

THE LEGISLATIVE ASSEMBLY OF MANITOBA
8:00 o'clock, Tuesday, April 29, 1975

BUDGET DEBATE

MR. SPEAKER: The Honourable Member for Sturgeon Creek. The honourable member has approximately 20 minutes.

MR. F. JOHNSTON: Thank you, Mr. Chairman.

Mr. Speaker, when I left off at 5:30 I was just saying, and I will repeat, that I think the cities and municipalities deserve a much different fate than they are receiving, and I say the Provincial Government should be able to work with the cities and municipalities in the Province of Manitoba in inflationary times such as these, in a different way than the tax arrangement that they brought forward. And, Mr. Speaker, I will repeat that I believe if they had found another \$7 million in their Budget, as I said they found four with the 2 percent and they found another million per head, per capita grant, if they had found another \$7 million added to the 12.5 that is already presently in the Budget, you would have been at close to \$25 million for the cities and municipalities, and I think that would be a figure that would have taken the municipalities and the cities off the hook in these inflationary times and then we would take a look at it another year. In fact I would even say, Mr. Chairman, in the terms often used in agreement, if you had a two-year agreement at the present time looking at inflation so that the cities and municipalities would be off the hook, Mr. Speaker, that six to seven million dollars could have been found and you could still have your rebate system, which I don't agree with, because if there isn't \$7 million worth of junk in this Budget, I'll eat my shirt. --(Interjection)--Give me a couple of days and I'll find it.

The Red airforce, let's cut it in half. There's one. Be a very easy thing to do. The Information Services in Industry and Commerce, not the Information Services, it's the --(Interjection)--well I would say that the ability of the member on this side would be such that we could convince our constituencies that maybe we all have to cut back a little. You can't do that over there.

Mr. Speaker, Industry and Commerce has a beauty here that I look at and I sometimes wonder when we're going to start copying the phone book in this province. We have programs for, you know, different people go out and do different surveys and they come up with a report and I have seen about three of them that are just complete copies of what are there now. And as I said one of these days you'll be paying out money to copy the phone book.

Industry and Commerce, Manitoba Bureau of Statistics . . .

A MEMBER: Oh that's a beaut.

MR. F. JOHNSTON: Which is, every time I have received that book I can pick up the Federal Bureau of Statistics book and it's almost a direct copy. There isn't any information in that book that is not available in the Information Services of the Federal Government. And there's absolutely no sense copying it, there's \$300,000 - \$400,000 right there. With the Red airforce and many other things, it's there. And what would that have done? I didn't hear the honourable member, I'm busy.

MR. USKIW: The Navy.

MR. F. JOHNSTON: The navy. Sure if you want to cut down on the navy fine. They will blame us for starting the navy, but let's cut down on it, let's cut down on it. I just said let's take this book, and if there isn't \$7 million in there I'll eat my shirt.

Mr. Speaker, what would the \$7 million have done, or the extra if you got it up to \$25 million instead of 12.5, what would it have done? It would have brought your city and municipal taxes down to a point where people would have had some money in their pocket. And then your rebate system, as I said which I don't agree with, would still carry on.

Mr. Speaker, it gets a little bit serious in my constituency or in St. James-Assiniboia. In 1969 we had a mill rate of 49.89; in 1970 we had a mill rate of 53.31; 1971 we had a mill rate of 55.60 - that was the last of the good years before the then Minister of Finance threw this city into the worst shmozzle of any city in the North American Continent. 1972 we jumped to 71.42; 1973 we jumped to 73.34; 1974 - 91.25, and 1975 we are now up to - isn't it a beautiful figure, 107 mills. That is progress my honourable colleague says. That is curbing inflation, that is helping the cities and municipalities through trying times, and I'll tell you what you accomplish with your little 2 percent deal, or 2 point deal. You accomplished the cities and municipalities doing some taxes, they're taxing as you believe they should, while

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(MR. F. JOHNSTON cont'd) you carry one with your spending, as I said before, and the only way that your government can keep up the expenditures that they have this year, keep up next year, is to encourage inflation. In other words, you don't want to see the end of inflation because you've got to have that money coming in with the new system you've got, because you've said to the municipalities and cities, "You add on some more taxes" and you'll blame them. But you all know very well to have the same income you've had this year you've got to keep up with inflation and encourage it.

Mr. Chairman, I was rather surprised at the Finance Chairman of the City of Winnipeg. I would imagine he could have another session with the Maharajah because he should do some meditating when he believes that this budget or this system is progress. And I get a great surprise out of the mayor. The mayor keeps saying the Premier is a wonderful fellow, and he was saying that up until budget time, and he said he's a wonderful fellow up until budget time, and he's also the Minister of Finance, and he's far easier to get along with than the Minister of Urban Affairs, but then we have a budget and when we get our budget and he certainly hasn't got everything he wished for and he still says that the Premier is an awfully fine fellow, best Finance Chairman we ever had, which indicates to me that all he's saying is, "Mr. Premier, you're a real nice guy but you don't have any control of that government." You know really, that's really basically what he's saying if he's going to continue to praise him that way. I'm rather surprised at the Mayor of Winnipeg, and it's beyond me why he isn't standing on his two feet and pounding, because he's known for that, he's known for sticking up for what he believes in in the City of Winnipeg.

And then we have the two cents on gasoline, changing to another subject, Mr. Chairman, and I only have to say what I said before about gasoline, I didn't ever believe that a person cutting their lawn in the Province of Manitoba would be supporting Autopac. And I really believe that if you tell everybody not to run their lawnmowers into their cars, because really if you want to just have an accident between your lawn mower and your car, you should be covered with Autopac now because the gasoline that you put in those lawnmowers two cents is going to Autopac. You know, it's just unbelievable, people that run boats, you know, lawnmowers, anything, they are now supporting Autopac. People that don't own cars are supporting Autopac, and this was the program that said the drivers should pay for Autopac, the car, and now we have lawnmowers paying for Autopac, boats paying for Autopac, and everything else. You know, Mr. Chairman, with the two cents tax that we have here - I've got my bible - as the Honourable Member for St. Johns once called this book, he once called it my library, and it says here on Page 13, this lengthy document - it's talking about a document that was taken together about the taxes imposed in the Province of Saskatchewan, and I recommend this book to any of you new members that haven't read it, it's called "Douglas in Saskatchewan" - this lengthy document shows the government tax structure as it existed in 1944 when the CCF came to power and its status 17 years later, and it is a picture that is not calculated to make the taxpayer jump for joy. The report is a long and dreary list of fees, royalties, licence charges imposed by various departments of government. Since 1944, 600 new imposts have been levied, 600 charges of one kind or another have been increased, about 400 were unchanged, and 30 have been reduced. In addition and not listed in the report are the 160 increases in court fees, and 36 new ones. Mr. Speaker, what has this government told the city to do. This is the policy of the NDP Government, and the Manitoba Government proved it because they told the city to go out and levy all kinds of little new taxes. That's the policy of the government.

There's another beauty in here about finance ministers but I'll wait till I get to the Finance Department to read that one.

So these little needle taxes which will be so unnecessary if you just take the per capita grant and you increase it accordingly to the problems of the province as they see fit. Mr. Speaker, there is no question in my mind, and the Minister of Public Works indicated that he didn't mind seeing meetings of the municipalities and cities - neither do I - but let's make it very clear, there is no question in my mind that the City of Winnipeg should not speak for the other cities and municipalities in this province. I've stated that personally to some people in this House and I state it publicly, the city, the urban association, is one that the government has had rapport with for years and it should remain that way. And the urban and the union of municipalities is the same situation, and if the City of Winnipeg is at any time

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(MR. F. JOHNSTON cont'd) allowed to speak for the other cities and municipalities and towns of this province, it will be the death of those organizations. So at no time do I believe that the City of Winnipeg should speak for the others.

And I am not in complete agreement with the tax-sharing system that was presented by the City of Winnipeg. But I am in complete agreement in taking a look at inflation with a point of view that this obviously is putting the municipalities and the cities into problems and the senior government has a responsibility to help them. How much should you give them? I have said, I believe this year instead of approximately 12.5, which is in your budget per capita grant, one million more, which the Premier said the other night in his budget, bringing it to 13.5, I think, and I'm not sure, with the calculation your two points will bring another four, around 17, and I say you have to find another \$7 million and the per capita grant to the . . . city and municipalities in this province this year should be in the neighbourhood of \$25 million spread between the towns, cities and municipalities. And unless you do that you're going to hurt them. You're going to hurt them and you're going to hurt them badly. And you can do that and still have your stupid rebate system.

The rebate system in my constituency on a house with \$6,098 - there's an increase in our mill rate of \$98.00, you've given them 25 back over last year. Their taxes are up by \$75.00 on that particular house, and if you would increase your per capita grants you would take a tremendous amount of strain off it.

MR. A. R. (Pete) ADAM (Ste. Rose): Vote against it.

MR. F. JOHNSTON: I intend to. You know I have no intention--(Interjection)--Yes, you'll find out. Vote against it. And, Mr. Speaker, I'm not one bit scared of the article he puts out every week in the papers, in fact I hope he has it in headlines that I voted against the rebate system.

MR. KEN DILLEN (Thompson): Do what you did last year.

MR. F. JOHNSTON: Mr. Speaker, I only want to finish up by saying again and to anybody who pays their income tax in Manitoba, when you find out your provincial-federal tax and you take, you take the amount of provincial tax, the actual provincial tax you pay in the federal tax, you will find that next to nobody is paying 42.5 on the actual, they're paying as high as 100 percent, the provincial tax--(Interjection)--No, not more, they're paying as high percent-
agewise, 44, 69, whatever you want, All you have to do is take the amount you pay on federal, and take a look what you pay provincially, the actual, and you'll find you're above 42. And the strange part of it is, is the man who earns more money pays a lower percentage of tax in Manitoba than the man who makes less. That's not what's represented by this government.

The other thing is, Mr. Speaker, as I said at the beginning of this speech, the Premier cannot deduct property tax rebate from a figure that does not have the property taxes added in. It's impossible to do; in fact it's misleading to try and tell people that's what it is.

The only other thing I have to say, Mr. Speaker, which confuses me about NDP governments - as I said, I'm very confused, they want to be capitalists, land owners, controllers, the whole bit, and the confusion I have at the present time, Mr. Speaker, is that in the past few days I am even more confused, and I'll be hoping to be unconfused when comes time to vote for this budget--(Interjection)--I'm really waiting to see how a Minister on the Treasury Bench who disagrees with the financial decisions of this government can vote for the budget. Thank you.

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, I'm somewhat confused and I will admit that the honourable member has thrown me off my track when he says that there is a minister of the front bench who disagrees with the financial position of the government and still is voting for the budget. I know of no such Minister, and at some stage or other he's going to have to unconfuse me, or I suppose that this event will be announced in due course. I will have to say that if that was, Mr. Speaker, a maneuver which is intended to make it very difficult for me to gather my thoughts, because I am trying to figure out who this minister is, then the honourable member has been 100 percent successful in doing that. I, therefore, Mr. Speaker, will try to do as the advice I received from the Minister of Tourism and not let it bother me.

Now, Mr. Speaker, I think it's an interesting position that the Member for Sturgeon Creek makes, and I always find his position to be interesting, and there is as usual in everybody's presentation a germ of truth. I think that there is more than a germ of truth in the

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(MR. GREEN cont'd) suggestion that if one goes through a budget of a billion dollars, a billion, 20 million, and we're starting to round figures off at the 20 million mark, which indicates the relativeness in which things can be rounded, that he says that there is \$7 million that could be found somewhere, and I would, Mr. Speaker, have to be the first to concede that there is no doubt that going through it again and hammering departments and cutting here and eliminating something there, and without real visible effect, I will admit, that there could probably be found \$7 million in this budget. Having admitted that, Mr. Speaker, I would say that it's not a very drastic admission and the honourable member therefore, will not have to suffer the indigestion of eating his broadcloth, it's something that we will all concede, and he wins his bet and he doesn't have to eat his shirt.

But if, Mr. Speaker, that were done, and I concede that it can be and \$7 million would be found, then I think that the difference between what the members on this side of the House stand for and what the Member for Sturgeon Creek stands for, is amply demonstrated by the fact that we would not take that \$7 million and distribute it per capita to the municipalities on the basis that this would relieve the municipal taxpayer. Because, Mr. Speaker, the opposite is the case. This would aggravate the position of the municipal taxpayer, because that being done, Mr. Speaker, that any government - and I say municipal and I say provincial and I'll deal with redistribution when I come to it in due course - any government that has a tap which it can turn on and get money from will never turn off the tap. And the money that is coming out of that tap, whether it is levied in a real property tax, or a sales tax, or an income tax, or a premium tax, or a gas tax, has still got to be paid by the taxpayer of the Province of Manitoba. Now, we've heard that lecture so often from members opposite that one would think that they would have learned it, and that what we would do, Mr. Speaker, is try to create some degree of responsible government - and I say that those who try to create it at the provincial level are right, those who try to create it at the federal level are right, and those who try to create it at the municipal level are right, and that is what we would do, Mr. Speaker, whereas the honourable member would distribute it to these municipalities in the guise, Mr. Speaker, of saving the poor municipal taxpayer. Well, I'm going to deal with the municipal taxpayer and that type of redistribution, Mr. Speaker, in a very very short while.

I want first of all to deal with what I have heard, the refrain that I have heard from the members of the Opposition, particularly the Leader of the Opposition, for the last five years, and he seems never to tire of it. He says, Mr. Speaker, and the argument goes something like this, that when this government, the New Democratic Government came to power in 1939, expenditures were roughly \$340 million dollars--(Interjection)--in 1969. 1969. Expenditures, well maybe I'm thinking futuristically. I'm hoping that it will last that long, and some of my colleagues would say that that's not long enough. Nevertheless, in '69 it was \$340 million dollars, that it is now a billion dollars, that this shows that the Province of Manitoba has increased expenditures by 300 percent, has therefore contributed to inflation, and has increased taxation by 300 percent, because if you were getting \$350 million dollars to spend in 1969 and are now spending a billion and you are getting that through taxation, you have increased taxation by 300 percent. Now, Mr. Speaker, I sincerely believe that the Leader of the Opposition and those who repeat that drivel, believed what they are saying, so I got up and I tried very patiently to explain, well now listen, when the Roblin administration came to power in 1958, the Provincial budget was \$80 million dollars. When the Conservative administration left power in 1969, the provincial budget was \$340 million dollars. Would you say that in the ten year period, the Conservative administration increased expenditures by 400 percent and therefore increased taxes by 400 percent. And of course there was no response from anybody on that side, although the two situations, and if there is not a parallel, please will one of you geniuses over there tell me why the situation is different. If you went from \$80 million to \$340 million, that's four times as much, and we went from \$350 million to a billion, which is not quite three times as much, and of course we haven't had as long, and I assume, Mr. Speaker, that when we are there that long we will do the same thing.

Now I've tried, because nobody in the Opposition has told me what the fallacies of my reasoning is, I've tried to find it myself because surely one could not be so persistent in advancing a position if there wasn't something to it. So I thought perhaps it's because the period '58 to '69 was different than the period '69 to '75 and therefore one could expect the expenditures to increase during the first period and not during the second period, and that really

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(MR. GREEN cont'd) that there was something in this argument that those wild-eyed Bolshevik free-spending socialists are the ones who are able to accomplish this feat of lifting a budget from \$350 million to a billion dollars from the period 1969 to 1975.

Now to check their position, Mr. Speaker, I went to the budget of a province for the years 1969 to 1975, and I didn't choose British Columbia, although there's been a New Democratic Party there for two years; I didn't choose Saskatchewan, there's been a New Democratic Party there for three years; I chose this province. It's the color of the book. True Tory Blue. They call it the Big Blue Machine.--(Interjection)--Ontario. That's right. That's not a Bolshevik-minded government, and that's not a Conservative Government that had to come in that could say that they had a problem because they were making up for the deficiencies of a previous administration because they have been there for 30 years. If anybody could have true conservative businessman's stability in government, and who would not do this terrible thing, it would be the Tory Blue Province of Ontario.

Now I'd like to ask the members a question in advance. Will they accept this as a comparison? Would they accept it as a comparison? Will anybody volunteer to accept this as a comparison? Well, Mr. Speaker, I don't have any takers.

I'm going to now, Mr. Speaker, deal with the comparison. My God, I hope I . . . Mr. Speaker, the Provincial Budget of Ontario in 1969 - and I'm sorry I ask the honourable members to excuse me for just a minute because I appear to have lost my fact sheets. Well they can trust my recollections and if they are wrong I will correct them. In 1969 the budget of Ontario was roughly \$3,500,000,000. Roughly \$3 billion 5. It was between three and three billion six, and I can't remember the exact figure. But it's a convenient figure because you can multiply by ten. It's approximately multiplied by ten. I don't know that there are ten million people in the Province of Ontario, but nevertheless the budget--(Interjection)--8-1/2. Well, they spend more per capita in the Province of Ontario because their budget was \$3 billion, approximately 500 million. It is today, Mr. Speaker, 10 billion, 160 million dollars.--(Interjection)--Now I'm doing it, Mr. Speaker. Mr. Speaker, he says now I am doing it. Mr. Speaker, I took . . . he doesn't want to compare anything with anybody. The budget was \$340 billion, it is now 10 billion, 166 million, and those figures are from my memory which is not exactly accurate but I ask the honourable members to trust me that I have given them fairly accurate figures. Compared with 340 million in Manitoba, and just over a billion dollars this year. Now, Mr. Speaker, the percentage increase is interesting. The percentage in Ontario over those same years is 28.6 like times, 28.6 times, 2.86 times, the budget is 2.86 times higher than it was in 1969, and in Manitoba what do you think the figure is? No. It's in their favour. It's three times. The difference is 1.4 percent higher. Now that should cause you --(Interjection)--Yes, .4. That should cause you to breathe a great sigh of relief. He brought out Ontario, and Ontario's figures are one percentage point different than the Province of Manitoba.--(Interjection)--Mr. Speaker, the honourable member will not listen to anything. The honourable member will pretend, will pretend to the people of the Province of Manitoba, to his constituents, to the other people, that what Manitoba spends has no relationship to what another province spends when we determine whether it is, and I said I am basing my argument upon the suggestion of the opposition that it is the socialist spenders who are to blame for the increase in the budget.

Now, Mr. Speaker, the members will breathe a sigh of relief because it came up one percentage point different. But there's another difference, Mr. Speaker. In the Province of Ontario during those years they had in 1969 a deficit of \$150 million; in 1970, a deficit of 100 - I'm wrong, '69, a surplus of 150; 1970, deficit of 136; 1971-72, a deficit of \$625 million. That was more than our entire budget in that year, their deficit. 1972-73, a deficit of \$366 million; 1973-74, a deficit of \$380 million; 1974-75, a deficit of \$590 million; this year, a deficit - guess how much - 1 billion 215 million dollars. This is written in blue, Table C(9) (c)(21) estimated 1975-76 revenue, 9 billion, 1; expenditures, 10 billion, 3; (estimated deficit - that's in brackets, you know, that's how the auditors do it when they show a deficit - 1 billion, 215 thousand dollars). Now that wipes out that one percentage point. Furthermore, Mr. Speaker, plus - the honourable member is correct - our transfer payments, our credits, tax rebates, etc., amount to \$90 million, theirs amount to \$400 million. With ten times the spending, they are spending only four times as much on redistribution of taxation, and that is right, and therefore, Mr. Speaker, our spending program when we take out the transfer

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(MR. GREEN cont'd) payments, is a much lower spending program than the Tories.

I don't show this, Mr. Speaker, to emulate the Province of Ontario, God knows. If I wanted to emulate the Province of Ontario, I'd vote for the Conservatives. I'm not trying to show Ontario's picture for that reason, such as the Member for Sturgeon Creek is suggesting. What I am saying is the following: That it is always caught by the Member for Roblin, by the Member for Sturgeon Creek, by the Member for St. James, by the Leader of the Opposition, that this spending and the complexion, our political philosophy of the people who are sitting here, go hand in hand. Well that puts me into the same bed as Darcy McKeough, and John Robarts, because their spending, Mr. Speaker, is worse, if we wanted to put a characteristic judgment on it, than the spending of the Province of Manitoba. So if, Mr. Speaker, I am wrong - he disagrees with the rebate system; I've tried to eliminate the rebate system; I've tried to concentrate my argument on the suggestion from those people in the opposition, who suggest that the reason for the budgetary position of the Province of Manitoba is the political philosophy of the Minister of Labour, the political philosophy of the Member for St. Johns, the political philosophy of the Minister of Health and Social Development, who has been identified as the new left wing threat in the New Democratic Party. That's right.--(Interjection)--No. This is the Minister of Health and Social Development, that's right.

Now, Mr. Speaker, I've found my sheets. The total expenditures for Ontario, 10.3 billion - total expenditure. They started off 3.6 billion (I said between 3. and 3.6) - 3.6 billion, and they went to 10.3 billion this year. Ours was 340 million, and it went to 1 billion. The difference is 2.86 percent in the one case, and three times, 30 percent in the other case. And that is the difference. And that difference is wiped out by the fact that their tax credit plans, 404 million, ours is 92. So my memory wasn't that far out. But those are the figures.

So if you're going to find the reason for government spending, you'll have to find it in something else than the suggestion that it has to do with political philosophy of the government, or that we are inflation crazy, or arguments of that vein.--(Interjection)--I have not denied it. I happen to think, Mr. Speaker, I happen to think, and this is a difference in political philosophy that in the Province of Manitoba the \$200 million that we spend on health and hospitalization - and that figure is just from memory - I'm talking about medical treatment and hospital treatment, and if I'm wrong I just say let us assume that it is \$200 million. It was 60 and 100; it's probably \$250 million - that that money is better spent than if you went to a state of the United States found private hospitals, private medical care treatment, and private insurance treatment for health care, spending \$300 million for a million people, that to me makes more sense. One is public spending at \$200 million, and the inflation rate on hospitalization and medicare has been lower under so-called socialized medicine than it has been under private medicine in the United States. If we can get for \$200 million the kind of health treatment by gathering together our resources, just as a family does, they would call you insane if you said that you're going to divide the income of the Sherman family into five pieces and then everybody will pay for their health care - I mean people would say you're insane, why don't you gather together your resources and if somebody gets sick, pay for it. And all we're doing is saying that Manitobans as a family are going to get for \$200 million dollars, what it costs \$300 million in the States, because it's done under a private senseless, stupid, inflationary money-wasting, system. That's all we're doing. And when it's in our budget, I have no sensitivity about it at all because I know that it is buying health care and it is buying that health care cheaper and better care than I can get if everybody said save your money and pay for the doctor when you happen to get sick.

Now that's the difference, and I say that that is the difference in philosophy between the honourable member and myself, that when I see an item in the budget as a public expenditure, I don't go hairy, I want to know whether that expenditure is going to result in a service, and whether that service can be purchased cheaper. And I say that we purchase fire prevention cheaper by putting it into a pot and buying it for the person who happens to have a fire than if everybody had to have a fire department. And I don't go hairy when I see it as a public expenditure, but when the honourable members see it as a public expenditure they somehow make it evil. The civil servant is taking money when he shouldn't be. And when they see a new man added to the Civil Service, they say that that's some kind of evil addition that is being made. And I don't, and I quite frankly agree that I don't.

Now, the Honourable Member for Sturgeon Creek says - and this is one of his favourite

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(MR. GREEN cont'd) themes - he says that Unicity, Unicity was the reason for the rise in municipal mill rates.--(Interjection)--No. He says it's the reason for the rise of municipal rates all over. His own problem is St. James, and I respect that. You know, I mean my people, my citizens, or the people I represent in Winnipeg, they sort of felt bad that St. James and Tuxedo, and other areas, had a preferred situation because they were hanging on to the city without paying for its costs, but I can respect the Member for St. James wanting his citizens to have a preferred mill rate and my citizens to pay more, well, I can respect it. If that's the only way that he can get himself elected to office, Mr. Speaker, I suppose he has to take that position. But he said that Unicity is the cause, Unicity is the cause of the rise in expenditures in the City of Winnipeg.

Well, Mr. Speaker, again, you know, I know that the Honourable Member for St. James, for Sturgeon Creek will be very upset that I have dared try to compare a unified city with a city that has not been unified to find out whether there is reason, whether there is method in his madness. being that Unicity, which was a means of co-ordinating 13 cities through one administration, resulted in increased expenditures to Winnipeg, which would not have occurred if the city was not unified. Well, Mr. Speaker, I have some cities that are not unified. From 1969 to 1973 the expenditure pattern in the City of Winnipeg went from 198 - and this is units - 198 million to 276 million, this includes school and city, and the increased expenditure is 39.41 percent in those years. And of course the City of Winnipeg was unified in 1971.

Now, Montreal was not unified, so therefore their expenditure pattern should be lower because they were not unified, and unification is what creates expenses. Now theirs went from 1 billion to 1 billion, 500 million - I'm leaving off the other digits, the little digits, right - an increase of 49 percent, 10 percent more; or if you take it as against Winnipeg, 20 percent more, or 25 percent higher than Winnipeg's increase.

You go to Toronto, metropolitan government, that's the idol of my honourable friend from Sturgeon Creek, metropolitan government cures everything, the ideal system. I didn't hear such good remarks about metropolitan government when it was here, but, you know, and I was a member of metropolitan government, I can remember what people used to say about me when I was a member. I didn't know that we were so loved. But they have metropolitan government in Toronto. Their expenditures, from one billion to one billion, six, an increase of 54 percent. I'll have to keep reminding you, Winnipeg's is 39, their's is 54, non-unified.

Hamilton: 193,000 to 295,000. That's the city more like Winnipeg, almost the same type of expenditure in '69, theirs went up 52 percent, Winnipeg's 39 percent.

Ottawa: Also not a unified city, 226,000 to 360,000. Theirs went up 59 percent against Winnipeg's 39, and Ottawa has some kind of a bonus because they're a capital city authority, they get money from the Federal Government, from all of us; we help to pay some of Ottawa's expenses.

Edmonton: That's a unified city, that's been unified for a long time, 206,000 to 324 - 57 percent.

Vancouver: That's a city like Winnipeg was, many cities, type of metropolitan authority, 39 percent - Winnipeg's 39 percent, Vancouver's 60 percent.

Now, Mr. Speaker, I have to now ask you to go on faith, and I know that that's a difficult thing to do for a politician, but I ask for these cities, I ask for no others, and these are the cities I have got, and, Mr. Speaker, Winnipeg's is the lowest increase in spending of any of those cities that I have mentioned by many thousands of dollars, the lowest, and the others have not been unified. Mr. Speaker, as some of them are already unified cities, but the metropolitan government cities did not have reduced spending over that period.

Now, Mr. Speaker, the honourable member says that we were to give a rebate to the municipalities. How much would you like? Would you like 10 percent? Would that be a fair amount, I mean you're talking about \$16 million. I suppose the city budget was \$150 million, so if you gave them 15 million that would be 10 percent of their budget, and I suppose you say that that would reduce the taxes on these poor taxpayers by 10 percent. What would that mean, Mr. Speaker? Well, I'll tell you what it would mean, and I know that these figures are not going to be entirely accurate because there is an inclusion of business tax and real property taxes, but let us deal with the principle. The honourable member wants to give the City of Winnipeg \$16 million, or 15 to make it easy, off \$150 million budget so that there will be a reduction in their levy of 10 percent, which means every taxpayer in Winnipeg would save 10

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(MR. GREEN cont'd) percent. Right? That's what you would like. Well, Mr. Speaker let me give you some figures. In 1969--(Interjection)--Well, you said that you should increase the per capita grant by that many dollars and if they had that money they would have to levy less taxes, and I assume if they had 15 million off 150, it would be less 10 percent. Well, the taxpayer would save 10 percent as against paying 135 million. If it's not a decrease of 10 percent on the increase in taxes, it at least is a decrease of 10 percent on the tax bill.

Well, Mr. Speaker, I want to take some homes, you know, because the honourable member refers to homes, and I have homes, too. I have a home in my constituency - and I know the house, and the houses I've taken I know personally - this one is on Pritchard Avenue. It's a very modest home. I would say it's a home for a person who is in the lower income working group or an old age pensioner, a home on a 25-foot lot probably, the kind of home that I was born in and lived 23 years in on Selkirk Avenue; perhaps this one is not as solid as that one was, but nevertheless it's a modest home. His 1969 tax bill was \$224.00. It's 1975 tax bill, taking into account a rebate of \$175.00, which is the standard rebate, that's if this person is not able to claim up to 300, that's for everybody, this person would get it regardless of income; his 1975 bill is \$159, from \$224 to 159, a reduction of 50 percent since 1969 in periods of increasing taxation. If we did what you said, and we'd have to increase that now because I've given him the \$25.00 rebate, he'd have to go up to 185, and he got a 10 percent decrease in taxes, he would save \$18.00.

The tax bill for Hudson's Bay in 1969 was \$431,000. In 1975 it's \$687,000. They would save \$68,000. And you're trying to win my constituent by telling him that you're going to save him \$18.00. Eaton's would save \$63,000 on a 10 percent reduction, and I agree that we're not talking business and real property and it would not be that flat, but the principle that I'm giving you is sound. If it's not 63,000 it may be 30,000, but it's not \$18.00. It's not \$18.00.

There's a home on Cathedral Avenue - this home is on Cathedral Avenue, the taxes in 1969 - and this is not such a modest home, this is a fairly good home, this is a home that would be purchased five or six years ago for in the neighbourhood of \$20,000 - the taxes in '69 were \$461.00. The taxes today are \$590.00 an increase taking account of a credit of 175, an increase over the years of 100 - in five years of \$130.00, a total increase of \$130.00 over a five-year period; \$30.00 a year, not \$30.00 a year, less than 10 percent a year, virtually five percent a year, not even keeping pace with inflation. That person would save \$59.00 by your so-called aid to municipalities through unconditional grants.

Mr. Speaker, a home in Armstrong's Point - and now we know why the Member for Sturgeon Creek is complaining, I mean he talks to the right people. I live in Armstrong's Point and I'll tell you something, I would save a lot more by a percentage reduction. This home, the taxes in '74 were \$2,000; this year they're going to be \$2,400, and a flat 10 percent reduction would save that fellow \$240.00. So the fellow in Armstrong's Point saves 240, the fellow on Pritchard Avenue saves \$18.00 by your program.

Now, Mr. Speaker, I have another home on Wellington Crescent, the taxes in 1969, \$1,400.00; this year \$2,200.00. He would save \$220.00. A home in Tuxedo, this year's taxes \$2,400. He'd save \$240.00 by a flat mill rate reduction as a result of aid to municipalities, which is supposed to save their taxpayer.

Now, you know, people say that I have a reasonable amount of bravery. I don't have the bravery to go to my constituent and tell him I'm going to save them \$18.00 so that the guy in Tuxedo can save 240 and the Bay can save 51.

A MEMBER: You'd better go back to your constituency.

MR. GREEN: Well, Mr. Speaker, I'm going to stay here. You know, my constituents have thus far sent me here, and the fact is as long as they find me acceptable I will be their representative, and that's up to them to choose. The people in Rock Lake they think differently. They elect the Honourable Member for Rock Lake whose socialism apparently extends to relieving his farmers from the damage done by blackbirds. That he wants my constituents to pay for. Well, that's what he said.--(Interjection)--He absolutely said that. He said that the Province of Manitoba should have a program to spend public money to pay farmers for damage done by blackbirds. He will refuse to vote public money to save people in my constituency for damage done by measles, epidemics, broken legs, sickness and health, but we have to save his constituents from damage done by blackbirds, and we have to spend public money, and that

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(MR. GREEN cont'd) to him is free enterprise capitalist.--(Interjection)--Well, I agree, I agree, I agree that it is nonsense. I agree that it is nonsense, but it is also exactly what the Member for Rock Lake asked for during the Estimates of the Department of Mines and Natural Resources within the last three years. Now, it is nonsense. On that point, the honourable member and I are in agreement. It is nonsense, but it is what they requested.

Now, Mr. Speaker, you know there has been--(Interjection)--Of course, you are doing it, Mr. Speaker, you're doing it, you're doing it, but you resisted it and you refused it, and you said that it was a bad idea, and you still say that it represents a public expenditure that shouldn't be there, and are you now saying, are you now telling me - and I will apologize for everything that I have said if you now tell me that you wanted a medicare program which would result in all of the people in Manitoba paying into a pot to pay doctors' bills. If you say that that's what you were for all the time and that you wanted that in '69, I will withdraw everything that I have said about the nonsense that you have spouted.--(Interjection)--Well, Mr. Speaker, I see that the honourable member is not willing to make that correction and therefore I say that his material was nonsense.

Mr. Speaker, we've had a lot of talk, you know, and the Honourable Member for Souris-Killarney, and the Honourable Member for Swan River, alluded today to some of what they appear to regard as fights within the Cabinet, you know, and people taking different positions. Now, Mr. Speaker, we've had lots of problems in labour relations in the past little while. We had a strike at Flyer Coach Industries where the government held firm and lo and behold the media and the Conservatives were asking the workers to be paid more at Flyer Coach Industries. We had a threatened strike of the nurses, we had threatened strikes of the nurses and people all of a sudden were very excited about what's happening to the nurses. We had a strike of the university, and I heard the Leader of the Liberal Party tell the workers at the university, your demands are just and you should get what you are asking for. I told the Member for Fort Garry that I used to sit on that side of the House. Not once did I ever say that the workers were entitled to what they were asking for, I merely asked the government to let them ask for it. I merely said that they should have a right to strike, they should have a right to refuse to work, and they should have a right to try to persuade others peacefully not to strike. I would --(Interjection)--No, not to work. I would have deemed it presumptuous for me to say that the employers should pay them what they are asking for, but the Liberal Party says now they are entitled to what they are asking for. Mr. Speaker, for suggesting, for suggesting that they have the right to ask for it, for suggesting that they have the right to not work until they get it, and for suggesting that they have the right to publicize their demands, I was branded as a dangerous radical, that this man is a dangerous labour lawyer who will cause all kinds of trouble, for making those suggestions. I wonder what the Tories would have said if from that side of the House I said these workers are entitled to the money that they are asking for and you should give it to them. I wonder what would have been said about the responsibility of such a person.

Well, Mr. Speaker, the world has changed and we now find, and I sort of like it, we now find that when the public is involved in a strike that the media and the opposition parties, the hot-line shows, that everybody is rallying to the side of the striker and frankly I think that if we have done anything useful in the last five years, that we have changed the attitude towards people who are on strike trying to get increased wages and I am very proud of that. If there is anything that we can say where we have made a tremendous achievement--(Interjection)--Pardon me?

MR. SHERMAN: Are you saying that you haven't changed?

MR. GREEN: Mr. Speaker, I am saying that coming from the other side, coming from things that I read about the person that you are talking about, people say that I will never change. I don't know what I have changed, you will have to say what I have said in 1969, or 1968, or 1967, and I tell you that there are people who are looking, you know, the Leader of the Opposition he has a guy researching this, and they have not yet found a great deal of change from what I have said in those years and what I am saying now. But, you know, that's not particularly a compliment. Some people say that's right, that he's in a rut, he'll never change. So the question that you ask I can't answer. All I can tell you is that I believe that I am doing consistently what I tried to do, and the reason that I entered politics. You know, and that brings to mind what was said by the Member for Souris-Killarney, that there were

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(MR. GREEN cont'd) fights, that there are Cabinet fights and they have been brought out into the open, and the Member for Swan River that people should resign. Well, Mr. Speaker, you know, the Minister of Labour, he is the oldest member in the House. He's been here, the longest standing person.

MR. SPEAKER: Order please. The Honourable Minister's time is up.

MR. GREEN: I wonder if I can just have a few minutes.

MR. SPEAKER: The Honourable Minister have leave?

MR. GREEN: I'll just have a few minutes. I will not be more than ten minutes.

Mr. Speaker, the Minister of Labour who I know is well aware of his Cabinet responsibilities and doesn't need lectures from the other side, is well aware of what is a caucus responsibility and doesn't need lessons from the other side, made remarks with respect to his feelings about doctors' salaries. I think, Mr. Speaker, that those remarks could be echoed by every person in this House. We are in this House on this side of the fence because we believe that some people make far too much and others make far too little. And that's why we are here, trying to do something about it. And because after much frustration the Minister gets up and says that he protests that doctors' salaries are so high, one assumes from the other side that there was a fight, that that fight was between various people, and that the fight is now exploding into the open. Well you know, Mr. Speaker, I know the Minister of Labour well enough to know that he wouldn't take a Cabinet secret out of the Cabinet, that he would not stay in the government if he was protesting against the government; you people do the Minister of Labour an injustice. You have presumed things from what he said, which I listened very carefully to, and which he never said. The Minister of Labour never said that he protested in Cabinet, because he would not reveal a Cabinet secret. And you must not presume that he did protest. As a matter of fact you are just entitled to presume that he did not protest. The Minister of Labour did not say that he fought with his colleagues, and you must not presume that he did fight. As a matter of fact, you are just entitled to presume that he did not fight, that what you saw was the Minister of Labour getting up after a salary discussion had been finalized, saying that he doesn't like what salaries we're paying. Well all of us don't like that, Mr. Speaker. But I won't reveal any Cabinet secrets. I won't reveal any caucus secrets.

But I say that you are wrong if you are presuming to do the Minister of Labour the injustice of presuming that he took a Cabinet fight into the open. You are just as entitled to presume that there was no fight, that there was no protest, that there was no complaint, that the Minister of Labour's remarks were a frustration at what was generally rising salaries. Because I am sure, knowing the Minister of Labour, that if he disagreed with the Cabinet he would have resigned, that he would not reveal a Cabinet secret and take it into the House. I know that the Minister of Labour would not do that type of thing. So you mustn't believe that you have heard about a Cabinet fight.

And I tell you that you may just as well presume that no such fight occurred but that after a settlement was arrived at, the Minister, in concert with many others, felt that doctors are getting too much money. And we do feel that doctors are getting too much money. But that doesn't mean, Mr. Speaker, that the Minister of Health and Social Development didn't do what I consider, and I believe I've had as much or more direct labour-management negotiations than any other person in this House, and the Minister of Labour, or the Minister of Health and Social Development conducted those negotiations to the protection of the people of Manitoba in as fine a manner as I have ever seen conducted. And you must not presume, you must not presume that there was a fight between the Minister of Labour and the Minister of Health, because if there was he wouldn't have told you about it. He's too outstanding and too long-trained a parliamentarian to have done a thing like that. He is too longstanding and too long-trained a Cabinet Minister; he knows his Cabinet responsibility too well to have revealed any secrets to you. And if you will read his remarks you will see from them that there is nothing to suggest a protest but the wages that were offered or paid, nothing to suggest a struggle in Cabinet about the wages that were offered or paid, nothing to suggest that his position was any different than any of the rest of us, full Cabinet solidarity, and if there wasn't, Mr. Speaker, then I'm sure that the Minister of Labour would not be where he is, because I know the Minister of Labour knows his responsibility. He knows his responsibility, Mr. Speaker, and therefore, you know, the fact, Mr. Speaker, that a man is frustrated, that he feels that he is no longer able to do as much work as he used to do before, and says so, is one of the things that I said

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(MR. GREEN cont'd) will often occur in a parliamentary assembly; you never know how people are going to vote, you never know what they are going to say, and that's one of the beauties of parliament, they say what they have to say. And if they were doing something wrong, which would presume that there was an argument amongst us, and that the Minister of Labour took one position and the rest of us took a different position, that would never have come out. And I suggest to you that you can assume that it did not happen, although I will not reveal what happened, as has not the Minister of Labour.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I only wish to ask a question. Would the Minister entertain a question?

MR. SPEAKER: The Honourable Minister's time has lapsed. Is the House agreed?

MR. G. JOHNSTON: Well in view of the fact that this afternoon the Minister of Labour said, or the Minister of Health said, that the government went a little too high, and he repeated that phrase twice, and then he said, because the government was anxious for a settlement, he said that the government went a little too high in settling with the doctors, does this mean that the Minister of Labour is now put in an untenable position when he's negotiating, or his committee is negotiating with the Provincial Civil Service?

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Chairman, I did not hear the Minister of Health say that. But I will tell you this, when we gave the doctors a one dollar increase we went too high. There is no doubt that they are making more money than they deserve, and that money is paid to people in our society not in accordance necessarily with the work they are doing or with what they are worth, but what which you have to pay sometimes. Now that goes for doctors, it goes for lawyers, it goes for top executives, it goes for politicians, it goes for many people, and if it was said in that light, that doesn't become a factor in negotiation. But I suggest to you that whatever the Minister of Labour said--(Interjection)--No, but you say that his position is untenable - we will negotiate and do the best we can with whomsoever we have to negotiate with. Our position is not untenable, we will live with it; if some of us can't handle it the rest of us will.

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. I listened again with interest to the Honourable Minister of Mines and Resources, and I again see where this government is trying to divert off the issues that are before us in this budget by trying to make some point of comparison to other provinces, trying to claim that the other provinces are doing a worse job than they are, so therefore their job is justifiable. And, Mr. Speaker, I suggest to the Honourable Minister, and it's unfortunate that he's leaving his chair, because I rose on this occasion to reply to his particular debate, but when a lawyer becomes involved in dealing with statistics and trying to do comparisons between provinces and per capita population, etc., and cost per capita, it's somewhat like an engineer getting involved in a very intricate legal debate, and somewhat like a duck out of water. I suggest that the Honourable Minister has not given all the facts, just in the same way that the First Minister has not given all the facts on the Budget Speech the night that he gave it, because one can do anything with statistics to make it look that whatever they are doing is right in comparison to other people. But the fact of the matter is, Mr. Speaker, that that does not reduce the tax to the people that I represent, that does not help them out to pay their taxes, and I suggest, Mr. Speaker, in dealing with the Honourable Minister's points with regard to the Ontario Government that he has missed out a few important facts, and I might say that in any of the statistics that I might use during this debate that they come from the Manitoba Bureau of Statistics, which I presume is correct. They also come--(Interjection)--I'm talking about the statistics that I will be using, Mr. Speaker. They also come from the statistics included in the Manitoba Budget Address in 1975 which I understand most of them come from Statistics Canada.

Now one of the things the Honourable Minister failed to mention when he talked about the, I think it was a ten billion plus budget for Ontario this year, as compared to the one billion dollar plus budget for Manitoba - and he compared it back to 1969 costs - what he failed to mention, Mr. Speaker, is what happened to the population of Manitoba from 1969 to 1975? What has happened to the population of Ontario from 1969 to 1975? Well I'll suggest to you, Mr. Speaker, that the population of Ontario grew by some 11 percent, it's 8.1 million now,

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(MR. MINAKER cont'd) 8.2 million, the population of Manitoba is some 1.01 million, and it has only grown 3.8 percent in that particular time. 290 percent more the population of Ontario has grown in that period of time. Almost three times that percentage growth. You know, we can do things with statistics, but what it means, Mr. Speaker, is that the population in Ontario has grown three times as much percentage-wise as Manitoba has, but the fact is, Mr. Speaker, the labour force, they're the people who pay for it. They're the people who pay for those taxes that this government wants. And how has it grown? Well if we look at the statistics that the Manitoba Bureau of Statistics have put out, and these are dated I believe March 1975 - I think they're hot off the press here - we look at the labour force in Manitoba back in 1969, it was 372,000. The labour force today is 427,000. It has increased by 15 percent. But what has the labour force in Ontario increased by in that same period of time? It's increased from 2.9 million to some 3.7 million, approximately 27 percent, again double, almost double in percentages. So, Mr. Speaker, when one starts to wonder when the Minister says, well you know we've increased our budget by three times and the Ontario Government has increased it by 2.86, but the amazing thing is, the labour force in Ontario has grown far beyond what the Manitobalabour force has grown. So who is paying for it? Who's paying for it, Mr. Speaker? 300 or 427 thousand people, that's who's paying for it.

Mr. Speaker, the First Minister stood up budget night, and in fact prior to that for some two or three weeks, and made comments with regard to, we have to hold the line, we are in inflationary times and we have to show that we have to control, we have to be sort of the white knight in shining armour on the horse and control this inflation. And no wonder, Mr. Speaker, because if you look at the statistics that are included in this Budget Address, you take those statistics that they've given us and find out what has happened in this province, and you'll find out who's created the inflation. It's been this government. And I think you can look at the statistics in regards to how this government has tried to gain control of the cash flow of the province, and I stated that last year in the Budget Speech and it's quite obvious that this is what they are out to do, they are out to get involved as much as they can in the day to day dollar spending in our province. If one takes the government budgets since 1972, '71, go back, we'll go back, the expenditure that we have approved in this House, you take the capital money that has been allotted in this House for government spending, and you take the money that Manitoba Hydro has spent annually, Manitoba Telephone System, what they have spent annually, and then you can take Autopac from 1971 on, because these are part of the gross provincial product that the government talks so glowingly about as how it's grown through the years, you can get the total government spending, the total Provincial Government spending for any year, Mr. Speaker, and what has happened through the years? If you look at what's happened from 1972 on, or we'll take 1971, and you look at the total government spending for that year, when you include all those particular items, you get about \$806 million being spent that year out of a 3.9 billion gross provincial product, and that represents about 20 percent of the actual dollars spent in Manitoba changing hands for that year. And that's increased by 6 percent that year.

We look at the next year, the total government spending is some 1.215 billion out of a 4.4 billion gross product for the province. That hops to 27.4 percent. So there we've had one year at 36 percent growth by this government in the provincial product that's spent in this province, 36 percent in one year.

Similarly, in the following year you get 23.4 percent of that budget, of the gross national product is controlled by the government on that side.

And then the next year, and the six billion that the First Minister talked about as a growth and something to be proud of, this government when you add it up, their expenditures, the capital they've allotted for spending, the Manitoba Hydro budget, the Telephone budget and Autopac, you get a spending of some 1.825 billion. That's 30 percent of that six billion that the Minister talked about. So we had increases of 36 percent one year, it went down 15 percent the next year, and now another 28 percent.

But here is the amazing situation on this thing is if you look at what happens when we deal with the effect that this has on the economy, if you compare it, if you compare it to the actual growth, as they call it in their budget, the selected economic indicators, if you look at how personal income grew in those years; in the 1971 year it grew 10-1/2 percent, the following year it grew 11.8, and then 15.1 the following year, and last year 17.9, hardly the 30

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(MR. MINAKER cont'd) percent or the 28 percent growth that this government had last year. It's a good double digit figure above what the personal income grew last year.

Similarly with the labour income, it grew last year 18.9, but this government shows the growth it's spending that it has control of by some 30 percent, or 28 percent, again away higher than the labour income.

Now, here comes the interesting thing. The only persons, or the only people that exceeded the government's growth last year was the farm cash income. And isn't it interesting, Mr. Speaker, that all of a sudden this government became interested in buying agricultural land. Isn't that interesting, that all of a sudden they realized, you know, there's somebody that's growing a little bit beyond us, so we better buy them out, or we better grab their taxes. And that is the only area where this government has been exceeded in their spending pattern in the past few years. And I would suggest, Mr. Speaker, that that is why the government wants to buy land, farmland, because they can see an area where they will get a bigger chunk of that cash flow, a bigger control of that dollar that you and I have very few of these days, because the government's appear to have most of them.

A MEMBER: Right on.

MR. MINAKER: And, Mr. Speaker, there's one other area, if we look at the industrial activity in the budget, Mr. Speaker, there is one other area where the industries exceeded the government spending one year, and that happened to be back in 1973, and that was the primary resources, there was a percentage change of 66 percent. But last year it was down 2.4 percent, so now we get legislation changed to try and get into the primary resources. Again we have an indication from the government side that, "Hey those boys are getting an increase greater than what we're spending, so we'd better get into that business."

Similarly, if we look at retail trade and construction and manufacturing, they're all down in that 15, 20 percent, but nothing in the order that this government has increased their participation in that provincial product that they are so proud of, nothing approaches that 28 percent increase from 1973 to '74. God knows what the increase will be this year, because one can only estimate what will happen.

But when one looks at the total government spending, Mr. Speaker - this is the important one - if one adds up what the expenditure this government has when we deal with it in Estimates in the House, what capital they have allotted for spending, the Manitoba Hydro budget, which we do not deal with in this House, the Manitoba Telephone System, which we don't deal with, and Autopac, when these are added up what the amazing feature is, that in 1971 that total came to about 805.8 million; in 1972 that figure came to 1,215, or 1 billion, 215 million; that's a 50.8 percent growth in one year--(Interjection)--50.8 percent growth in one year. The following year they were, and it's amazing - the following year was election year, and I don't know whether that has any bearing to it or not - that figure came to 1.207 billion; it dropped .8 percent, not even one percent reduction. And then the following year, 1974, that total came to 1.825 billion, another growth of 51.2 percent over the previous year.

Now, Mr. Speaker, is it any wonder when you start to see the government spending rising 50.8 one year, the next year it drops .1, and then the last year it rose again another 51 percent, that the First Minister has the audacity to stand up and say to the rest of the province that we have to start to control spending. Because, Mr. Speaker, no wonder that we have an inflation problem on our hands, particularly when a government that controls 30 percent of our provincial product - that's what they spent last year, and they increased that spending by 51 percent from the year before. Now, that I call double digit inflation. I call that like, cubed inflation. (Hear, hear)

Mr. Speaker, I would say that the First Minister is trying to con the public of Manitoba into implying, or trying to indicate that he has got control of things and he's leading the way, because I suggest that he led us into the way that we're in right now. Because our personal incomes, if we can believe the statistics in this budget book, surely did not reach 51 percent in growth last year. If I read it correctly the growth for personal incomes last year grew 18 percent over the year before. So this government has almost spent three times the growth of the personal income in percentages, three times, and the First Minister has the audacity to say that we will lead the way and try and control inflation. As the Honourable Member from Sturgeon Creek would say, "that's hogwash" because if ever I saw hogwash, that's it.

Mr. Speaker, what is the effect on our taxpayers of Manitoba? Well, I gather from the

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(MR. MINAKER cont'd) Honourable Minister of Mines and Resources, who unfortunately is not in his seat, when he gave his presentation of the debate, I gather that the way you buy votes is to offer something more than \$18.00. That's what I understood him to say, so I would suggest, Mr. Speaker, is it the \$50.00, or is it the other \$50.00 supposedly that we get on the inflation credit program, because Mr. Speaker, the low income or the fixed income people, how is this budget going to affect them? Well, let's look at it. You know, they get back, supposedly, \$50.00 tax credit, but on the other hand the hydro increases 20 percent, and that's part of the government's participation in this provincial product that they talk about, the gross provincial product; Autopac has increased 25 percent. We have the gas tax going up three cents - and I think the low income and many of the fixed income people still drive cars - and the municipal tax, both education and the municipal itself, will increase; and we're looking in our area, and I think the Honourable Member from Sturgeon Creek has indicated it, we're looking at close to \$100.00 increase on some \$5,000 or \$6,000 home. But what percentage of the people in our area have a \$6,000 assessed home? I would suggest a relatively low percentage. So that what they are giving in one hand it's being taken back in another hand.

And Mr. Speaker, what effect has the middle income earner got? And for some reason, Mr. Speaker, this government forgets about the middle income people, and they are the people that pay. I'm in the middle income, and I would suggest that the majority of the people on the government side are beyond the middle income. And, Mr. Speaker, what advantage do they have in this budget? They're the people that are paying and working, and they're the people who want to care for themselves, want to have the opportunity to save their money and spend it in the way they want, not somebody else, some 31 intelligent people, - or at least they are declared to be intelligent by their side - to decide how they spend their savings, because that's the basic difference in our philosophies. This government wants to do everything for the people with their money, and that's the basic difference between our side and their side, and I would suggest that the people in Manitoba are tired of this government deciding what to do with their money and how to save it.

You know, the Honourable Minister responsible for MDC failed to mention they could find \$34 million for Flyer; they could find some \$28 million - I don't know what it's at now - for Saunders; they'll probably find that \$9 million for the Whey Plant to save the \$18,000 in milk. You know, they can find these dollars to spend, the people's money to spend, for them, not asking the people whether they want the government to spend it or not, but that is their philosophy, we'll do it for the people because they haven't got the ability or the desire, and that's where they're wrong, Mr. Speaker, that's where they're very wrong.

Mr. Speaker, the other comment I might make with regard to the Honourable Minister of Mines' comments in the debate is that there must be something wrong in our Cabinet because the day that I see the Honourable Minister of Mines stand up in support of the Honourable Minister of Labour, there has to be an awfully big rift in that caucus over there, or Cabinet, and particularly when he stands up in support of the Minister of Health. So, believe me, there's something wrong over there, very very wrong.

And, Mr. Speaker, what has this government done for the property owner, the person who resides in municipalities, whether it be towns, or whether it be the City of Winnipeg, or Brandon, or Thompson, what have they done in this budget? They haven't done very much. They've given a million dollars more, I believe, with regard to the per capita grant . . .

A MEMBER: Sour grapes, sour grapes.

MR. MINAKER: . . . and they've given, I believe, somewhere in the order of about one million towards the City of Winnipeg. But, Mr. Speaker, is that very much really when you consider a fact that these towns, these municipalities, these cities, keep the streets open, keep the sewers running, give the police protection in the majority of the centres, keep the town running while this government reaches in and takes its taxes. Mr. Speaker, I suggest that's wrong, because if we crumble the municipalities down to nothing they have two alternatives, they have either to close shop and turn it over to the Government of Manitoba, or they could let it slowly crumble and decay in terms of levels of service, and so on - they actually have three alternatives, Mr. Speaker, - or they can continue in the pattern they're going, trying to maintain some level of service. In the meantime the taxes keep going higher and higher, and the businesses decide, is it worth it? And the people who own houses say, is it worth it?

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(MR. MINAKER cont'd)

And that's the other alternative, because the suggestion that was presented by the First Minister the other night I think is a bad one. It's somewhat similar to a father saying to six sons, "You know, I make \$800.00 a month; you can have 15 percent of it, we'll divide it equally amongst you, and then if you want more next year you come back and say if you want 25 percent, and I'll go back and try and get a raise, or try and get an increase of what we earn." And I can see certain things happening, Mr. Speaker, that could be very embarrassing to the government of the day. One of them could be where you have a government at the city level, or municipal levels, that are against the Provincial Government, they're not of the same philosophy, and the government of the day, it might be in a time when it could reduce taxes, it might be election time - which is a great ploy by most parties whether it be the NDP or the Liberals or Conservatives - it might be at a time when they want to reduce taxes, reduce an income tax, so they decide that they will reduce the income tax by five percent, and that's the year, if I understood the First Minister correctly, the municipalities could come and say, "Hey, we want that five percent, or we want seven." And, Mr. Speaker, I suggest it doesn't matter, when I fill out my tax form I look at 42-1/2 percent, it doesn't matter whether two percent goes to the municipalities or five, and the province is the good guy at 37, all I know is that I'm paying 42 percent tax to live in Manitoba, the highest tax in Canada.

I would suggest that maybe the government hasn't realized the situation they have got themselves into, because if I understood the First Minister correct, he said that they can come back and get an income tax increase to whatever they want if they take the responsibility. --(Interjection)--Now we're getting a different tune. Is there going to be a veto, Mr. Speaker? Is this just a front? Because that's the way I understood it, Mr. Speaker, and I could see very many embarrassing moments if that situation occurred where the municipalities want to increase the tax when the government wants to reduce it. I suggest, Mr. Speaker, income tax is one area where the senior level of government like Manitoba should control it. They should accept the responsibility on that. They should also accept the responsibility, and their obligation, that if they are gaining revenues, revenues from areas that are maintained by another level of government, that there should be some responsibility and commitment on the part of the government to see that a portion of those taxes go back to the people who are maintaining the area to keep these places open so that they can collect their income tax, keeping those places open so they can sell their liquor, keeping those places open so they can get their sales tax. Because, Mr. Speaker, it's all part of one intricate way of life that we have here, and by simply continuing to raise the taxes or continuing to spend them as they come in, is not the answer. Because, Mr. Speaker, the people of Canada and Manitoba, I'm sure the majority feel the governments have gone too far; they've become too energetic in taking on the responsibilities of life.

What has happened to our pioneering spirit of yesteryear when the people would come to Manitoba and work and worry about where they were going to get their food tomorrow, worry about when they were going to get their wood to heat their cabins and so on? What has happened to that spirit? What has happened, Mr. Speaker, I suggest, is that this government has taken the attitude that they will do everything for everybody, and I have heard the old cliché "from the womb to the tomb." That's exactly what this government wants to do. But there is one thing that they want from the people of Manitoba when they provide that particular service, and that's their freedom. And I suggest, Mr. Speaker, that the people of Manitoba don't want their freedom taken away. They don't want this government to keep spending money. They . . . yes, Mr. Speaker, I may be young in age but I've been around in different responsibilities for a long time in married life and so on, and I suggest, Mr. Speaker, I have worked many more years than a lot of the people on the other side have ever worked, and I would suggest . . . I haven't been in university all my life, and I know what it's like to work when we're 8 and 9, and I suggest that many of the other people on the other side have experienced that and that's why they're a little uncomfortable right now. And I suggest, Mr. Speaker, that the people of Manitoba do not want this government to keep spending money the way they are, and it doesn't matter how you cut it, whether you give part of it back and take it with the other hand, it's how much you have to spend every day, and the key, Mr. Speaker, which this government doesn't understand is how much the individual can save himself, to spend on something he wants himself, not something that the government decides he's going to get. And I suggest, Mr. Speaker,

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(MR. MINAKER cont'd) if this government does not change its attitude, it won't be the government in two years time.

MR. DEPUTY SPEAKER: Are you ready for the question? The Honourable Member for Ste. Rose.

MR. A. R. (Pete) ADAM (Ste. Rose): I beg to move, seconded by the Member for Point Douglas, that debate be adjourned.

MOTION presented and carried.

. . . . continued on next page

SUPPLY - CO-OPERATIVE DEVELOPMENT

MR. PAULLEY: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Co-operative Affairs, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

MOTION presented and carried, and the House resolved itself into a Committee to consider of the Supply to be granted to Her Majesty, with the Honourable Member for St. Vital in the Chair.

MR. CHAIRMAN: Order please. I direct the attention of members to Page 7 of their Estimates Book, second section, Co-operative Development (Northern) Line 1, Salaries, wages and fringe benefits, \$ 125,500. Pass? The Honourable Member for Roblin.

MR. McKENZIE: I have a few questions I'd like to raise to the Honourable Minister. The statement of the loan guarantee transactions for the year ending March 31, of the Co-operative Association, shows \$1,672,000 outstanding as of March 31, 1974. What portion of that will the federal Department of Indian Affairs be responsible for?

MR. CHAIRMAN: The Honourable Minister.

MR. BOSTROM: Mr. Chairman, the report of the Co-operative Loans and Loans Guarantee Board report on those loans which are guaranteed by the authority of the Province, and there is no portion of that 1.6 that is guaranteed by any other jurisdiction.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Then will the Honourable Minister explain another question? Those that have no expiry date on them, are they allowed to run for ten years or why is there no date of expiry on those loans?

MR. BOSTROM: I'll have to take that question as notice, Mr. Chairman. While I'm on my feet, I would like to comment on some questions that were directed last night in consideration of this particular part of the Estimates. For example, a question was asked by the Honourable Leader of the Opposition with respect to the kinds of re-organization that took place as a result of the recognition that there were problems associated with the initial operation of the Co-operative Services Branch of the old Department of Agriculture and the kinds of administrative procedures that were established, and which of course were carried on by the new department when it was first instituted in 1971.

Mr. Chairman, I would just like to briefly go through, by way of answer, the steps and procedures that were undertaken to try to restructure and reorganize the department to effectively carry out the new responsibilities, and in fact to more completely carry out the responsibilities that were assigned to the old branch. In May of 1971, as I indicated, Mr. Chairman, the department was established by Order-in-Council. The budget for that fiscal year 1971-72 was already voted, and it was decided to leave the budget unchanged. Therefore the structure of the new department for that fiscal year 1971-72 remains the same as when a branch, except for a change from Director of a branch to Deputy Minister. The Director of the Branch was appointed Deputy Minister of the new department.

In April 1972 a new budget authorized structure changes, Mr. Chairman, and at this time application was made to Management Committee to establish three Senior Officer I positions for the following: The Director of the Co-operative Branch. The Director of the Credit Union Branch. The Director of Administration. The justification for this, Mr. Chairman, was that this was a new department. There was a small management staff. It was necessary to provide it with a strong nucleus of management staff and, Mr. Chairman, at first Management Committee refused to come up with the necessary reclassifications, and in fact Management Committee at that time approved two Director positions at levels considerably lower than Senior Officer I. The Director of Co-operative Branch and the Director of Credit Union and Administrative Branches was instituted and classified at a level considerably lower than a Senior Officer I level.

In June of 1972, Mr. Chairman, two Directors were hired as pursuant to those reclassifications: the Administration and Credit Unions Branch Director, and the Co-operative Branch Director. In December of 1972, already, Mr. Chairman, there were some doubts about the competence of the newly-appointed Director of the Co-operative Branch, which was responsible for that part of Co-operative Development relating to the North. And, Mr. Chairman, the Director at that time was given a written performance appraisal and he was given three months to improve.

In April of 1973, Mr. Chairman, there was a new appraisal made of the Director.

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(MR. BOSTROM cont'd) Some improvements were noted but not sufficient, and, Mr. Chairman, shortly after that there was discussion with the Minister regarding this Director. In fact, in June of 1973, this Director was told that he would be demoted. His other alternatives, of course, were that he could resign or seek transfer. In July of 1973, the Director decided to accept the demotion, and also in July of 1973 there was a discussion with the Minister, a need for a Senior Officer I for this particular position. The Minister concurred with this recommendation on the part of the Deputy Minister, and in August of 1973 there was a reclassification process begun for the position of Director of Northern Co-operatives, and in August of 1973, the position of Auditor was established. In October of 1973, the position of Director was reclassified to the Senior Officer I level.

In October of 1973 the former Director, who I just indicated had been demoted, changed his mind and refused to accept the demotion. He appealed to the Civil Service Commission, and the Civil Service Commission hearing his appeal, rejected his appeal, so that the analysis and appraisal given this particular Director by the Deputy Minister was upheld by the Civil Service Commission at the time.

In October or November or December of 1973, recruitment process began for position of Director. Advertisements at first brought some poor results. Approaches were made directly to some potential candidates. Applications were received and interviews held. And I'm happy to say, Mr. Chairman, that the present Director has an excellent record of experience and knowledge in the co-op field, and to this date is performing very adequately in the position.

In October of 1973, the Research Branch was established and a Research Director hired. In October of 1973, an Auditor was hired and placed under the Director of Administration. In January of 1974, as I indicated, the Director was hired - the present Director, that is, of Northern Co-operatives, or in fact the Co-operative Development Branch that we're presently considering in the Estimates.

In January of 1974, a Finance and Control Section was started, to separate the accounting from the Development Officer's role in the department. In February of 1974, the secretary of the Co-operative Loans and Loans Guarantee Board was changed. Formerly the Director of the Co-operative Branch was the secretary to the Co-operative Loans and Loans Guarantee Board, and this was changed to the Director of Administration in February of 1974. And, Mr. Chairman, this was done to avoid a possible conflict of interest between the person responsible for development of co-operatives and assisting the development of co-operatives also sitting on the board.

In March of 1974, the Director of the Co-operative Development Branch actually started his new job with the department. In June of 1974, the Information and Training section was reorganized, a chief at its head. In June of 1974, a Finance and Control section was finalized and established. In October of 1974, the Northern Development Section of the Co-operative Development Branch was separated from the other Co-operative areas. As you may note, it's distinguished as a separate line in the Estimates.

Mr. Chairman, in October of 1974, a Southern Development Section was established with a chief at its head. In November of 1974, negotiations began with Management Committee to upgrade all of the Co-operative Branch staff classifications, and, Mr. Chairman, in March of 1975, I'm happy to report, Management Committee gave final approval to reclassification of Co-operative Branch positions. In other words, those positions which relate to the development in Northern Manitoba will have a higher classification, and hopefully we will be able to attract a more qualified and senior person for those positions.

That is a very brief resume, Mr. Chairman, of the developments and reorganization that have taken place since May of 1971, and I must point out that in the Auditor's Report, Mr. Chairman, he concurs with the kind of description that I've just given, and in fact he points out that Management Committee had seconded a staff person to work directly with the department to enable them to more effectively carry out the reorganization. In my discussions with the Auditor just this last week, Mr. Chairman, he has indicated to me directly that he is satisfied that the present structuring and staffing of the department is adequate to carry out the responsibilities of the department as it is now set up.

Mr. Chairman, I would like to respond further to comments made by the Honourable Leader of the Opposition with respect to the Co-operative Loans and Loans Guarantee Board's

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(MR. BOSTROM cont'd) guarantee of \$800,000 to the South Indian Lake Co-operative, to which he made considerable mention last night in his comments. And, Mr. Chairman, I must point out that, contrary to the understanding or allegation made by the Honourable Leader of the Opposition, the decision by the Cabinet to increase the lending authority of the Co-operative Loans and Loans Guarantee Board was not made on June 25, 1973. In fact, Mr. Chairman, I have the Order-in-Council here which gave them that authority and it was passed on May 30, 1973.

Subsequent to this Order-in-Council, Mr. Chairman, which authorized the Co-operative Loans and Loans Guarantee Board to guarantee loans beyond the \$100,000 limit, with the concurrence of the Minister, on June 25, 1973, I have a Minute of the Co-operative Loans and Loans Guarantee Board, and the subject is South Indian Lake Co-operative Fisheries. It reads: "A request was received from the marginally noted co-operative for a guarantee of \$800,000. The purpose of this guarantee is to provide interim financing for the construction of modern fish-packing plant and related complex, which includes two freight boats, repair shop, dining hall, grocery warehouse and dry goods warehouse. The repayment of these funds would come from grants to be received from DREE, Special ARDA IIIB, grants from the Department of Indian Affairs, and partly from the income generated by the co-operatives. It was moved by Mr. Bennett, who is a board member, that the Fund authorize the approval of a guarantee in the amount of \$800,000 subject to the Minister's concurrence, seconded by M. A. Gauthier." This meeting was adjourned at 10:35 a. m. and, Mr. Chairman, this is the board minute which I referred to, that I would try to bring forward to respond to the request of the Honourable Leader of the Opposition.

Further to that, Mr. Chairman, I have to indicate, with respect to the implication that this somehow had some bearing on the election of June 28th, 1973, I have to point out that the letter which went from the Co-operative Loans and Loans Guarantee board to the Co-operative Credit Society of Manitoba was dated June 27, 1973, and it is addressed to Mr. Barney Martin, Manager, and it reads: "Further to my discussion of June 25, 1973, and Mr. Henschel's letter of the same date, the Co-operative Loans and Loans Guarantee Board offers a guarantee to the Co-operative Credit Society of Manitoba Limited for the loan granted to South Indian Lake Co-operative Fisheries. By virtue of the powers and authority vested in the Board pursuant to the Co-operative Authorities Loans and Loans Guarantee Act, the Board hereby guarantees an amount equal to but not exceeding \$800,000. This guarantee is offered on the understanding that it becomes effective immediately, and that previous guarantees granted by this Board on the account of South Indian Lake Co-operative Fisheries Limited are hereby withdrawn." And this is directed to Mr. Barney Martin, Manager, by Maurice A. Gauthier, Chairman, Co-operative Loans and Loans Guarantee Board.

And, Mr. Chairman, I have a letter here which is the answer to the letter mailed on the 27th, I presume, from the Co-operative Loans and Loans Guarantee Board, the said letter which would not have been received by the Co-operative Credit Society of Manitoba presumably until the 28th, or later than the 28th, in which case it wouldn't have the implied effect of having some effect on the election. Mr. Chairman, the letter in reply to this letter which I indicated from the Co-operative Credit Society, is dated July 5th, and this is to Maurice Gauthier, Chairman. I don't believe it would be necessary to read the whole thing. I could point out certain parts of the letter where he says, "Thank you for your letter dated June 27th, whereby you confirm that the Co-operative Loans and Loans Guarantee Board has guaranteed an amount equal to but not exceeding \$800,000. We acknowledge and concur with the conditions, and understand that the Board's guarantee of an amount equal to but not exceeding \$800,000 is now and will remain in full force and effect." So that the actual receipt of the letter, I presume, was some time either the 28th or after the 28th; in any case, the Co-operative Credit Society did not reply until July 5th, a week after the election.

Mr. Chairman, I believe I've covered adequately the details of how the guarantee was made. I've also covered, briefly at least, the details of the administration and staff changes achieved by the department over a period of two or three years, and the proposed changes pursuant to the Management Committee Reclassification of Positions that we are undertaking in order to firm up and establish the northern section as a more adequate response mechanism for the problems of co-operatives in Northern Manitoba.

MR. CHAIRMAN: The Honourable Member for Roblin.

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MR. McKENZIE: Mr. Chairman, I wonder - the Co-op Federation went into business; they were selling fish nets and snowmobiles, etc. Why did they find it necessary to go into business?

MR. BOSTROM: I'm sorry, Mr. Chairman, my attention was distracted for a moment. Would the honourable member repeat his question?

MR. McKENZIE: The Co-op Federation, for some reason that's never been explained to me and others, went into business selling fish nets and snowmobiles and boats, etc., etc. Some people told me the fish nets were \$4.00 to \$7.00, \$10.00 cheaper than they could buy them in other quarters. Would you tell me why they found it necessary to go into business?

MR. BOSTROM: Well, Mr. Chairman, I believe I did try to explain my understanding of the matter and, as I indicated, the Federation was formed as a means of facilitating the purchasing of supplies by co-operatives and co-operative members, and in particular for facilitating the purchasing of large facilities in bulk, such as motors, nets and so on, which were a very high-priced item to the fisherman, and they were able to realize considerable savings, I'm told. Some of the information I've received on it is that there were \$7.00 to \$10.00, for example, saving realized on nets, and some \$100.00 or so saving realized on motors. I don't have the exact figures here but there were considerable savings realized by the co-operative being able to purchase direct through distributors rather than purchasing from the retail outlets in the City of Winnipeg.

MR. McKENZIE: Mr. Chairman, can the Honourable Minister tell me, did they have a sales tax licence?

MR. BOSTROM: I don't know the answer to that, Mr. Chairman. It was an organization, really, which merely facilitated and didn't operate directly as an outlet. They would in some cases take orders from the co-operatives, for example, place those orders with the distributors, and facilitate the purchasing through the co-operatives, so that actually the actual sale, Mr. Chairman, was made by the distributor so that if there was a sales tax necessary to be levied, I would imagine it would be done at the distributor level.

MR. McKENZIE: My next question: who received the goods?

MR. BOSTROM: Which co-operative, Mr. Chairman?

MR. McKENZIE: I don't know who, I want to find out.

MR. BOSTROM: Well, I did read into the record the other day, the co-operatives that availed themselves of this service, and there were quite a number of them. I'll just briefly read them again: Dauphin River, Moose Lake, Ilford, Grand Rapids, Wanipigow, South Indian Lake, Easterville, Big Black River, Kee-Noe-Zae, Norway House, Brochet, Manitou-Sakahikun and Seymourville. These were co-operatives, Mr. Chairman, whose members availed themselves of the services that were offered through this Federation.

MR. McKENZIE: Then who sold the goods?

MR. BOSTROM: Mr. Chairman, I tried to describe that the Co-operative Federation facilitated the purchasing of goods such as commercial fishing supplies and equipment, nets, boats, motors, snowmobiles, etc., and in fact the selling of these items was really by the companies that produced them or manufactured them in most cases. In fact, I believe there were orders placed directly with Bombardier, for example, in Montreal, and directly with the outboard motor manufacturer in Peterborough, and directly with the net manufacturer in Japan, and so on.

MR. McKENZIE: Mr. Chairman, I assume nobody collects the sales tax, then; that they didn't have a sales tax licence, so there was no sales tax collected. My next question then: what accounting procedures were handled by them, because as I look in the statement here, there is accounts receivable, it mentions something that the accounts receivable of \$7,923 is on the record of the Auditor, the collectability of which is not known. Now, who was looking after the accounting or was there any accounting at all?

MR. BOSTROM: Well, Mr. Chairman, there were two individuals in the department that were directly involved with this, and books were kept, books which have been audited by the Provincial Auditor, and he assures me, at least in conversation with me - I don't have it in writing - but he has assured me that all of the funds are possible to verify, that all of the funds have been properly handled except for that \$2,900 which, Mr. Chairman, is referred to in that Auditor's Report as being a doubtful expenditure. And I tried to explain the other day that \$2,100 of that was in the nature of a loan made by an individual to the Federation, later

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(MR. BOSTROM cont'd) repaid. And there are some further questions about that, further investigation, and there are three or four other transactions that include the additional \$800, that are still under investigation.

MR. McKENZIE: Who owes the \$7,923? Who owes that? The other thing, Mr. Chairman, there is some - what is it here - there's \$2,845 sitting at a bank there some place. Who owns that money?

MR. BOSTROM: Well, Mr. Chairman, the accounts receivable that's indicated there is, as I understand it, the moneys owing to this agency by the co-operatives and/or the individual fishermen who bought the supplies, who used the facility to purchase the goods and supplies. And the surplus left in the bank is a question mark, Mr. Chairman, as to how it should be dispersed, and the Provincial Auditor is seeking the advice of the Attorney-General's department with respect to that particular surplus.

MR. McKENZIE: . . . a very funny operation, Mr. Chairman. I have another couple of questions. Doing \$300,000 worth of business, I have in my hand here air fares that total some \$2,800. Was this all for the same co-op and was this \$2,800 charged back to the Federation?

MR. BOSTROM: Mr. Chairman, I indicated at one point that the Co-op Federation had apparently had an employee whose expenses and so on directly attributable to the operations of this Federation, were paid out of the Federation proceeds. Now, Mr. Chairman, the air bill that the honourable member refers to, I do not know the details of, but I expect that at least some of that, if not most of it, would be air fare charged in the carrying out of their duties of assisting the development and operation of the co-operatives in Northern Manitoba. These are duties that were in the service of the Province of Manitoba and duly charged for.

MR. McKENZIE: Mr. Chairman, I have a couple more questions that relate to the PEP - the million dollars, I believe it is - there's a million dollars in PEP grants that was handled by the co-operatives in the North, and I wonder now, you mentioned today in the questioning of the House that there is an interim study being done at the present time to try and recover where this million dollars went, through the PEP grant. It was handled by the co-ops. Now, can we have a copy of that interim report of the auditor, or when can we expect the final report of the auditor to find if this million can be recovered? Because the Auditor says here, "The audit of these funds is being carried out with each of the six co-operatives." I'd like to know, are we going to get a copy of the interim report and the final report, or are we not going to get it at all?

MR. BOSTROM: Mr. Chairman, the Premier indicated today in his response to the questions that he would take that under advisement.

MR. CHAIRMAN: (Co-operative Development (Northern) was read line by line and passed.)

Co-operative Development (Southern) Line 1. The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Mr. Chairman, I think this is the spot that the Minister indicated he would give us the breakdown of the Crane River operation, the co-op there, if he'd be so kind as to do that now.

MR. CHAIRMAN: The Honourable Minister.

MR. BOSTROM: Mr. Chairman, I don't know if I indicated before, but certainly I can indicate now that the Crane River Co-operative is in the process of liquidation at the present time, and that is an ongoing process. Not final yet.

MR. FERGUSON: Yes, Mr. Minister. I understand that their assets are just about nil and we'd be interested in knowing where the livestock have gone and whether the Attorney-General's office is going to be prosecuting, or what's going on there.

MR. BOSTROM: Well, my understanding, Mr. Chairman, is that the Attorney-General's department is still investigating this and there is no conclusion yet. There's no recommendation forthcoming, at this point, at least, as to any definite charges being laid.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, the loan was what? \$100,000? And it's past due now. Has the department made any attempt to seize anything? Was there anything to seize at all?

MR. BOSTROM: Mr. Chairman, we were involved in arranging that this proceed into liquidation, and there is expectation that some recovery will be made through that process.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: One more question. Has the Minister any idea of the number of business people in the general area that have accounts receivable that are unpaid that were owing by that Co-op?

MR. BOSTROM: I do not have that information directly, Mr. Chairman.

MR. McKENZIE: Any correspondence into your office or to your Deputy Minister's office indicating that accounts were unpaid and owing by this Co-op?

MR. BOSTROM: Well, Mr. Chairman, if there were, and I'm not aware of any coming directly to my office, the process would be as any private company. The department does not accept legal obligation for debts incurred by a private company.

MR. CHAIRMAN: The Honourable Member for Gladstone.

MR. FERGUSON: Well, Mr. Minister, there's \$163,000 involved here. You must have some idea of how many cattle were purchased and how many are left. I mean, this is something that we would like to know.

MR. BOSTROM: Mr. Chairman, I'm advised that the auction was held today on this co-operative, the cattle that were left, and I don't have the details of how many there were - pardon me?

MR. McKENZIE: How many were left today?

MR. BOSTROM: Well I do not have the details on that. As I have indicated, the auction sale was held, and as indicated in the Auditor's Report, Mr. Chairman, there are indications that there are a significant number of cattle that were missing. You know, no one seems to know where they are. The Auditor is investigating, the Attorney-General's Department is investigating, and that's as far as I know.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, does the Honourable Minister want us to believe that there's a loan out there of \$163,000, he's never been out to see if there's any assets that we can claim for the tax board, the Deputy Minister hasn't been out, nobody's been out there, they don't know what's going on, if there's any cattle left? They don't know what was being sold today or anything? Is that what we're to expect is the answer to that question?

MR. BOSTROM: Mr. Chairman, I indicated that I do not have the details right here. There have been ongoing activities by the department, in fact, Mr. Chairman, a liquidation process was initiated by us, and in doing that certainly there was an analysis and inventory taken of whatever assets there are available.

MR. McKENZIE: I would appreciate it very much if the Minister would let us have that information. That's what we have been asking for.

MR. BOSTROM: I'll take the question as notice, Mr. Chairman, and attempt to provide that information.

MR. CHAIRMAN: Co-operative Development, Southern, Line 1, Salaries, Wages and Fringe Benefits, \$31,300--Passed; Line 2--Passed; Line 3--Passed; Line 4--Passed; Line 5--Passed; Line 6--Passed. Total for that section \$49,300--Passed. Finance and Control, Line 1. Salaries Wages and Fringe Benefits \$39,100--Passed; Line 2--Passed; Line 3--Passed Line 4--Passed; Line 5--Passed; Line 6--Passed. Total for the section \$56,800--Passed.

On Page 8, Section on Housing, Salaries Wages and Fringe Benefits, \$30,400. The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): I wonder if the Minister would just give us an explanation of what this item is all about.

MR. CHAIRMAN: The Honourable Minister.

MR. BOSTROM: Well, Mr. Chairman, this is a very small part of the department's activities. There are two Housing Development Officers who assist in the development of co-operative housing, the target population basically servicing people whose incomes range between \$7,000 and \$11,500. The program objectives and guidelines is to promote and develop different types of co-operative housing programs that will meet existing and future housing accommodations - the future housing starts of course are subject to federal policies regarding NHA financing - the economics of the construction industry in general and provincial policies regarding land assembly. I might just point out by way of historical synopsis, Mr. Chairman, that the existing units under the co-operative formula for the fiscal year 1973-74 were 680 units; units approved and under construction for 1974-75 are 140 units; and proposed unit starts for 1975-76 are 225. The program activities can be identified in relation to the development of co-operative housing. One, that the group, the individuals in the department assigned to these activities, work with established housing co-operative groups. There is assistance

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(MR. BOSTROM cont'd) provided to new groups interested in co-operative housing or forming co-operative housing associations involved in the development of materials in collaboration with the information organization and personnel section of the department for the promotion of co-operative housing, also we're involved in research in the new types of co-operative housing for Manitoba. Recently I've instructed the department to investigate the kinds of co-operative housing projects that are ongoing in other provinces, the sweat equity type co-operative for example, as well as to come forward with recommendations as to how our government can assist the promotion of the sweat equity type of co-operative housing development, and as well, Mr. Chairman, how we can further assist the continuing co-operative type of housing development, such as is evidenced in Winnipeg in developments like the Willow Park Co-operative Housing example.

Mr. Chairman, the staff here are also involved with investigations, and in collaboration with departments, corporations, and agencies interested in the furtherance of co-operative housing. As I indicated, Mr. Chairman, the first continuing co-operative housing project in this province was Willow Park. It covers 25 acres, contains 374 townhouse units, 52 senior citizens' apartments, commercial and community facilities such as a pre-school, a health clinic, and a market. Advisory assistance was provided to the co-operative's management and help given in the area of resident member information and education. Guidance also, Mr. Chairman, was provided to the Boards of Directors of the two major continuing housing projects coming on stream in 1975-76. For example, Carpathia, 140 units in total, and Village Canadienne, 150 units proposed. The former, Carpathia, is already well advanced in construction; the latter Village Canadienne, the latter start is proposed for May, 1975. I have to point out, Mr. Chairman, that the department collaborated with the Manager of the Co-operative Housing Development Department of the Co-operative Credit Society of Manitoba in providing assistance to these groups.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: I wonder if the Minister could indicate where the bulk of that housing is being built or being located, what percentage for example, is located in the City of Winnipeg and outside the City of Winnipeg.

MR. BOSTROM: The ones I just mentioned, Mr. Chairman, are located in the City of Winnipeg proper, that is the entire area. There are other developments outside, for example there was an attempt at a sweat equity type housing in Thompson, and in addition to this there was assistance given to a number of co-operatives that were either in the city or outside such as the College Housing Co-operative Limited, Evergreen Housing Co-op, Hillside Beach Campers Co-operatives, the Brandon Metis Federation, the Nickel Village Housing Co-operative, to mention some that are outside of the city; varying amounts of service were provided to Pilot Mound and Leaf Rapids in the development of Co-operative Housing.

MR. JORGENSEN: The Minister mentioned an attempted housing development in Thompson. Are we to assume that it did not go through, or just what does he mean by attempted?

MR. BOSTROM: Well, Mr. Chairman, the equity type housing project in Thompson which was, as I say attempted, is as I understand it nearing completion. However there were a number of problems in this particular project that were of probably unique nature, and that is why I mentioned attempted.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, a couple of questions. I have been watching with interest the study that's been done at the university regarding log housing for the north, and it's very interesting to find that the heat saving and the many things that the log house still has that we don't get from the type of dwelling that's being built under these co-op housing programs, and I spoke to quite a number of these people that's living in these co-op houses and they're cold, and they're certainly not adequate for this day and age. Can I ask the Honourable Minister if he's considering the possibility of moving back into the old log house which is certainly adequate, and has proved itself over the years in the north that it's still the best form of housing that there is in northern Manitoba.

MR. BOSTROM: Well, Mr. Chairman, I'm not sure if the honourable member is making reference to the remote housing program in northern Manitoba, which is of course separate from the co-operative housing -- (Interjection) -- Pardon me? Well, Mr. Chairman, there

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(MR. BOSTROM cont'd) are a number of different types of homes that are constructed in the north, for example, under various government programs. The co-operative housing that I mentioned in the City of Winnipeg is built according to building standards. The loans that are advanced require that the buildings are up to CMHC housing standards, so therefore I don't believe that they are of any less quality than any other homes constructed.

With respect to log housing development, and that is something that, as I understand, is under investigation by more than one Minister in the government, the Minister for Housing as I understand it has had his staff looking at that possibility. The Minister for Recreation, Tourism, has also expressed an interest in this, and has indicated that he would like to see some log houses built in the park areas that he's responsible for, and I understand that is going ahead at the present time. So that, Mr. Chairman, although this is separate from these estimates, there is a great amount of interest in that particular concept.

MR. CHAIRMAN: Housing, Line 1, Salaries, Wages and Fringe Benefits, \$30,400--Passed; Line 2--Passed; Line 3--Passed; Line 4--Passed; Line 5--Passed; Line 6, \$50,000--Passed. Total for the section \$95,000--Passed.

Information Organization and Personnel. Line 1. The Honourable Member for Swan River.

MR. BILTON: I wonder if the Minister would be good enough to take us through this and explain why this information organization is required in his department, and I'm particularly interested in the 43,700, and also the specialized equipment of \$12,300.

MR. CHAIRMAN: The Honourable Minister.

MR. BOSTROM: Mr. Chairman, while my Deputy is looking up the details of the financial question posed by the honourable member, perhaps I could just briefly outline the objectives of this particular section of the department. As I indicated in many of my comments on the departmental estimates, Mr. Chairman, there's been an overall objective of establishing a better means of working with people who are interested in establishing co-operatives, and to ensure that the members have adequate knowledge of what a co-operative is, how it operates, and what their duties are as members and directors and managers of any particular co-operative they're interested in, and, Mr. Chairman, this particular section here directs itself at that particular objective. The complement here is for staff-man years and it's established because of the need to strengthen the developmental aspect of the department. One of the development officers was assigned to training in 1970. The department has mainly made use of existing programs and facilities of other government departments, Mines and Resources, Northern Affairs, Canada Manpower, Indian Affairs.

The efforts of the department concentrated on co-operatives in northern Manitoba and in 1974-75 the department set up this particular section, Information Organization and Personnel Section, which will not be limited to co-ordinating training but which is designed to provide information, conduct training programs, promote co-operatives and encourage qualified personnel to seek employment with co-operatives, and in particular, Mr. Chairman, those emerging co-operatives and those co-operatives that are having problems in northern Manitoba. The target populations for this particular section is co-operative members, directors, employees and other interested persons. There's a need for better understanding of co-operatives in order to make co-operatives work for their members, as well as a need to make people realize the economic and social opportunities co-operatives have to offer people in Manitoba.

Mr. Chairman, as is made very obvious in our problems in development of northern co-operatives, there's a need to recruit and provide technical training to staff and officers of co-operatives. This has been a fault in the original branch established to assist co-operatives, the original Co-operative Services Branch, as it was called under the Department of Agriculture they operated mainly as a group that assisted in corporation and in regulation of co-operatives and in auditing them, but there wasn't a training function, an educational function in that branch. And, Mr. Chairman, there was an indicated need for that kind of input into emerging co-operatives, because it's very obvious that in some of these emerging co-operatives the members simply were not aware of their responsibilities as members, were not aware of their responsibilities as directors, and in some cases were not aware of their responsibilities as managers of these co-operatives, and, Mr. Chairman, there was a very great need to increase the knowledge of co-operatives among this target population.

I don't know what else . . .

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MR. BILTON: Mr. Chairman, I don't want to interrupt the trend of the Minister's comments. I appreciate he's new to the department and probably he's not entirely familiar, but I'm sure he heard me question the Minister of Co-operative and Consumer Affairs the other day, where he has an item under the same sort of setup for \$499,000, and there's quite an increase with this department, and I'm wondering, does the Minister of Co-operative and Consumer Affairs handle information for all departments? Is there no co-ordination or liaison between your office and that office where there is the equipment - he told us the other day that one of the large items he was spending money on was for making film clips, and speech clips. Does your department tie into this, or do your employees work in conjunction with this organization, or where is it going to end? Do we have just one information office for the government or do we have one in your office as well?

MR. BOSTROM: Mr. Chairman, I don't want the honourable member to have the mistaken impression that we're providing all and sundry types of information. This information is directed mainly at co-operative groups and emerging groups who wish to form co-operatives, and the information that is supplied is not of a general nature but rather it's specific as to what a co-operative is, how it operates, and that kind of thing. With respect to utilizing existing programs and facilities of other government departments, certainly that is part of their mandate to co-ordinate with other departments in government, to utilize their services wherever possible, and to use their information services wherever possible.

The question the honourable member has asked with respect to specialized equipment, I believe it relates to those facilities required to carry out the training and information role, and that is slide projectors, the ability to produce slides, the facilities required for that kind of thing, printing stationery, postage, you know, all the kind of facilities really required to produce informational material.

MR. BILTON: Does the department sustain information officers removed from Winnipeg?

MR. BOSTROM: No. Mr. Chairman, all of the officers working in this department, all of the staff are located in Winnipeg, and wherever required they travel to locations where their services are required.

MR. BILTON: Mr. Chairman, I merely wish to express my thanks to the Minister.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, I wonder if the Honourable Minister could provide us over on this side of the House with some samples of these brochures and this information that's being provided to these people.

MR. CHAIRMAN: The Honourable Minister.

MR. BOSTROM: Yes, Mr. Chairman, I will undertake to do that.

MR. CHAIRMAN: Salaries, Wages and other Fringe Benefits, \$53,800--Passed; Line 2--Passed; Line 3--Passed; Line 4--Passed; Line 5--Passed; Line 6--Passed. Total for the section \$180,000--Passed.

Audit, Line 1, Salaries, Wages and other Fringe Benefits, \$40,600--Passed; Line 2--Passed; Line 3--Passed; Line 4--Passed; Line 5--Passed. Total for the section, \$53,300--Passed.

Resolved that there be granted to Her Majesty a sum not exceeding \$650,600 for Co-operative Development--passed.

On Page 10, Credit Unions, Line 1, Salaries, Wages and Fringe Benefits. The Honourable Member for Roblin.

MR. McKENZIE: Well, Mr. Chairman, I expect that most of these moneys are for the auditing system that's being provided for the credit unions, but I found it very interesting on the weekend to find in one of the pages of the daily papers a statement by the Board of the CCSM regarding credit unions, and it says here that the Board - and that's the CCSM - feels that we cannot become obligated to any of the provincial governments and thus allow them to exert control over the northland - they're talking about the banks - and we feel quite strongly that no chartered bank or financial facility should be controlled by a provincial government.

Now, can I ask the Honourable Minister, how far that the government has proceeded with the Treasury Branches at the present time, and if the government's intending to proceed in opposition to the credit unions?

MR. CHAIRMAN: The Honourable Minister.

MR. BOSTROM: Well, Mr. Chairman, that question would more logically be directed at

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(MR. BOSTROM cont'd) the Minister of Finance. This department has no involvement in a legislation and/or the development of Treasury Branches, or any such nature.

MR. CHAIRMAN: Line 1, Salaries, Wages and Fringe Benefits, \$121,500--Passed; Line 2--Passed; Line 3--Passed; Line 4--Passed; Line 5--Passed; Line 6--Passed. Total for the section \$156,400. I believe there's a resolution for that.

Resolved that there be granted to Her Majesty a sum not exceeding \$156,400 for Co-operative Development--Passed.

I refer honourable members back to Page 5, under Administration, the Minister's salary, \$7,800. The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, I understand that a further addition to the Minister's responsibilities is contained on Pages 36 and 37 of our standard form of Estimates. I'm waiting for someone to indicate agreement to that observation. I wonder if the Minister could indicate whether or not I am correct in assuming that an additional responsibility that he has under the Department of Mines and Resources and Environmental Management, dealing with the Lands, Forests and Wildlife Resources, now that yet has to be considered. --(Interjection) -- Well, not on these estimates. But I think we're leading ourselves into more difficulty if we now consider the first item under the new set of estimates, that is, go back to the Minister's salary, because you will find contained on Page 36 an item that says, "Administration, Minister's Compensation, and Salary and Representation Allowance" which means that we're going to have a second round of debate on the Minister's salary, and I wonder if it would be possible to straighten these items out in such a way that we're not going to have opportunity to debate this four times. We've already done it twice, and I wouldn't want to see that happen again.

I wonder if we can assume that the item dealing with the Minister's salary is the one that will now be coming up under the Department of Mines and Resources and Environmental Management entitled, Lands, Forests and Wildlife Resources. So if we can just continue on the rest of the Minister's Estimates and then come back to that first item after we have completed the entire set of estimates rather than just a portion of it, then I think we'll have the kind of orderly consideration of the estimates that I think that we intended in the first instance.

MR. CHAIRMAN: The Honourable Minister of Mines.

MR. GREEN: Well, if I've understood the honourable member correctly, when we pass this salary it will not come up again in the salary on the estimates with regards to Mines and Resources and Environmental Management. Am I correct in that?

MR. JORGENSEN: Well, what I was suggesting, if we follow the Chairman's suggestion and dealt with the salary item now under this new set of estimates then we will be going over to the old set of estimates under Mines and Resources and Environmental Management, which is found on Page 36, and again you will find an item, Administration, Minister's Compensation - it means that we'll be having another round of the Minister's salary, which I'm trying to avoid.

MR. GREEN: Yes.

MR. JORGENSEN: I would say skip that particular one that he's mentioned now . . .

MR. GREEN: Right.

MR. JORGENSEN: . . . and assume that the debate on the Minister's salary will take place on this item after we have considered all the rest of the items on Pages 36 and 37.

MR. GREEN: Well, the only difficulty with that, Mr. Chairman, is that we would hope that the Minister's salary could be approved under this item and then not debated again when we come to the other department.

But I recognize in advance my honourable friend's objection that my honourable friend said that we go through all the items and then we debate the Minister's salary, and therefore it is only fitting that we should deal with all the other items and pass this item, but it will have to be debated at the time when we come to the Lands, Forests and that's agreeable but I have one further complication. I had assumed the Minister understood that he would be proceeding with the other department, seriatim - is that what they say? - like following the co-operatives, but I understand that he's not able to do that now because the staff isn't here and he hasn't prepared for those estimates. So perhaps if we complete this item with the understanding that when we get to the other item, the Minister's salary, as it relates to all of his responsibilities, will be up for debate.

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MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: You see, that was what I was attempting to avoid, the possibility that by concluding debate on these estimates, that we would then not have an opportunity to come back and debate the entire set of estimates under the Minister's salary, and I wanted to be sure that we would not be precluding ourselves from having that kind of consideration. So if it can be understood that the debate in the Minister's salary will take place when all the items are passed, then there is no objection here to . . .

MR. GREEN: Then let me restate it, that we will proceed with all of the items on the Co-operative Development section of the Minister's responsibilities, including the Minister's salary, but it will be understood that when we come to the item "Salary" under the other section of his responsibilities, everything that he does can be debated under that Salary item. Okay?

MR. CHAIRMAN: Agreed? (Agreed). That seems to have then completed what is in the new book. Can we then formally pass the Minister's salary, \$7,800 as part of Line 1--Passed. Resolution 42, Resolved that there be granted to Her Majesty a sum not exceeding \$483,800 for Co-operative Development--Passed. The Honourable House Leader.

MR. GREEN: Mr. Chairman, I don't know the last communication I had with my honourable friend, but the Minister of Health is not available readily for some time, and we would be dealing with the Department of Industry and Commerce the next time we get to the Supply Committee. I believe I mentioned that but I'm just trying to remind my honourable friend.

I said Health would be next, but the Minister of Health is not available. We'll be dealing with the Minister of Industry and Commerce the next time we get to Committee of Supply.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Is it not the Minister's intention to complete the consideration of the Department of Co-operative Development now?

MR. GREEN: Well, that was my original thinking, Mr. Speaker, and I would have to check with the Minister who did not have that understanding, and I'll let you know tomorrow. If he can be prepared in time for that then he would follow, but it may be of some value to the entire House that we have a change of faces and come back again . . .

A MEMBER: We all like it here.

MR. GREEN: Oh, you do. But what if I don't.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

Mr. Speaker, the Committee has considered certain resolutions, reports progress and asks leave to sit again.

IN SESSION

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

MR. D. JAMES WALDING (St. Vital): Mr. Speaker, I move, seconded by the Honourable Member for Point Douglas, that the report of the committee be received.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. GREEN: I move, seconded by the Honourable the Minister of Industry and Commerce, that the House do now adjourn.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The House is accordingly adjourned and will stand adjourned until 2:30 tomorrow afternoon. (Wednesday)