments to the United Way, the **Symphony**, the Ballet, Rainbow Stage, MTC, the **Salvation Army**, the local community club, the building drives, and what have you got? I get the last month to work for me," 'cause that's what he figures out.

Well, Mr. Speaker, he's saying, "So long. I can't transfer the shares of my business to my son-in-law or my son without paying gift tax. I can't transfer my share to my children when I die without having them pay a huge chunk in death taxes. I can't even sell a piece of the business to keep my employees without paying the capital gains tax. I can't borrow to expand and grow because I don't qualify. Because I have a track record of success, the MDC won't lend me money, because, Mr. Speaker, that must be the case. They only lend money if you haven't got a track record of success - or if you have one, rather."

Well, Mr. Speaker, if you have good management like this man has, he obviously doesn't get an MDC loan. If he has a saleable product, if he has prospects for future profits, he can't get an MDC loan because he's a winner and no winners, obviously, get money from the MDC. So he says, Mr. Speaker, "I've had it. I'll sell out. I'll pay my capital gains tax, I'll take the residue, I'll invest it in government bonds and take a job with the government, as so many do, to supplement my income and I'll stop worrying." Mr. Speaker, honestly, that's what he's saying and that's what he's doing. And, as I say, I can name dozens in that category. And heaven help this community if he disappears. Because besides being the cement of the economy, he's important in our social and our cultural fabric. When he comes home from work at 7:00 or 8:00 o'clock at night after 12 hours of running his business, Mr. Speaker, he doesn't watch TV. He heads out to the community club where he's a volunteer coach, or he's on call for Alcoholics Anonymous, or he attends a fund-raising meeting for the Art Gallery. He gets home after 11 o'clock having missed the National News, and he worries till one o'clock in the morning about what he's going to tell his bank manager in the morning about the overdraft. Mr. Speaker, he's a vital and unappreciated part of our economy and he has problems, and he has concerns, and they're completely ignored by this government.

The NDP could have done something to encourage his continued existence in this Budget but the government hates him. They resent his initiatives, his aggressiveness, his \$20,000 of income. They resent his ambition. Mr. Speaker, if not, the government would have introduced a small business credit agency to help him as that system is operative in the United States, and successfully so. They should have proposed tax incentives to encourage him to hang in there, but it's useless to hope for anything imaginative from a Finance Minister who has become so pompous with power that he's completely forgotten the roots from which he springs personally.

Mr. Speaker, for the past four years we in the Liberal Party have used our key address in response to the Budget to urge government action on the policies which we believe are relevant at the time. This is a useless exercise. This government won't listen to anyone unless he carries an NDP card, unless he's a died-in-the-wool party theoretician or a political hack, who though he has no credentials himself, is a loyal NDP yes-man.

Well, Mr. Speaker, I know the Finance Minister is tiring of my contribution, and I will say that as in the --(Interjection)-- as the member said when debating the legality of miniskirts, the end is in sight. Well, Mr. Speaker, because of the propaganda program, the attempt to stir up and perpetuate class division theories, the declaration that intends to ignore economic development, to pay lip service only to the problems of inflation, allow the drift to continue and the gap between Manitoba and the national average of Canada to widen, one can only characterize this budget as stale, destructive of the things that made Manitoba great in the past. Mr. Speaker, it carries with it the aroma of dry rot.

I therefore wish to move, seconded by the Honourable Member from Portage la Prairie . . . Mr. Speaker, I move, seconded by the Honourable Member from Portage la Prairie, that the motion be further amended by adding thereto the following:

"And that this House further regrets that:

## BUDGET DEBATE

(MR. ASPER cont'd)

1. This Government intends to continue to program its thrusts to discriminate against or ignore those Manitobans who fall into the middle income category;

2. This Government proposes no plan to curtail the waste, extravagance, financial mismanagement and fiscal bungling of its Ministers, as proven by the disclosures of the past two months;

3. After five years in office, this Government has failed to offer any rational economic growth plan which takes into account the incentives and encouragement needed by the small business operators who are the backbone of the Manitoba economy;

4. This Government continues to blind itself, by its own propaganda, to the unpleasant fact that its policies have widened the gap between Manitoba and the rest of Canada in terms of advancement for our people;

5. This Government has been proven incapable of honestly, competently, and fairly administering the taxpayers' funds entrusted to it, and now threatens to severely damage the economic, social and cultural future of northern Manitoba through its irrational assault on the mining industry;

6. This Government continues to refuse to make financial details of its operations readily available to members of the Legislature and the public, and in aid of a better examination of public affairs, to create the office of Auditor-General with full powers and responsibility to investigate, report publicly and recommend corrective actions to stop waste, inefficiency and doubtful accounting practices."

MOTION on the amendment presented.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I wonder if the Honourable Leader of the Liberal Party would permit a question? He referred earlier in his oration to persons, prices and price indices of December 1973 Catalogue 62-002, wherein he gave certain figures relating to inflation of Manitoba 1972-73 up 15.6 percent, Canada 1972-73 up 7.6 percent. Would he give us the table numbers or the page numbers so that we would be able to find the figures which he gave and which so far I have been unable to locate.

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

MR. ASPER: Mr. Speaker, I don't have the Statistics Canada Report here with me but the statistic referred to is Table 62-002, and the Minister can look it up.

MR. CHERNIACK: Oh no, that's the book, that's the entire catalogue 62-002. The tables, well the honourable member apparently doesn't know the tables. Then may I just ask another question? May I ask him to review and consider Table 8 on page 50, which shows Canada in all items 139.8 up to 150.4, being an increase of 7.8 percent, and Table No. 11 Page 56 showing in Winnipeg for the same years a CPI increase of up to 142 from 133.5, an increase of 6.4 percent, namely Winnipeg less than Canada, would he consider those?

MR. SPEAKER: Question please.

MR. CHERNIACK: I said would he consider those and inform us in due course?

MR. ASPER: Yes, Mr. Speaker, I'll consider the data the Minister has put to us. I simply answer him by telling him that--and I will also provide him with the statistics and the page number where the cost of living increment is as I described it, 15.6 percent for Winnipeg compared to 7.6 nationally. I'll show it to him.

MR. SPEAKER: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Thank you, Mr. Speaker. Through you, Mr. Speaker, to the Leader of the Liberal Party, if he could wait one second. I was afraid that the Leader of the Liberal Party was becoming discouraged in his speech that maybe people wouldn't listen to what he had to say, and I want to make him feel a little bit better in that matter because I notice when he was speaking that the Member for Sturgeon Creek was really in agreement with him, and maybe he should have a little chat with him. I think that on the right side of the scale you two would make a good pair, and you could get together and see if there is that kind of agreement that there appeared to be, because you had him going with you right through that. .--(Interjection)

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Mr. Speaker, the Leader of the Liberal Party began his oration - is that the appropriate word that the Minister of Finance used this afternoon - on a long statistical duel or a long citation of statistics, and I guess that I'm one of those that have trouble getting deeply involved in

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(MR. McBRYDE cont'd). . . a discussion of an exchange of statistics, and I suppose that's added to when I feel that the Leader of the Liberal Party especially uses statistics in a way that the drunk uses the lamp post, and that is not for light but for support. And we've had a considerable experience with the Leader of the Opposition in his use of statistics in the past, but today he quoted some numbers to give some validity, I suppose, to the statistics he used. But even when he quotes the statistics he used, I think he has some trouble reading them as they come off the pages. Perhaps the Minister of Finance indicated to him for him to review and check. And also is indicated his concern in discussion about the middle income people with the new tax reduction, the new tax rebate that has been proposed in the Budget Speech, when he said that somehow a married taxpayer with two dependants would not receive any rebate at the \$10,000 figure. The table from the Budget speech that I have with me shows that that is at the \$12,000 figure and the member did say the \$10,000 figure when he was speaking to us. But he has a tendency to up and down figures as the need arises, as he gets carried away with his oration in the process.

MR. ASPER: On a point of order, Mr. Speaker.

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

MR. ASPER: Yes, Mr. Speaker. The Honourable Minister for Northern Affairs states that I said to this House that the tax rebate disappears at the \$10,000 level for a married taxpayer with two children. I suggest that I said that it disappears at the \$12,000 point but that at the \$10,000 point it was nominal - I believe it was \$27.00 or something. And, Mr. Speaker, if Hansard when it comes out doesn't indicate that, then I am making that statement now, but certainly my notes indicate that I said twelve.

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

MR. McBRYDE: Well, Mr. Speaker, if I misheard the member and other members on this side misheard him, then certainly we would apologize for doing that, although it seems to be a fairly regular occurrence for some reason or other. The member also failed to note in his discussion that the married taxpayer with two dependants, when you combine the provincial and federal plan, that the figures go up over the \$15,000 mark, and if the member was trying to maintain that there was not the consideration for the lower, for the middle income group as well as the lower income group, then I think he should re-examine those figures and double check.

But while we're on this discussion, Mr. Speaker, I would point out that I think that there is a problem of taxation for middle income people, because middle income people are the ones that because of the federal tax laws in our country, are the ones that are forced to pay up their full amount. They don't have the kind of incentive, they don't have the kind of patent deduction, they don't have the kind of charity that applies to corporations, and if the Leader of the Liberal Party is really concerned about the secretary that he quoted who was going to pay a higher Autopac rate, even though they are lower than she would pay in another province, if she is going to pay higher Hydro rates, even though they are lower than any other place in North America, if his concern for her is real, then I think he should probably talk to his Federal colleagues in Ottawa, because Mr. Speaker, the amount that is granted in terms of welfare, in terms of tax deductions, for corporations is an amount that could be used very easily to reduce the tax burden of the middle income people in Canada and in the province of Manitoba. I appreciate him for raising these philosophical differences so people can in fact see that there is some difference in the stand taken by the Leader of the Liberal Party and his Party and the members of the New Democratic Party on this side of the House, because there is that kind of real distinction betwixt the two parties that does exist.

The Leader of the Liberal Party also went on to criticise social programs. He said that there wasn't the kind of balance he would like to see between social programs and programs of economic development. But then he went on, he went on to approve and give his endorsement to all the social programs listed in the Budget Speech and then add a couple of his own. So I'm not sure--I think if you would want to look at his financial responsibility in terms of the election commitments and promises made by the Leader of the Liberal Party and his group during the election campaign, you would find his budget far in excess of any budget of the present government of the Province of Manitoba, if he were in fact to seriously carry out the kind of promises and commitments he made at that time.

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(MR. McBRYDE cont'd)

The other point that the Member raised was his concern over the mining, proposed mining taxation and changes in mining taxation, and although he denied that he had any, or he said he had no connection - I take his word for that - and his uncle had no connection, and his uncle's cousin, and their sister had no connection with the mining industry, the spokesman, the member was in fact a good spokesman for the point of view of the mining company, and I assume that we should give him credit for presenting their case somewhat, although I'm not sure they would get carried away with the kind of rhetoric that he did, calling it an unwarranted assault in terms of the mining industry.

As a matter of fact, Mr. Speaker, my feedback from Northern Manitoba, as limited as it might be, indicates that in general the mining industry is actually a little bit relieved to see the proposals that the Minister of Mines and Resources announced and the Minister of Finance announced; they are a little bit relieved, if things were like the honourable member said, if this were a veiled policy to take over the mines, and I don't want him to do this but he's getting --my colleague from Thompson, my colleague from Flin Flon, will be all excited when they hear the comments made by the Leader of the Liberal Party. And I think that the conservative manner that the Minister of Mines has carried on and the Minister of Finance has carried on in this regard, will be a disappointment to some of the northern members in our caucus and in our party. But I don't think that it was that upsetting as it was to the Leader of the Liberal Party, I don't think it was quite that upsetting to the people in Manitoba connected with Sherritt Gordon Mines and Inco and Hudson Bay Mining and Smelting. I don't think they had quite as strong a reaction as the honourable member would make out. In fact, as I indicated, I think there was some relief because they know that the government could justify even a greater taxation on their industry and could easily justify that publicly in terms of the present situation in Manitoba.

What I would like to get to in the few moments that are left this afternoon, Mr. Speaker, is the speech made by the Leader of the Opposition. The speech made by the Leader of the Opposition, I believe contained, at least from my point of view listening to the speech sort of one main thread that went through it, and one of his most scoring points, if it were correct, that he could make against this government, was the statement that the policies of the present government of the Province of Manitoba did not in fact help the lower income groups in the Province of Manitoba. That was, in my opinion, the main case he made in his budget address. It was the substance of his argument against the budget debate, and the key to his presentation was of course that the low income people have not benefitted from the program.

Now this is of concern to us because I think it's of pride to myself, as a member of the New Democratic Party and as a member of this government, and to my colleagues, that the programs of this party mainly assist the middle income and the lower income people in our province or in the province where the New Democratic Party is in government, and we'll have to admit to the Leader of the Liberal Party that the policies haven't been geared towards corporations or to the fat cats, as you want to put it, but geared towards the middle and lower incomes. So when the Leader of the Opposition makes the argument that we haven't benefitted the lower income, then certainly he has scored a telling point and it's one that concerns the people on this side of the House.

However, the Leader of the Opposition could only come up with one statistic to substantiate his point. Now, I'm sure had he gone to the Leader of the Liberal Party, the Liberal Party could have given him all kinds of statistics because he has a great deal of these at his disposal that he's able to grab as he needs them in the course of his debate or discussion. But apparently the Leader of the Opposition didn't do this. He couldn't find but one case where he thought he could prove the case for his whole debate, and his whole debate rested on the fact that there was, according to him, a reduction in the per capita income in the Treaty Indian population in the Province of Manitoba, and I suppose that since in some federal statistics gathering that Treaty Indians are isolated and dealt with statistically separate, and since in general in Canada and in Manitoba Treaty Indians are in the lower income, he used this one statistic, the only one that he used, to prove his whole argument against the budget that the lower income people were not benefitting from the program of the New Democratic Party. And the member had some reluctance to give me the figures or give me the source of his figures in fact I had some trouble and people spent a good part of the day attempting to trace down with the Department of Indian Affairs and Northern Development in Ottawa the source of

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(MR. McBRYDE cont'd). . . those statistics.

But the message that I received a short time ago was that the \$1,245.00 per capita figure that the Leader of the Opposition used to prove his case, was from a figure of 2,000 to 4,000 Treaty Indians and it comprised the amount they received from Reserve industries. The statisticians in Ottawa say that this figure does not include the off-Reserve income or income from any other sources in the Treaty Indian communities, nor the other kind of social transfer payments that are made in northern remote communities, so that Chief of Statistics of the federal Indian Affairs Department says that this figure is not comparable. It is not comparable with the \$1,735 figure for 1969.

Now the leader of the Opposition made the case that if the Minister of Finance had one wrong figure, then perhaps all his statistics should be questioned. The Minister of Finance showed of course that his figure was not wrong but the Leader of the Opposition's figure was wrong, and therefore questioned all the statistics of the Leader of the Opposition. So following that clue, I decided that maybe that is one other statistic that should be questioned. In this case, though, it was the only statistic used; it was the only one used to back up his whole case against the Budget presented by the Minister of Finance, that in fact this government had not benefitted people of low income in the province of Manitoba. Unfortunately, we are not able to get further details today from the chief statistician in Ottawa, because by the time we finally got through to them the man who had done these particular surveys wasn't available to us, but the fact is the chief statistician said that these figures are not comparable, they are statistics gathered on two different subjects, and that there is no way you can relate one to the other, as the Leader of the Opposition attempted to do, and mislead this House in terms of this whole Budget Debate that he presented to the House.

There was another point that the Leader of the Liberal Party made in terms of government waste, government extravagance, government spending, and that was the fact that the government had increased the use of government aircraft, and I'm quite pleased to hear him say that because I can repeat it to the northern people who are interested in the matter of having, for the first time, members of the government and civil servants travel extensively into their community and talk with them about the government programs, how we can change government programs how we can improve government programs, and for the first time they have seen Cabinet Ministers from a Provincial Government come into their small communities and talk with them about these matters, and for the first time we have a government that has some awareness and some understanding of the remote and isolated communities.

So if that's the area that the Leader of the Liberal Party wants to make his drastic reductions in, then I'm quite pleased that he's come out and said that. That's at least better than the Leader of the Opposition has come out and said, because the Leader of the Opposition has not presented any policy positions in terms of their party, but continues to adopt the strategy of criticism but no alternative policy, no indication of areas of changes in programs, no indication of where budget cuts or reductions would come. But if the Leader of the Liberal Party wants to say that his reductions would come in the use of government aircraft, that in fact we would have to curtail the patient air transportation program to bring patients from Northern Manitoba to the medical facilities to give them some semblance of equity with the rest of the people in the province of Manitoba, if that's the program he would like to eliminate, then I'm quite pleased that he came out and indicated that to us and stated that to us in his speech here this afternoon.

The area of real concern on the part of the Leader of the Conservative Party was of course, as I mentioned, in the area of effect on low income people of the programs and policies of this government, and certainly I would like to take some time, although I am a little bit hesitant to get started on it, some time to discuss the various programs and policies that have in fact benefitted, first of all, all of the people of Manitoba, and some specifically that have benefitted those groups that have not received real benefit, have not taken part in any major way in the development of Manitoba or benefitted from the opportunities available to them within our province. And I could come with quite a long list of the types of programs and policies specifically in the area of the wrong statistic that the Leader of the Opposition used, the statistic that is not valid, and that is in relation to some of the Treaty Indian communities in the northern part of our province, where in fact the province doesn't have the total jurisdiction but a very limited jurisdiction and a very limited scale of action. We have still been

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(MR. McBRYDE cont'd). . . able to do more in terms of those communities than any previous government in the province, and I believe we can say justifiably then, more than any other province in Canada has been able to do to assist remote communities or has been able to do to assist the Reserve communities.

And I talk of such things as the airstrip program, of the new roads into those communities of the telephone TV service available to those communities, of the remote housing program, of the Northern Manpower Corps, of the Corps assistance to various organizations such as MMS, MACC, MIB, to the public housing in northern centers to the Consumer Bureau, to the Northern Prices Review which will give us an idea, a better idea and an accurate idea into the prices in those communities, to the pensioner's home repair program, to the reduction or the elimination of Medicare or transfer of Medicare premiums to other sources of taxation. These are the type of things that have had a direct and forceful benefit on not only the people in remote communities, but a number of people in the province of Manitoba in the lower income and middle income groups.

MR. SPEAKER: The hour being 5:30, I am now leaving the Chair to return at 8:00.