

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 p.m., Tuesday, April 20, 1976

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Mines.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, I have a flood run-off report which I received yesterday and then couldn't locate. I wish to table it now.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; Questions. The Honourable Leader of the Opposition.

ORAL QUESTIONS

MR. DONALD W. CRAIK (Leader of the Official Opposition)(Riel): Mr. Speaker, I direct a question to the First Minister. In view of his statement regarding the size of the rollback in the settlement at Thompson in regard to the rollback by the Anti-Inflation Board, I wonder if the First Minister can indicate first of all, whether this has been a statement of government policy that he has made; and secondly, whether the government intends to pass public comment on the decisions made by AIB under any general condition they so see fit?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Well, Mr. Speaker, it's not a matter of government policy since government administration is not involved in the matter. Insofar as the extent to which, if at all, comment would be expressed publicly by me with respect to the operations of the Anti-Inflation Board, it's still a free country, free speech. It's a matter of judgment as to when and what kind of a statement would be considered appropriate. In this circumstance I indicated clearly to the media when asked, that it seemed to me that there was a departure from consistency of treatment or application and I think I've pretty well left it on that basis. It is my understanding that there may well be some formal reconsideration - I don't know with what result - but some formal reconsideration of this matter before the end of this week. And I do not intend to anticipate in advance what that might lead to.

MR. CRAIK: Mr. Speaker, I wonder if the First Minister can indicate by what standards it appears to be inconsistent, inconsistent in specific terms in relation to other rollbacks such as the rollback . . .

MR. SPEAKER: Order please, order please. That's asking for an opinion to begin with and it's going to be too lengthy for the Question Period. The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, I believe the First Minister indicated and I'm really asking if he can offer any clarification on what is meant by inconsistent.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Yes, Mr. Speaker, I'd be glad to. I repeat that I merely voiced an impression that the particular treatment in the case of International Nickel at Thompson seemed to be inconsistent with a previous treatment and approval of an earlier settlement in the case of Falconbridge and Inco at Sudbury. So it is in the context of the relative historical relationship as between Thompson and Sudbury that I made my comment. And I stick by that comment, Sir, cognizant however of the fact that I am not privy to as much detailed information as the Anti-Inflation Board. And I am restraining any criticism beyond stating my impression. Let me repeat that there will be . . .

MR. SPEAKER: Order please.

MR. SCHREYER: My understanding is there will be reconsideration.

MR. SPEAKER: The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, I'd like to address this question to the Minister of Mines and Natural Resources. What is the intent of the government

ORAL QUESTIONS

(MR. MCGREGOR cont'd)regarding deeper exploration into that region known as Winnipegosis Sands for oil - I'm thinking especially at a depth twice the depth where oil is found - and was the extra Supplementary Estimates that's going into government exploration for indeed oil or was it minerals or uranium?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I would advise the honourable member that the activities of the Manitoba Minerals Limited could include both oil and hard rock minerals, and that the same is true with regard to the exploration allowance which the government can make in conjunction with private sector, the allowance that's included in the Estimates, and I'm not able to distinguish at this particular moment which part of Supplementary Supply is for mineral resources and which part for oil but I'd be able to answer the questions when we're considering the Supply Estimates.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I direct this question to the Minister of Agriculture and I'd like to ask him if he could inform the members of this House whether or not the Manitoba Milk Producers Marketing Board have made a decision as to whether or not they're going to refund the moneys collected which were supposed to be used for the purpose of constructing Crocus Foods.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Speaker, first of all, I want to correct an assumption on the part of the Member for Rock Lake, and that is, that there were specific funds set aside for a specific project. As I understood the deduction as explained to me by the board, it was a deduction for a reserve in the event that they wanted to enter into some kind of a project - Crocus may have been one of them - those kind of events, but there may have been others. If they have decided to refund that particular amount that is certainly up to them, it has nothing to do with the Government of Manitoba. It was really their share, if indeed they were going to proceed with that plant, that they were raising the funds for.

MR. EINARSON: I thought, Mr. Speaker, I posed a direct question to the Minister of Agriculture and I would like to ask him again, can he inform the House whether or not that money has been refunded to the farmers or dairy men of this province?

MR. USKIW: Well, Mr. Speaker, the Member for Rock Lake knows that if he phoned the chairman or the secretary of the board that they would give him that information. I have not had any communication in that regard in recent days; it may have occurred and it may not have occurred but the member is privileged to make the same call.

MR. EINARSON: Mr. Speaker, I wonder if the Minister could inform me as to how many members are on the Manitoba Milk Producers Marketing Board that are elected and how many were appointed and still are appointed by the Minister.

MR. USKIW: Well, again, Mr. Speaker, the member did put that question before and did receive the answer - some nine members on that board and three of whom are elected members.

MR. EINARSON: Mr. Speaker, now that I'm told that six of the members are still appointed by the Minister, can the Minister inform us as to just how much money is involved in this fund that I've been questioning him on as to, could be or could not be refunded to the dairy men of this province.

MR. USKIW: Mr. Speaker, the Marketing Board is not a board that has to seek approval of the ministry on every decision that they make on a day-to-day basis. They are autonomous from government to that extent, so that we would prefer that they be recognized as such and that true, the government can suspend or remove such an agency, since it is an appointed agency, but once it is there in place it is not the intent nor should it be the intent for government to interfere in their affairs.

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

MR. EINARSON: Mr. Speaker, I have another question for the Minister. I'd like to ask him if he can confirm whether it is correct or otherwise that I'm given to

ORAL QUESTIONS

(MR. EINARSON cont'd) . . . understand \$97,000 was the amount of money that was collected and supposed to be refunded to the dairy men of this province.

MR. SPEAKER: The Honourable Minister.

MR. USKIW: Well, again, Mr. Speaker, obviously the member knows the answer to the questions he is putting. I don't know the figure, nor is it a matter of concern to me one way or the other.

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. My question is directed to the Honourable Minister responsible for MDC. In view of the recent public statements by the President of Saunders Aircraft that they are negotiating with an American company to build a new aircraft, would the Honourable Minister advise the House if there are any funds required in order to construct this new aircraft, and is the government prepared to put forward these funds at this time?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I am unaware of any requests having been made to the Manitoba Development Corporation with regard to new funding for Saunders Aircraft. I want to indicate, Mr. Speaker, that I am not aware of every request for funding that is made to the Manitoba Development Corporation, that is, even despite the fact that we appoint all of the members, we do not act as the previous government did with respect to our appointments.

MR. MINAKER: Mr. Speaker, a supplementary question. In view of a statement made by the Minister to this House last year that the government was now making decisions on loans to Saunders Aircraft, has that now been cancelled and that MDC is now awarding money to Saunders without the approval of Cabinet?

MR. GREEN: Mr. Speaker, the statement that I made with respect to Saunders Aircraft stands. I am unaware of any application for funds to the Manitoba Development Corporation with respect to Saunders Aircraft. I have indicated in the House on previous occasions the amount of continued funding that is being made available through various departments of government.

MR. MINAKER: Mr. Speaker, my final question to the Minister. Then if the government is still controlling the loans made to Saunders Aircraft, will the Minister advise the House that in the event that Saunders proceeds with . . .

MR. SPEAKER: Order please. Hypothetical and also placing a bunch of assumptions at the beginning which may all be wrong. The question is out of order.

The Honourable Member for River Heights. The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, on a point of order, and because it could affect the well-being of an industry in this province, nothing that I have said should preclude the fact that there may be moneys advanced if there is a reasonable proposal put forward with regard to that particular operation or any other operation.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, my question is to the First Minister. I wonder if the First Minister would indicate whether his government is prepared to intervene in the location of the CN piggyback facility on Wilkes and Kenaston, intervene between the Federal Government and the City of Winnipeg.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I have to express some surprise at the implied suggestion that a province should override a city municipal zoning land use decisions. I'm not certain, but I rather suspect that we have not presumed to use overriding constitutional authority to set aside a decision arrived at by due process with respect to zoning by a city municipal government.

MR. SPIVAK: Well I have another question to the First Minister. I wonder if he can indicate whether his government has considered the problems of railway location in the City of Winnipeg, and the alternative proposals that could be available for government involvement.

MR. SCHREYER: Mr. Speaker, certainly there have been ample, perhaps I shouldn't say ample, there have been lengthy discussions - even lengthy I suppose they are never sufficient because the subject matter is a large one - but there have been

ORAL QUESTIONS

(MR. SCHREYER cont'd)lengthy discussions with city representatives at both official and political levels. I have no doubt that it will be raised as a topic for further consideration at future meetings which take place from time to time between the city and the province.

MR. SPIVAK: I wonder if the First Minister can indicate whether his government will acknowledge that the location of the piggyback facilities now at Kenaston and Wilkes, will in fact deter or prevent one option from being considered with respect to the total railway location in the City of Winnipeg in which the province would be involved.

MR. SCHREYER: Mr. Speaker, I must say that I have not had a recent briefing on that - if one of my colleagues has in recent days, perhaps they could deal with it.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

HON. SAUL A. MILLER (Minister for Urban Affairs)(Seven Oaks): Mr. Speaker, in reply to the Member for River Heights. The question is put in such a way as to suggest that the piggyback service may preclude general railway relocation. That is not the case.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, so that there is no misunderstanding, I this day gave to the Leader of the Opposition a report from my department with respect to observations that were made by officials in the Department of Environmental Management to the Federal Government with respect to the problems associated with the location of the piggyback operation. He is holding it right now.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Mines and Natural Resources with respect to the study. This is a study of his department?

MR. SPEAKER: The Honourable Minister. . .

MR. GREEN: Mr. Speaker, I said observations made by officials, functionaries within the Department of Environmental Management, completely in their professional capacity in response to a Federal Government survey, or environmental impact assessment of their location of the particular facility.

MR. SPIVAK: To the Minister of Mines and Natural Resources. I wonder if the Minister could then indicate whether it's the government's opinion that there are no environmental impact effects . . .

MR. SPEAKER: Order please. Asking for an opinion again. The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I indicated that the department indicated problems associated with the location but I also said, Mr. Speaker, and I repeated it in the House previously, that the zoning is a matter for Municipal Affairs, for the City of Winnipeg; environmental protection where contaminants are concerned is a matter for the Clean Environment Commission; and I said when I was asked this question previously, that I am not certain what the legal effect would be of the Clean Environment Commission's orders on the Federal Government. But concerns and problems associated with development were made known in a professional way to the Federal Government, not in a political way.

MR. SPIVAK: I wonder then if the Minister can indicate whether that study was referred to the Department of Urban Affairs and they've had an opportunity to study that and to make any recommendations to the government.

MR. GREEN: Mr. Speaker, I am not able to say that. My recollection is - the Leader of the Opposition now has the material because I gave it to him - my recollection is that this was information given by our department to federal officials.

MR. SPIVAK: Mr. Speaker, to the First Minister. I wonder if he can indicate whether there is a Cabinet committee involved or what Cabinet committee or Cabinet Minister will be involved in the study and consideration of railway location.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, insofar as the subject matter has to do with rail relocation within the perimeter or the boundaries of the City of Winnipeg, the interface there has been through the Department of Urban Affairs.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: I wonder then if the Minister of Urban Affairs can indicate whether any studies have been completed by his department or through consultants hired by the government with respect to railway location and with respect to the question of the location of the piggyback facility.

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Speaker, I am not sure that the piggyback service was part of this. There have been studies made of railway locations going back I believe ten years. There's a study now on the southwest, what is known as southwest corridor, which may include some relocation. Generally the province takes the position that the city has to indicate its desire for rail relocation and if they ask for it the province then considers whether it will participate in a railway relocation study.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is to the Acting Minister of Labour. I'd like to ask him whether he can advise the House whether mediation is taking place today between Senator Karl Goldenberg and Manitoba Hydro and Local 998 of the Canadian Union of Public Employees?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I'm not directly acquainted with this. I do not consider that in such cases that an ongoing report is of value to the parties.

MR. SHERMAN: Well, Mr. Speaker, a supplementary question. In view of the fact that there has been no further word on the subject since the announcement of mediation some time ago, would the Minister undertake to be in a position to confirm to the House that mediation as scheduled will take place this week?

MR. GREEN: Well, Mr. Speaker, I would hope that there continues to be no further word with respect to that.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is to the Attorney-General. I'd like to ask the Attorney-General if the reports from the Law Reform Commission, Legal Aid Society, which were tabled in the House here will be available to all members of the Legislature or is there only going to be one copy?

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General)(Selkirk): No, Mr. Speaker, there will be copies available to all. I wanted to hasten their tabling in the House and other copies are being prepared.

MR. GRAHAM: Another supplementary question to the Attorney-General. Will the report of the Law Reform Commission dealing with the Elections Act also be made available to members of the Legislature?

MR. PAWLEY: Mr. Speaker, I've had no indication that that report will be available yet this session.

MR. GRAHAM: Mr. Speaker, then a further supplementary to the Attorney-General. Has there been a change in policy in the operation of the Law Reform Commission whereby only certain reports are released after 28 days after they have been submitted to the Attorney-General?

MR. PAWLEY: Mr. Speaker, the Honourable Member for Birtle-Russell chooses to misinterpret my response. I at no time indicated the report would not be tabled in the House, but to my knowledge there is no report completed by the Law Reform Commission, and my understanding is that it may not be completed this session. If it's received then it will certainly be tabled in the House.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): . . .the Minister of Health, Mr. Speaker. I wondered, are members of the Minister's staff checking into the matter of guest home conditions in the Wolseley and core area.

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I've already answered this question just a few days ago.

ORAL QUESTIONS

MR. WILSON: Has the Minister received a number of complaints as to the condition of these guest homes and the large per diem rates collected?

MR. DESJARDINS: Mr. Speaker, I've also answered that question just a few days ago.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Thank you, Mr. Speaker. My question is to the Honourable the Minister of Highways. I wonder if he can inform the House the condition of the bridge at Rapid City connecting Highway 270 and 24 that was virtually washed out last Friday by the spring runoff.

MR. SPEAKER: The Honourable Minister of Highways.

HON. PETER BURTNIAK (Minister of Highways)(Dauphin): Mr. Speaker, if the honourable member said the bridge is washed out, I guess it's washed out, but that's the extent of that report I would imagine, but I have no further report on that except that the road, I believe, is closed because of the washout of the bridge.

MR. BLAKE: I said the bridge was virtually washed out. The bridge is still in place and there is walking traffic in front of the dikes. I wondered if you might give us some indication of when normal traffic would be allowed to use the bridge again?

MR. BURTNIAK: I think, Mr. Speaker, the member is asking me almost an impossible question. I am not able to answer that kind of a question at this time.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker, I direct my question to the Minister of Tourism, Recreation and Cultural Affairs, and would ask the Minister if his department will be undertaking a spraying program to control the tent caterpillar infestation in provincial parks?

MR. SPEAKER: The Honourable Minister of Tourism.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, in regard to provincial parks, there has been some spraying conducted during the months that are considered to be favourable for that type of protection only in the areas where we do have services available to the public. It's impossible to spray provincial parks totally but we do have some spraying.

MR. BANMAN: A further question then, Mr. Speaker. As far as the tent caterpillar infestation is concerned that the Minister's department will be spraying around build-up and cottage areas then?

MR. TOUPIN: In regard to the public facilities, yes; private cottages, no.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a supplementary question to the Minister of Highways, a supplementary to the question asked by the Member for Minnedosa. I wonder if the Minister could indicate to the House if he has a report on all of the bridges and all of the culverts and all of the pipes, and all the provincial highways and all the provincial roads and all the municipal roads in south-west Manitoba.

MR. SPEAKER: The Honourable Minister of Highways.

MR. BURTNIAK: Mr. Speaker, I would imagine I could probably answer the Honourable Member by saying, we have reports on all the roads and bridges, and culverts in all of Manitoba, not only southern Manitoba, but I suppose if the Member wants to have the specific answer to that particular question, I would imagine that he should put in an Order for Return.

MR. WATT: Mr. Speaker, I direct a question to the Minister of Highways. I wonder if the Minister of Highways then could indicate if he has a report from his engineers on the flooding that is occurring in southwestern Manitoba as a result of the blockage of water on No. 83 highway.

MR. BURTNIAK: Mr. Speaker, there are reports coming in periodically, but I would think that for that kind of report I would suggest that the Member ask the Honourable Member who is responsible for Emergency Measures Organization.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. On Thursday

ORAL QUESTIONS

(MR. SPIVAK cont'd)last the committee of the Local Government District of Churchill met with him to discuss various items, including the possibility of a causeway. I wonder if he can indicate whether he was in a position to assure the members of the local committee that their fears with respect to the town water supply and the effect of the Churchill Diversion on wildlife would not be realized and that the assurances were satisfactory to them.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, with respect to the concern about the town water supply, there is an assurance which can be given, and is necessary be given, therefore, it has been given, that Manitoba Hydro will take such steps as are necessary to ensure a continuation of potable water supply for the Town of Churchill.

Now insofar as flora and fauna is concerned, particularly the fauna, there is no ironclad assurance that can be given this side of heaven.

MR. SPIVAK: I wonder if the First Minister is in a position to indicate whether the members of the committee raised with him concerns for the first time with respect to specific areas of concern to the people in Churchill with respect to fishing and with respect to the environment.

MR. SCHREYER: Mr. Speaker, it would be correct to say that in the discussion, which I might add lasted for approximately two hours, we had ample opportunity to explore each other's mutual concerns as to the probable impact in the area of the Town of Churchill of going into operation of the Churchill River Diversion. I think it would be fair to say that no one could prove to other's satisfaction any definitive conclusions as to what the probable impact would be with respect to birds and wildlife, except I think that after the meeting there was at least a degree of consensus that the impact would probably be minimal and we agreed, however, that only empirical evidence would prove either one ultimately correct. So perhaps it will prove ultimately that the truth was somewhere in-between, and that insofar as fishing is concerned on the very lower Churchill, I don't think that any conclusions were drawn. There is no livelihood being earned by anyone on commercial fishing in that part of the province, and I don't think there has been since the 1930s.

MR. SPEAKER: Orders of the day. The Honourable First Minister.

ANNOUNCEMENT

MR. SCHREYER: Mr. Speaker, just to impart some information, although I will leave one copy with the respective caucuses, but for those honourable members who had indicated an interest or a preference to proceed tomorrow to Brandon to the funeral, that honourable members should present themselves at about 12:30 at Hanger T127, which is at the northern extremity of Sharpe Boulevard, and departure will be shortly after that. There will be ground transportation arranged in Brandon, and then departure approximately - I'm a civilian, Sir, so I say approximately - 4:30 o'clock.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): I wonder if I may ask the First Minister a question. Is there any limit to numbers? We did say 14, but it looks like 18, Mr. Minister.

MR. SCHREYER: Mr. Speaker, we would then have a small problem, but hopefully one that can be overcome. I proceeded on the basis of the 11 plus 5, but now if there are 18 from your group, then, Sir, we will have to make some adjustment, but I'll report to the honourable members opposite in due course.

ORDERS OF THE DAY
BUDGET DEBATE

MR. SPEAKER: Orders of the Day. Proposed motion of the Honourable First Minister. An amendment thereto by the Honourable Leader of the Opposition and the amendment to the amendment by the Honourable Member for Fort Rouge. The Honourable Minister of Health.

BUDGET

MR. DESJARDINS: Mr. Speaker, there is no doubt that I am on my feet because of a speech that was made in this House last night. Of course, I am referring to the speech made by my honourable friend from Lakeside. You remember, Mr. Speaker, it was supposed to be a non-political speech. Now normally non-political in the sense that it shouldn't be partisan speech. Now my honourable friend is probably the most political, the most partisan, normally, in this House. Some claim that he is pretty rough, and I've even heard the word vicious used, but there is one thing he doesn't ask for any quarters and he doesn't give any quarters, so that's fair ball, that's fair game, and I always appreciate him, partisan or not.

But it is true that occasionally the honourable member comes out with a very speechy - he likes to fool around a lot and I think it's great, it adds a little bit to this drab procedure that we have so often. But at times he comes in with a speech from the heart, a very sincere speech, and I think that he shows that he has courage because he shows that he is very independent, and at the risk at times to be criticized by his own people, because I remember he did the same thing, he had the same style when he was on the government side and members in opposition we were quite happy, that was supposed to be a faux pas, but I got to admire him. It wasn't a faux pas it was his principle and that's the way that he felt, and if some people didn't like it so be it because that was the way he saw it in all honesty.

So yesterday when he started his speech I was informed, I was in the hall, and I came rushing in because he had talked to me and he told me that, which was fair game again, he's fair, he's rough, but he's fair, told me that of course if he was going to discuss the Budget he saw where there was no way that he can get away without criticizing the biggest department, the biggest spender, and I think that's right. I know that he has the same concerns, many of the same concerns that I share. I too, Mr. Speaker, am very worried with the amount of money that we are spending in the department, and I'm always looking for help. I've also made the same statement that as far as I am concerned many of these things should be above partisan politics. You know, I'm talking about these little games of partisanry that we have, on certain things we disagree, but at least if we made a try because if we're very sincere and if we're interested in the people of our province and the Canadians, we're all Canadians, because this is an area in health that we're still pioneers in so many ways. There are so many new things all the time, and we should be ready to put - at least some of the time to forget to be so partisan and put our heads together and to see if we can arrive and, as my friend mentioned, to reach a plateau where at least if we don't reduce the spending, at least we won't continually increase the spending. So I was quite anxious to listen to his speech. I had my little notebook and my pencil all ready, and I say this very seriously. He started very well --(Interjection)-- Oh you sure did. I'm coming to that, please don't sidetrack me.

Mr. Speaker, he started very well. He talked about the administration, putting order in the House, and so on, and he was very fair. He stated that any time any opposition could tell any government that they have too many staff, too many cars, and he's right. I made that speech from that side of the House. I remember asking questions about how many cars - I still think there are too many cars; I still think we have too many civil servants - my boss is gone so I won't get shot, not now anyways. I still think that there is too many, yes, in the Department of Health, and I think that this year we tried to keep that at a very minimum, I consider that in effect we had no increase. But I still think it is difficult, and that is an area that I might say that maybe we should look together to look at the rules. Maybe there is too much protection for some of these people that are not delivering, I don't know. But that, as my friend said, that is another debate for another day. So he started well.

Then he talked to members about the Manitoba Development Fund. Well he misrepresented a few things, it wasn't exactly the way he said it, but in general that was something that at least some people, and maybe some people from this side of the House will say, do we need the Manitoba Development Fund? That was fair game again. This was something that should be looked at. But by then I couldn't contain myself I was so anxious for him to come in and help, and he did. He talked about health, he talked about

BUDGET

(MR. DESJARDINS cont'd)hospitals; he took some figure about 1,600 or 1,800 beds that we were going to close, which is wrong. And the point that he made, the point he wanted to make is, why are we closing acute beds if we're going to build new beds at Seven Oaks? And if that was the case, I would say he's got a good point. Mind you I probably would say this is something that your party when you were in government approved years ago, they've been planning for so many years, they need one for this area, and so on, but it would have been difficult, nevertheless to say we're closing hospitals in this year where we're trying to save money where we're closing acute beds to reopen other beds.

So I would like at this time, and I think it is that time, that I make the announcement, that I give the program of what we're going to do in the beds, because this is something that we've repeated before and I think in all fairness that the members of the opposition are entitled to that information. So I'll take a few minutes to tell you, to give you, Mr. Speaker, and the members of the House our program for the next five years in the beds.

The government, well my honourable friend doesn't like press conferences, I remember --(Interjection)-- Well, all right. I remember last year that I was damned if I did, and I was damned if I - I tried everything. I had a statement and I was told, you're making a mockery. I heard the rookie again, but I don't pay too much attention to that clown, Mr. Speaker, he's got a hell of a lot to learn in this House, so maybe in a couple of years I'll pay attention to him. I'd sooner address my remarks to some of my other friends on the front bench. So last year I remember making a statement in the House, because we were in the House, and I was told, you know, you're making a mockery out of this. You're using this and you shouldn't bring it at this time. I say that after close to 20 years in this House, I just don't know what's the best way to do it. Is it in the Estimates? I think that there is a value of having a press conference with, and as you know my habit has been to try to invite people from other parties because sometimes you need overhead pictures or charts, and so on. So anyway I'm pleased if my friend says, well you tell us in the House and this is what I'll do.

I'd like to announce that the government has approved a five year construction program recommended by the Manitoba Health Services Commission for the period 1976 through 1980 at a total capital cost of \$135 million, that's 1975 dollars. This program includes 13 Winnipeg projects at a cost of \$91.3 million, and 31 rural Manitoba projects at a cost of \$43.8 million. While there may appear to be a disproportionate distribution of capital funds between rural areas and urban Winnipeg, it must be remembered that between 30-35, or roughly one-third of the Winnipeg acute care facilities, are providing services to non-Winnipeg residents. So it's a pretty fair distribution. The program includes construction of 1,600 personal care beds in the province, okay? of which 607 beds will be replacement of substandard facilities, 607 of those. The resulting net increase of 993 personal care beds will be distributed as follows: Rural Manitoba 530 personal care beds, urban Winnipeg 463 personal care beds. This program is consistent with three major objectives of this government, namely:

(a) To relieve pressure on the waiting list for personal care accommodation and hence on the improper use of present acute care facilities. I think we all agree to that

(b) The program will enable us to move towards a lower cost of alternate programs in line with current discussions with the Federal Government relating to proposed changes in cost sharing agreements. We're getting ready for what we think is the obvious with the new funding with the Federal Government because they're going to cut down the funding on the most expensive acute beds.

(c) This program would also allow Manitoba to claim its full allocation of \$19 million under the Health Resources Fund Act. And that has to be ready by that time or we lose it, and in fact perhaps the . . . funds in excess of this allocation in as much as there is provision for extra funds for those projects that can be demonstrated as having national significance.

In this regard I am pleased to announce, Mr. Speaker, that the Manitoba Health Services Commission has received approval in principle from the Federal Government to

BUDGET

(MR. DESJARDINS cont'd). . . .submit the geriatric demonstration project for further consideration.

I might also say that as a result of the co-operation extended by Ottawa recently with regard to temporary use of beds in the Deer Lodge Hospital, I've instructed my officials to follow up with the Federal Government to determine if some portion of the existing Deer Lodge Hospital could be used temporarily to supplement our personal care home program pending completion of the new construction.

The planning of these facilities takes into account geographic consideration and provincial guidelines for acute and personal care beds, as well as those other considerations relating to ethnic, cultural and religious factors. I assure you that local health facility boards and officials have been consulted throughout the development of this extensive program. The project in question will be funded by way of long term borrowing, 20 to 25 years, by the various institutions involved with the borrowing to be repaid by amounts included in the annual operating budget that is approved by the Manitoba Health Services Commission.

The proposed capital program will not respond to all requests before the Manitoba Health Services Commission at the present time. However, I've instructed the Commission to contact those communities that have made submissions that are not to be approved within the next five years to explore alternate ways and means of improving services without committing additional capital funding, certainly for the next five years.

Along in the same vein however a joint hospital and commission staff committee is currently studying its redevelopment plan for the Misericordia General Hospital, which is not included in the five year capital program. There have been studies going there for about 20 years. This committee will be making recommendations to the Board of the MHSC and the hospital, following which a recommendation will come forward to government. Now there is a possibility - that is not approved now - but there is a possibility that something will be done at Misericordia, but it's not included in the figures that I gave you.

Now in terms of specific numbers, I might have misled the members just a minute ago when I said no acute beds will be closed to build in Seven Oaks, I was talking about the city, and now I'll try to explain. In terms of specific numbers a construction program will result in a net reduction of 136 acute care beds for the province as a whole - that's 136 not 1,600 - and a total addition of 1,600 personal care beds - and I mentioned that. In some cases the addition of personal care beds will be coupled with reductions in acute care beds so as to provide communities with the most appropriate levels of care, bearing in mind local conditions.

The Cabinet has accepted the recommendation of Drs. Clarkson and Vayda concerning the reduction of 270 acute care beds at the Health Science Centre. These beds will then be relocated at other acute care hospitals in Winnipeg, including the planned Seven Oaks Hospital. Now this is something maybe I should explain because this is where the Seven Oaks comes in. That part of the Clarkson-Vayda Report has been approved. There are approximately 1,400 beds - although some are closed - at the Health Sciences Centre now. Quite a few of them are filled with geriatric people or people that should not be in acute beds. And that to run a good hospital is a little much. So there will be approximately 270 acute beds taken out of these beds so that it will be between 11 and 12 but really acute beds. Now they will be relocated, and this is not something that we will do just to create the Seven Oaks, to build the Seven Oaks Hospital, this is something that has to be done, this renovation, this has been planned by governments after governments. In fact that's why Clarkson and Vayda were brought in to see how we should proceed and what is in this program is only phase one of the hospital. But eventually there will be 270 acute beds less and 216 approximately will be at Seven Oaks. So that will give us a further cushion or some acute beds by then. We might need some acute beds in the next phase. They might go either at Concordia, because I think that we could have a few more beds at Concordia, some of these hospitals. A 100-bed hospital is too small for a place like Winnipeg. There should be at least a 200-bed hospital. Now these are not new beds, it's reallocation of beds and the number in Winnipeg will be exactly the same of acute beds.

BUDGET

(MR. DESJARDINS cont'd)

Personal care beds, geriatric beds I should say, there will be - I think it's 110 approximately. Don't hold me to the exact number, but approximately 110 for the . . . Excuse me, 120 beds that will be at the Seven Oaks that are geriatric beds. Now where do they come from because geriatric, that's not involved in the personal care beds. There is a phasing out of Municipal Hospital beds. The Edward I think is condemned. We've had the Federal Government come in and said it's a miracle that some of these things are still standing. The first phase, 160 of these beds will not be rebuilt there. The experts tell us that as much as possible the geriatric beds should be fairly close to acute hospital beds, so this is the direction we are going. There are some already built in St. Boniface. There will be some, 120 or so, at Seven Oaks. Seven Oaks will have 216 acute beds and 120 geriatric beds, so it will be certainly a viable hospital. But they are beds that will have to be closed up, that would have to be rebuilt, in the case of geriatric at the Municipal Hospital. Now the Municipal Hospital will not lose all its beds. It's a free standing geriatric hospital that has done excellent work, although we are moving in the direction of having more of these geriatric beds closer to other acute hospitals. But they will also, the Municipal Hospital will have 160 of these new personal care beds; 160 of those that I announced will be there. At the Municipal Hospital you'll have a situation where they will have a little less than 300 beds for geriatric beds, and then the personal care beds they'll have approximately 160. And this again is not something that just to play games that we'll close. This is a thing that should have been closed a long time ago. So this is something, and just when it's done, when these beds are built well then they'll be closed, the said wards will be closed at the Municipal Hospital. And I gave you an idea of what Seven Oaks will be now, it will be a 336 beds altogether and then also the Manitoba Health Sciences Centre will get some, not in the first phase, but they will get some of these geriatric beds also, 120. So in all they'll have approximately the same number of beds but they are using some of the acute beds now for geriatric beds, so the General Hospital will not lose too much.

In Winnipeg at the present there are 3,338 acute beds and by 1981 there will be the same number, unless there is some variation for an emergency or something, but this plan that I've announced 3,338, exactly the same amount. Now the 136 beds that are decreased, acute beds, are in rural and northern Manitoba. And this when we were going out, some of them are transfers, there is new construction or renovation, and so on, and they are new personal care beds being built. So you will have in the total, when this is finished in '81, instead of 5,954 beds you will have 5,818 beds, acute beds, in Manitoba. And I think we're pretty lucky that we didn't go wild. We're about right compared to other places where they have to close too many hospitals, that will be closing or phasing out 136 beds in all.

The extended treatment beds: There will be 62 closed, and that I would expect that you will look at the extended and personal care beds together because there are some that will be closed in the extended beds, and that is not the true picture, there's 62 in the city that will be closed. But the personal care beds as I said, in Winnipeg you now have 3,968 and you will end up with 4,431, and then change many of the beds that are a disgrace now - and I must admit that - that are of inferior quality, that have to be changed, they are substandard. In the rural and northern area you now have 1,883 beds, well you'll have another 530.

Now the fund, if I can give you the cash-flow for the next five years. In 1976-77 there will be about \$14 $\frac{1}{2}$ million spent; in '77-78, \$38.3; in '78-79, \$33.6; '79-80, \$25.3; and '80-81, \$23.4, for the total that I gave you. I think it was 135.1.

I hope that this explains the situation. I can give you the name of the project but maybe, Mr. Speaker, not to lose time that I'll probably be requested that during my Estimates again, so maybe I should cover that, the new program or their bill, where they are going to be billed.

So, Mr. Speaker, I think that my honourable friend with this information will see that he lost the chance to save money because of the wrong information that he had, because I doubt very much if he will not agree in general with what we are trying to do. I

BUDGET

(MR. DESJARDINS cont'd) think that it makes sense.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Would the Minister permit a question. It's just a question of whether or not the information that he has just read into the House could be made available to us this afternoon. I know the Honourable Member from Rhineland wishes to --(Interjection)-- Just the releases that you just read. Is some of that information available to us? I know it will be in Hansard tomorrow or the next day but . . .

MR. SPEAKER: The Honourable Minister.

MR. DESJARDINS: Mr. Speaker, is my honourable friend talking about the detailed plan or just what I've stated already. Well I have a few copies. It's practically the same thing, a range and a press release, and I'll have copies made - I haven't got any - and I'll see that you get them as soon as I've finished this speech. Okay? --(Interjection)-- Who? Oh, well I can give him a copy, I've extra copies and I'll give the Liberals a copy, how will that be? Okay? Fine.

So I hope that this will explain some of the things that we're doing and that we're not going wild on this question of Seven Oaks. And I think that we've been very fair in this hospital thing. It hasn't been any political thing at all. You know, for instance we opened over the weekend. . . the Chairman of the Commission was in the Souris-Killarney region, and I'm not going to comment too much except to say that the Leader of the Conservative Party - I'm not talking about the House Leader - was there and he was very much in evidence and he talked to the people, and so on. So I don't think he's going to say that he's not in favour of that hospital. So if they're going to cut down maybe he'll tell us in which one, you know. I'll be very pleased to give this information so my friend the Leader of the Conservative Party can look and tell me which one he's against. And I hope that he's not going to play games, you know, in the north end of Winnipeg it hasn't been too good pickings for the Conservatives, maybe the same as Souris hasn't been too good picking for this area. But we built in Souris and I think, I would hope, and I'm sure that the members of the Official Opposition will be very fair when they make their comments because I know, I've been told by the people that were there, some of my staff, that the Leader of the Conservative Party over the weekend in Souris showed a lot of interest, seemed to be very impressed by what he saw. And this is one of the situations where we had poor standard personal care beds, and I'm not blaming anybody, it was private people that co-operated with us and we asked them to stay open until we build this. So now some of these personal care beds in the hospitals have been replaced also, and unfortunately I haven't got the number of beds, total beds. And there is space there just in case, providing space in the planning to see if there is any programs. You remember the legislation that we brought in last year and I think . . . But this again, and I want to make sure that this is at the request of the people in the community. They have married the two, there's one board running the two, that is phase one, and they could have some programs.

Now there are no doctors on salary. There's the former President of the MMA, Dr. Lommerse and Ed Dow's son - who is it? I think it's George Dow, or something, are doing a very good job. They have their own private clinic. There has not been and there will be no pressure for them to be working on salary, and so on. So, you know, there's no ideology difference on this thing anyway between this side and the other side. --(Interjection)-- Well now you're talking about . . . Let me finish my speech and then I'll answer any question that you want. If they're all opted out - we're not even talking about that . . .

Now there's some things that I can't let go because my honourable friend stated himself that he got carried away. Because then he talked about the MMA and again I thought God, you know, now I've got him, he's going to work with me to try to save money on Medicare. But it wasn't that at all. It wasn't that. He forgot completely that his speech and that he was bringing help to try to help me save money, to plateau as he quoted my words. But then it wasn't that at all and we were accused of ideology differences, and so on. And I resent that. I resent that because I've really tried with the members of the profession and I know that it's going to be difficult. It reminds me of something

BUDGET

(MR. DESJARDINS cont'd) that I read not too long ago that somebody had stated, that the football players and the baseball players will hurry up, settle this and let's play ball. And somebody said well, you know, it's a changed society. You know, you'll settle it but you'll have the same thing, it's changed now. The ball players will think of something else that they want. They were exploited by the owners for many years but now it may be going the other way. So and I say that it's happening. If my friends do not want to be too parochial, if they want to look around, they can see that there are problems, not only with the MMA, with all employees, anybody that gets paid, they want more money. And I'm not, well I'm not going to say I'm going to resist it because I have no temptation to try to knock the doctors. I have as much respect and high regard for the medical profession as anybody in this House. That doesn't mean that they must have a veto, they must be treated as a special class. For instance, my honourable friend said yesterday he agreed with the First Minister who. . .mind you it was pretty tough but then he qualified that, not as tough as we thought because we did have all labour in the camp. But at least he told labour, in other words labour had to be told, that was all right. But when we talked about the medical profession it was something completely different. And I just want to be fair with these people, that's all I want. But there is no way that a province of a million people can give these people a blank cheque. And that in effect is the only thing, practically the thing that I'm suggesting that we do.

Now let's look - because that hurt me. My friend sometimes hurts me, and he stated that well it was very difficult because we had different ideologies. Let's go back to when Medicare came in. The Conservatives in Ottawa chastised the official government, the Liberal Party, because they didn't bring Medicare a year ahead of time. They all voted in favour. In this House reluctantly, my friends - and before you jump I'll admit that I was reluctant too, I'll come back to that - but my friends were very reluctant but they passed it, and I agreed with them. I thought we had a most terrific plan and I was reluctant because I would have liked to have seen Ottawa - and I don't say that my friends agreed with me but I'll be honest. So it's no problem now, it doesn't prevent me from doing my work as the Minister of Health because we've crossed that bridge. But at the time I would have liked to have seen --(Interjection)-- Well there might have been a bridge across . . .

MR. SPEAKER: Order please.

MR. DESJARDINS: But there was a bridge because I . . .

MR. SPEAKER: Order please.

MR. DESJARDINS: Because I didn't want to spoil the blue carpet.

MR. SPEAKER: Order please.

MR. DESJARDINS: All right. I'm glad to hear that. I'm glad to hear that.

MR. SPEAKER: Order please. Order please. If we're going to be honest, let's be honest with the rules as well. The Honourable Minister of Health.

MR. DESJARDINS: There's nothing like honesty all around, Mr. Speaker. And now I've got to figure out what the hell I was saying. I passed the bridge, oh yes. I was saying to my honourable friends that they were reluctant but they were faced with the Federal Government and including the Conservative federals that were saying, fine, if you want it, you must take the whole thing. And now they're pulling the rug out from under us in Ottawa. You know it was their program and I would have liked to say that there's a certain amount of money and let the province decide and get some conditions. In other words, you'll get that money if you are covering so many people, that could have been. Well, anyway you know I just wanted to make sure that I wasn't going to play games, that I wasn't going to suggest that I was all for it. But not there's no way that that can be, we can go backwards and we must protect the medicare at all costs.

Okay, now, to make matters worse the Conservative Government of the day announced that they were going in medicare but they said not this year, all of a sudden. In effect they were giving a blank cheque to the medical profession, and the medical profession used it very well because they announced that they were going to pay, I think it was 85 percent of the fees and it was a brand new phase and from about where we belong, about fifth, about average, Manitoba became the first or second province, and

BUDGET

(MR. DESJARDINS cont'd)now the medical profession are saying, we didn't go back, they want to stay there, and it doesn't make sense in this economic situation. And I don't blame them at all. But that period of one year was in effect saying to the medical profession, and I remember making a motion to that effect was, okay, you prepare because we are going to pay 85 percent of whatever your schedule of fees is, and the average increase per doctor was about \$10,000 in that year. And I know my friend wants to be fair because I don't think --(Interjection)-- you're right - I don't think that we differ that much in this, but automatically because it's an NDP program and, you know, I can repeat things until I'm blue in the face but it doesn't matter because my friends say "different ideologies."

So my friends bought the medicare plan, they were for it. I don't know of any changes we made except the premiums, but in the law controlling the doctors, and so on, it was agreed that those who wanted to receive full payment, whatever was given - in fact it wasn't supposed to be full payment, it was supposed to be 85 percent when we're talking about the \$90.00 that they're getting it was supposed to be 85 percent. Nobody talks about 85 percent anymore. All right, they opt in the plan and they get paid directly, no problem. My friends were the first ones to fight for the right of the doctors to opt out. And let's be fair, let's remember those . . . the medical profession, we were told they were all going to leave the province, they were all going to opt out because they didn't want to take money from the people and most of them opted in. Fine. Maybe we made a mistake and so on, fine, but they all opted in. But that was the same thing in the days when the Conservatives were in power as it is now.

No. 2, there were no assignments. In other words, you couldn't say to your patient, I'm opted out but you write to the Minister or the Manitoba Health Services Commission and tell them you want to check the records, I mean that was not allowed. In fact I think I played quite a role in that because at first it was in the books, there wasn't an assignment and probably one of the only times I was successful in debate so much that the amendment, one of the last days of the session, the amendment was made, fine, because then there would be no point, you would have no such a thing as an opted in or everybody would be opted out, because they would get a certain amount directly from the government then they would extra bill the patient. So, you know, even the most partisan people must admit that I am right in this respect; in fact they did when they made the amendment. So this is the situation so there is nothing changed.

MR. ENNS: On rare occasions you're right, Larry.

MR. DESJARDINS: All right. Well if you bear with me there might be added rare occasions, I think that I have, because I don't feel any guilt at all with the way that I've dealt with the medical profession, not at all. There has been certain statements made, repeated, denied but repeated, that I said that I didn't want to have an agreement with them. That is not true. I said first of all it was supposed to be the great NDP Party that did not want to have an agreement - I don't think there exists an agreement in any other province but Manitoba, and they all have medicare. The agreement is in an exchange of letters, they discussed things for the fees, with the consultative committee, and so on. Now, you know, you're fair people and I'm giving you credit for being fair today, and I'm saying to you what else could I do? There was negotiating - you know what I did, I made a mistake, I tried too hard. I started talking directly with the MMA to help, that was a mistake. I had no business doing that and the president had no business, we were naive, we thought we would help, but you can't do that when there's negotiating going on because you had two people from the MMA negotiating with the people from the Manitoba Health Services Commission and we were meeting and it was quite difficult, and maybe some times I talk too much, I could have been in trouble with my people and the president, I must say that, was most helpful, we really tried to work together. All right.

And all of a sudden the only thing that was said, and now I don't accept credit or blame alone, it is a question of this government that decided, rightly or wrongly, but the government said no one, we know, we know that Ottawa, that the Anti-Inflation Board will allow this question of saying, okay, you take the money and you average it.

BUDGET

(MR. DESJARDINS cont'd) Averaging it would be the same, they were ready and all, I must be fair with the medical profession, they were ready to take a total of 9.15 - which by the way is more than nearly all the other provinces, nobody has said anything on that - but they said okay, we accept that. --(Interjection)-- Already, five minutes. So they wanted to average it, they wanted to average it, and we said, no, we will give you 12 percent of your operating costs - that was approximately 40 percent of their total, of the overhead - but the rest we will give you 10 percent but once you reach \$2,400 that's it. Now 700 people under our system, 700 doctors will get more because they wouldn't have got the 2,400 if it would have been averaged, the rich would have got richer and the poor poorer, but that's what the MMA want. Now I recognize the difficulty, they said this year is not that bad but next year what are you going to do, eventually we will be on salary. I know what they're saying and I recognize that and I said, we will work with you and we will consider this, we will see what we can do before next year and that could change.

My boss, my First Minister, had the guts to go to labour and say, that's it, and he did the same thing with the doctors. That's all. The rest is all - what is it? They stated that I challenged the doctors. We're negotiating and all of a sudden they have a meeting, they have a meeting and they say, if we don't get an agreement we would drop services. The main thing of the agreement apart from the schedule of fees - which could be done by exchange of letters, which we did - in all fairness all you had to do - it was a one-year agreement - the agreement, the main thing is to create a good rapport between the governments, where you will have a consultative committee which will defuse, defuse anything that might get us to oppose each other to have this confrontation. And I am told, if you don't sign this agreement to have a consultative committee, to defuse and to play ball, we're going to withdraw services. Mr. Speaker, I repeat there is no way that I'm ever going to negotiate this kind of co-operation with a gun at my head. That's what I said last year, and this is what I repeat now, and I think that in all fairness my friends would do the same thing.

Now another thing that was brought in, well we want arbitration, compulsory arbitration. We said, "Are you telling us that you can guarantee that all your members working in the plan will abide by the decision of compulsory arbitration?" I asked that four times, I never got an answer. I've got that writing, I could table all the correspondence if you wish. You know, if you have compulsory arbitration, it's compulsory for one and it's compulsory for the other, or it's not compulsory arbitration. We were ready to look at that and then in all fairness I went a little further and I said, there are certain things, if you're talking about the money angle we can think about that. But another area, for instance, if we decide we are going to build a hospital and you say no, there's no way, and I know that my honourable friends and the Honourable Member for Morris would help me defend that. There is no way that government should surrender the right to govern to anybody else be it the brightest people in the world, the brightest group, not more than we can say to them, all right, from now on everybody will be on salary and expect them to go to arbitration and if arbitration said that, they'll say fine. You know, so this is all, I try to be fair, not to play games with them.

Now there is one thing and if nothing else I won that, I always felt that I should win it, and there was a confrontation, when all of a sudden they stepped in the meeting that they had, in the Convention Hall, and they said, on such a date if you haven't signed a contract we withdraw services. All right, at no time have I tried to coax people to opt out because, yes, if everybody opted out we would have to look at it because we've got to salvage the plan. That wasn't my idea. But two choices, withdraw services - people that say we have nothing to do with you, we are protecting the patient-doctor relationship, we have the right to choose our patients, and so on, and then all of a sudden we're going to punish you, we're going to withdraw. No way. If they withdraw, we could not accept that, we could not accept that. If they were all on salary, yes, they have the right, and you've discussed that before and you don't feel that all the people should have the right to strike, so I imagine that in a vital service like that you don't agree they should have the right to strike, but those that are working for us, yes. But the next step, people that do

BUDGET

(MR. DESJARDINS cont'd)not want - it's not that I was trying to tell them, to challenge them, no way, because then I'm in trouble. But I'm saying the choice, if you have the choice to withdraw your service, you can't, because you don't work for us, you work for this patient and you're withdrawing your service from them and you suffer the consequences, and if not - because you have a choice. You just say, I am going to withdraw, I'm going to withdraw services, I will pull out of the plan and I will charge them. I'm just exactly where we were before medicare that they love and they fought to defend so much. Now am I wrong? Have I been unfair? Have I been unfair with these people when I say, all right, don't withdraw your services, gentlemen; if you must, if you don't like our plan, fine, you know, withdraw your services with me, all right, that they would have a strike and that this group would take over the governing of this province, you know, and this is not the way that it works. They have the right, I have no doubt that most of them. . . .

Well I didn't time myself; I had quite a few other things to say, Mr. Speaker, but I think you're rising to tell me my time is up. I imagine that I'll have another opportunity to finish.

CONDOLENCE

MR. SPEAKER: The Honourable Member for Virden.

MR. MCGREGOR: Mr. Speaker, I would like, inasmuch as I was absent yesterday, say but a few words of two friends, belated friends. I would like to pay tribute to our late colleague, Earl McKellar, a great guy always, willing on this very day to put on his annual birthday party, and it certainly brings many pleasurable moments the style that Earl displayed to his colleagues and his friends of this Chamber.

I knew Earl as a Mason, a fellow Noble of the Shrine Khartum Temple, and a person I always looked on as a real people's representative and a person who will be missed by all of us.

And likewise, Mr. Speaker, to Mr. Hutton, George Hutton, who made a large Manitoba and world contribution through the United Nations World Food Bank. And I do remember Mr. Hutton when I first entered this Chamber under the Duff Roblin machine and I think of him and my present leader, Mr. Lyon, as Duff's two chief lieutenants, and I know George Hutton assisted me in my early years in serving on the other side of this Chamber. It was a pleasure working with and knowing George Hutton, and it is also a great loss.

BUDGET DEBATE Cont'd

MR. MCGREGOR: Now, Mr. Speaker, to the Budget, the first impression I had, it was one catering to the little man and saying to the rich, we are going to get you, and that's always popular. And it's a popular thing that we have to buck at elections but we're going to buck it, Mr. Speaker, this time.

First the Minister says in his Budget that the outlook for Manitoba is reasonably promising. Do the people in rural Manitoba feel that same way? There has been a slow-down in agricultural activities during the past year. Farm incomes have fallen for the past two years. It's true, Mr. Speaker, the House Leader you blame it on, it's not entirely the blame of the present administration but I think I am trying to bring it into proper balance. Last year the growth rate of farm revenue was 5½ percent as compared to 35 percent increase for the previous year.

No matter what programs are instituted it will take time to reverse this trend, and as an active farmer I think I know what that means. It is true. I was a grain farmer and we're on rich times, and I will be the first one to admit it. If I was a cattle man, we're in bad times, and the balance, while one is pretty great and this is a credit again, not to the government, to world markets, and sometimes they don't want to take blame but want to take credit, and I hope to be honest and to balance that thought.

The Budget was silent in many areas affecting world communities, such as adequate transportation, rail line branch abandonment - no mention this time of the stay

BUDGET

(MR. MCGREGOR cont'd)option. For years, large amounts of money have been put into this program. What have been the results? Rural areas in the southern half of the province continue to lose people. I was a guest at a particular collegiate yesterday and that came home very clearly, the concern, the buildings that were built some years ago, are they going to have to phase out.

There has been no tax relief, only the possibility of more taxes through the invitation to municipal governments to enter the sales tax field by imposing a city tax on city residents, on tourists consuming hotel accommodation, liquor, restaurants and meals. This is just a gimmick. And I don't travel much but when I go south of the line the first thing that hits me is the economy in the hotel rooms, and one thing I think we should be very careful is not to tax our tourists more in our hotel rooms because they are out of line dollar per dollar, I believe.

Local governments, and I'm thinking again of rural, don't want the right to impose taxes on their taxpayers. They want to share in the province's tax revenues. They want more of the tax revenue already collected by the province. They don't want to add local burdens now borne by the ratepayers in an ever-mounting amount. And we think again of the truck increases. Now who got hit the most there? Was it the person on Portage Avenue or was it the farmer driving his truck? What about the surtax? Who is getting jolted again? And you can say that's the rich and again that's the rural people or again that's the farmer that again was beingWhen I was over there we heard the cost-price freeze continually, and what has happened about that fairly lucrative market for grain that when you go to buy a tractor or a combine and the figure is \$40,000 and \$30,000. Where is their defence of the cost price freeze?

And we see today, in just today's paper, it shocks you that stores are going to have to close because of unorderly and lawless citizens. And are we taking the right action? When are we going to recognize a crime and make those guilty pay the real debt to society?

Now, Mr. Speaker, I journeyed down to Cuba in January and I didn't agree with many things in their way of life. Mr. Speaker, there are several members of this Chamber that were on that flight and I didn't disassociate myself with them but I thought they were on a different political junket than I was, and I was by myself, my independence. I went much of the island by taxi; I talked to the real Cubans, the people who had been in jail and many things. But the one impression that I came back with was their law and order. And it's true we often hear, as my colleagues were mentioning this morning, they just look at you and shoot you. That's not so, but their system is tough and I associated with people that had done time and believe you me, a Cuban that has done time, three, five or ten years, has absolutely no desire to go back there. They wouldn't even talk to a tourist because they thought we were something that might get them in trouble. But I would wish the Attorney-General had been here and maybe he could just - and I know he's been down there - to just maybe change our laws, not to go their full route but surely today law and order is a problem when you can go to court, and God bless me I guess I could rob or murder somebody and get some loud-mouthed lawyer and surely I'd be out on the street tomorrow. But if I don't pay my income --(Interjection)-- Well I'll say it outside of the House, too. Well I'll get to that if you give me a chance, I don't interfere with --(Interjection)-- Yes. And I did find the hospitality, it was rather a tough thing to win but if you did they would take a day off work and there seemed to be no problem with their firm, but they didn't get paid for it and if they didn't work, they didn't eat. There was no welfare, there was no handouts. And I must say their education was reasonably primitive, they were clothed, they were fed, and outwardly at least they looked happy and I wouldn't know beyond that. But my point was the law and order. And can our Attorney-General not take a lesson and look at that. I came back even prouder of Manitoba than when I left but I want to make it clear, I am still proud and I am still a Conservative, and I am still a free enterpriser if there is such an animal left, which I sometimes question.

Another area I think I would like to touch on is our industrial growth, industrial growth at almost any cost, Flyer, Saunders, and how many others? I know the thing at

BUDGET

(MR. MCGREGOR cont'd) Saunders was a tough one, Mr. Speaker. I remembered speaking to the First Minister when we were having trying times at Rivers, not knowing which way it was going to go, and I remember the First Minister saying, "I wish I had Rivers and I wish you had Gimli, Morris," and it's proven that Rivers was an easier thing to work out and Saunders has been tough.

But the other thing that I do begrudge my tax dollars, and I pay my fair share I do believe, being spent recklessly. We are no longer competitive in the world market and has the hour not arrived when we must stop making things if tax dollars have to be used to subsidize to make that a saleable product. Does labour not have to take a look at itself? I'm one who has spent a lot of time in the labour field in Northern Manitoba and many civil jobs here in the province. I think I was responsible in my own way I believe to earn the money for that company or that firm, and I don't think that's the feeling today.

I had two sons that went to work last year in a local industry, the first thing they were told by the labour people, to slow down. They were highballing and they were out there to make a buck and make the thing work, and it's rather sad. And you go into any industrial plant and that's the impression you get, and it's sickening.

And we all are aware of our labour dollar in relation to production and it is out of balance in comparison to the United States of America, and they are no great example in my opinion but we have got to compete with them, and how can we go on with this attitude.

And is it not even the time for the press to come on, if we go wrong or get a little quarrel going over here, the great headlines are there, but have they not the right to think a little bit for themselves and say to people generally that we as citizens had better look at our own dollar responsibility regarding our own initiative rather than to run and blame government, that it is so easy to do but I'm not one to do that unnecessarily. I believe this knowing I've got problems in my constituency, in that very area, but I believe one has to say it and I'm willing to say it now and I will stand in my constituency tomorrow night and repeat it.

At this time of year the most things we see and hear is water, that great power that we're trying so hard to get rid of, and in the past years we have seen some things to rectify that, to Duff's Ditch, the Portage Diversion, the Shellmouth Dam. Those were in the days when we had the twin "Ds" Duff and Diefenbaker. And why? Because they worked as a team of two levels of government working together. They had problems certainly, but they got the job done. We could have the same thing, we had a double Conservative then and I look at it as a triple socialism here and in the east. In Manitoba and Saskatchewan we have the little man's socialism; in Ottawa we have the elite socialism with no spirit of co-operation.

What they started and did and accomplished to save Winnipeg, to save Portage but cost dearly to rural Manitobans. And sometimes part of a job is considered in no progress and in speaking to accidentally the First Minister this morning, he really couldn't believe when I said the Shellmouth was a great thing but when there's too much water, as in many years, it does keep the Assiniboine Valley in flood stage all summer and, Mr. Speaker, he just couldn't believe that but it's a fact and supported by some members here. You only have to go out to Oak Lake, I could name just hundreds of people that I know in that valley, Teddy Taylor who plays for Houston and his brother Kelly who have a thousand acres in the valley at Oak Lake. I believe they live in the residence in the constituency of the Honourable Member for Arthur, but some of their land is in my territory. They have a thousand acres and what I couldn't do with a thousand acres of that type of land I wouldn't be here, and I wouldn't be here in the winter-time. But they very seldom, in recent years, get crops off of that. And how would you feel, Mr. Speaker, if you had to pay that high tax to watch that water, and I think what the First Minister missed, the Shellmouth keeps the Assiniboine River full but not low enough to allow the control gates to work that takes the water back off. And I've invited him to tour the valley some time in the next weeks or in June or in July when he'll see this as a reality.

BUDGET

(MR. MCGREGOR cont'd)

When is a remedy possible? Well there are those in government who understand what has to be done because the Shellmouth cannot control the Assiniboine when the Qu'Appelle comes in and the Birdtail comes in, but in being in Saskatchewan last night and one that we consider a professional in this field, Alvin Hamilton, was explaining how few dams could be built to just do this. We can't control every little creek but the major flows certainly can and that water will be valuable.

And is it not a time that we should reach in a hands-across-the-border manner, as I believe Governor Link has asked for. And again it's a simple thing, a reasonably simple thing to stop that flow of the Souris River into Minot and back into Souris and Melita, it can be controlled in Saskatchewan with the co-operation of this and the North Dakota Government.

These are things, Mr. Speaker, and these are the types of programs that I think would rectify the Boyne, the Whiteshell and certainly the Assiniboine.

Thank you, Mr. Speaker.

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

MR. THOMAS BARROW (Flin Flon): Mr. Speaker, it's an honour to speak on the Budget, I'm very proud of it. I listened with great interest - everyone says that but it's kind of a half truth - to some of the contributions from the other side of the House, and time after time they mentioned comparisons and I don't think we can get away from comparisons. We're going to use them as you are, and we'll use them in the next election, we'll use them now and we've always used them. And when we bring comparisons we will set our record against yours. I know the next election is going to be a time of great promises. In 1969 we were in a great position, you know, we weren't going to be elected, we had no record as such so we could almost promise anything. I didn't make that kind of a promise, Mr. Speaker, I merely said I would do everything I could for the people of the north and the people of Manitoba, and I would live in the north; those were two promises I made. Today I'm quite proud now of what we've accomplished in the north, not through my efforts, through all our efforts, but I'm not a bit ashamed to run on the record.

The comparisons I would like, you know, to remind you again, you can't go up in the mining area and say anything about safety, you can't do it. I'm not going to get personal in this thing today. You can't talk about what you did for pollution because the Flin Flon area was polluted for 30 years and the old-time politicians said, we can't do anything about it, you can't get meat without bone, you can't live in an area without pollution, and it was a great thing having this pollution cured. And they had hearings where everyone spoke for or against, in support or not, but we got it and our next thing was water pollution.

From the time they had a mill they dumped tailings in the lake in the middle of the town and there's no way you could stop that either, they said. The corporation, the corporation feeds you and they look after you, and it was true, they did. One thing, you know, in bargaining and in the bargaining process and we always have heard, possession is nine points of the law, and the corporation always took that point, always took that claim, we have it and you are trying to get it. And now the pendulum's swung so far the other way, labour is saying, we have it, you try and get it. So it's a halfway split down the middle now. They're on equal terms, maybe a little biased in favour of labour with strike situations, you know. Anyway I won't go into strikes.

But I honestly believe and I am going to accuse you of it that the corporations funded your elections in my area. Now the Minister of Autopac made that statement in the House one day and every man inside the House got up and asked him to prove it. I honestly believe they did and I'm going to talk about that later.

I think if there's any one part, any point that I'm a little disappointed in is our housing plan. I think we should go in a vast - like the Member for River Heights said, money is so important; it isn't important compared to housing, and he would do anything in the north for a five-year plan, a ten-year plan, and the money wasn't the important thing. I feel the same way about housing. And where would that money come from?

BUDGET

(MR. BARROW cont'd) Corporations could help, sales tax would help, we could put a housing plan on.

I would like to have a look into the doctor situation in Flin Flon of course. The doctors have a sense of loyalty to the corporation that's obnoxious and while we have some good doctors in the Flin Flon area we get a lot of the hang-ups, a lot of the fluff-offs that can't make it somewhere else, they come up there and they have an undying loyalty to the corporation that's repulsive to the labour people.

The Member for Lakeside said we have no loyalty from labour because if we did we'd have 57 seats. I think that's exaggerated. I think we did have some loyalty from labour, Mr. Speaker, because the five northern seats are occupied by five northern MLAs on this side of the House, and I think that's a sign --(Interjection)-- Pardon? I think that's a good sign. I think the people of the north made the decision in that case and enabled this side of the House to form a majority or form a government. I think it was a wise decision.

Now, Mr. Speaker, I'm going to use a few quotes and you know we always use comparisons as I said formerly. In bargaining we always use Sudbury, Kimberley as a focus point, we'll come up to them. And the corporations say well in Africa we're paying \$40.00 a month, you know the lowest, the highest, and in-between. But anyway this is entitled - and I can table this later - it's "How Big Oil Provides for its Friends in High Places." And it starts in the States in the first paragraph and goes into the Canadian scene. I'll start in the middle of it. It says, "For two days directors of Gulf Oil Corporation of Pittsburgh argued over the best course of action to take. At the end Bob Dorsey, the 63-year old chairman and chief executive officer, had been summarily dumped from his corporate throne for choosing to shut his eyes to a \$12.3 million illegal political slush fund, uncovered in 1973 by a United States Senate Subcommittee and the Securities and Exchange Commission. Led by directors representing the Mellon family, which owns 20 percent of Gulf's shares, the board requested and got resignations of the chairman and three other top executives and then handed the job to Jerry McAfee, a tough outspoken Texan who was dubbed "Mr. Clean" by the Toronto Star during his term as president of Gulf Oil Canada Ltd. Although there was no suggestion that Dorsey was himself involved in Gulf's political contributions, including \$100,000 to Richard Nixon, \$10,000 a year for 13 years to Senate Republican Leader Hugh Scott, \$4 million to the governing party of South Korea, and \$627,000 to Italian political parties, as chief executive officer he would have to accept responsibility.

McAfee had also been involved in political gift-giving - Gulf Canada has contributed \$1.3 million to Canadian parties in the past several years, but the difference between the two men hinged on the fact that in Canada such corporate gifts have not only been legal but an integral part of the political financing while Dorsey's U.S. company had violated both federal election law and SEC guidelines.

Gulf is neither alone nor even leader in the Canadian campaign sweepstakes. Major oil companies operating in this country have contributed approximately \$500,000 annually to the coffers of both Liberal and Progressive Conservatives.

And here are the contributions, Mr. Speaker: In Canada this land of ours, American Imperial Oil, owned by Americans, donated \$234,000; Gulf, American-owned, their donation \$140,000; Shell Dutch \$100,000; Ashland, American-owned, \$30,000; Sunoco American \$16,000; Petrofina Belgium \$12,000; British \$9,000; Amoco American \$6,000; for a sum of over half a million dollars.

In fact according to Gulf Canada Chairman, Clarence Shepard, money goes "to any party that does not have as part of its platform the nationalization of our industry." Mr. Speaker, if that's not ripping off, what is?

The amounts range from an average \$234,000 a year by Imperial Oil Ltd., Canada's biggest oil company and a subsidiary of Exxon Corp. of New York, the world's biggest oil company, to just \$6,000 a year by Amoco and so on. Husky Oil Ltd. and Mobil Oil Canada Ltd., all of Calgary acknowledge past contributions but refuse to disclose amounts. Secrecy is, after all, a major part of corporate political donations. Intensive study by the United States Senate's Church subcommittee on multinationals,

BUDGET

(MR. BARROW cont'd) however, has brought a flood of new information on political payoffs and contributions both in the United States and abroad. Canada has cropped up most often as the place where political contributions are made by the big corporations says Jack Blum, assistant counsel to the Church committee. When we ask the companies about it, they always say, well it's legal up there. If I were a Canadian that answer would not satisfy me.

Political contributions by the oil companies in Canada have gone to both Liberals and Conservatives in roughly equal amounts according to industry sources. Donations have also been made to the Social Credit Party in British Columbia. Combined annual average contributions admitted to by the eight oil companies that have offered figures amount to \$546,000. If that figure is applied to the 1974 federal election, (there were three provincial elections that year - Nova Scotia, New Brunswick and Prince Edward Island - but it is unlikely that much, if any, oil money went there) and it was divided in half, both Liberals and Tories received roughly \$270,000. In fact, this figure is probably far too low. Most companies contribute far more than the average during election years and less during off-years. One estimate places their election year contributions as at least double the five-year average figures. But even the understated \$270,000 accounts for a substantial portion of the parties' budgets for the 1974 election. The Liberals raised \$6.2 million that year and the Conservatives about \$3.9 million. Not included in these totals are the hours oil executives gave to candidates or contributions made by executives under their own names.

The 1974 federal election was, however, the last one to be fought under the old rules. In the future, political donations of more than \$100 will have to be disclosed. The change has proved an impediment to some: Imperial, Texaco, Shell Canada Ltd. of Toronto and Petrofina Canada Ltd. of Montreal say they will end their contributions. Gulf Oil won't. Gulf Oil won't. "Such donations are perfectly legal and are encouraged in Canada and we will continue this policy" McAfee announced in a printed statement. Jack Armstrong, Imperial's President, sees it differently: "Financing the political process should be the responsibility of individual citizens. Recent legislative changes will make it easier for Canadians to meet this responsibility. It has been decided by our board of directors that Imperial Oil will no longer provide financial support to political parties."

Senator Jack Godfrey, the Liberals' chief bagman in the last election (federal) and Patrick Vernon, head Tory fund raiser, are understandably disappointed by some companies' decision to end donations. Godfrey, however, is skeptical that the reasons they give are the real ones. "It's the backlash from Watergate. They see these bald figures reported in the press and it doesn't look that good." Godfrey claims oil companies do not seek favours for their cash. "But they used to like to take the opportunity when I called to tell me they weren't very happy with what the government was doing. He told one oil company executive that for that kind of money, he could say anything he wanted.

The oil influence in Ottawa is not restricted to cash contributions. Several companies including Imperial, Texaco and Shell, have full-time lobbyists in Ottawa. Gulf even pays a retainer to Senator John Connolly, a former president of the Liberal Party. Connolly refused to discuss the matter of Gulf's retainer except to say: "If I ever did anything for Gulf, I'd never tell you." Other companies have lined up directors whose names link with the Ottawa scene. Petrofina has Senator Harry Hays; Shell has Louis Rasminsky, former head of the Bank of Canada, plus Davidson Dunton of the Bilingualism and Biculturalism Commission.

It's difficult to determine just how effective the oil lobby is but the Federal Government has softened its stance towards the industry since the 1974 election. It has made cuts in the budget for Petro-Canada, the federally owned oil company regarded as a competitor by the private sector; it has increased oil prices to \$8.00 a barrel from \$6.50 with a further increase to \$9.50 planned for this summer and it has rolled back some of the tough tax measures for resource companies proposed in the May, 1974 budget. The toughest test for oil clout will come later this year. An inquiry into alleged price-fixing is almost over and anti-trust officials are recommending prosecution. If Ottawa acts on the recommendation, the action could be the biggest price-fixing case ever undertaken by Canadian courts.

BUDGET

(MR. BARROW cont'd)

I think that proves the rip-off system. Now you've said and you've said many times, of the waste of public funds on this side and again you come to compare. We make our comparisons and of course you make your comparisons. This comparison is made in Alberta on something like a LIP grant. I'll read this too, it's quite interesting.

Some of the details seemed hilarious but hardly anyone in Alberta was laughing about the extraordinary pre-election largesse of Peter Lougheed's Conservative government. The press was upset, opposition politicians were outraged and the government was privately anxious as criminal proceedings began this month against two former government employees who helped to distribute goodies to cultural and ethnic groups. Indeed, so generous was the government's Office of Special Programs last year with its sudden budget of \$6 million that it frequently handed out more money than applicants sought and even gave \$2,285 to an outfit that didn't even exist. Perhaps only in Alberta, awash as it is in petro-dollars, could a government unblushingly write a cheque for \$3,000 to "Hoppy Happy Tippy Tappy" a group teaching East Indian dancing to children of various ethnic groups; --(Interjection)-- Hoppy Happy Tippy Tappy. That's a \$3,000 grant to that group; or \$2,000 to "Moosie the Magic Safety Clown", who turned out to be Gerald Ethier, a director of Edmonton Calder's Conservative riding association and a part-time promoter of traffic safety for the Loyal Order of Moose.

All this of course happened before last spring's provincial election which returned Lougheed with a landslide. Since then there has been an RCMP investigation, Provincial Auditor Douglas Rogers has released a scathing report on the affair, the press and Opposition parties have accused the government of engaging in the shabbiest form of patronage, and Lougheed himself has stonewalled all demands for the resignation of the Cabinet member responsible, Culture Minister Horst (now known as The Gift Horst) Schmid.

Now this is better if you'd just pay attention my friends.

Schmid, who arrived in Canada from Bavaria as a 19-year-old, is a confessed admirer of British culture. One of his proudest moments, he says, was playing an Englishman in a Noel Coward play. This may explain why he was so quick to respond to a request for \$285 from the "St. George's Gaelic Society Language School" which claimed that Margaret Thatcher, among others, studied there. Schmid not only arranged for the \$285; he also arranged for a further \$2,000. But the trouble was this school was the product of an Edmonton reporter's fertile imagination. Radio newsman Len Grant, having heard improbable tales of government generosity, mailed in an application. When, to his delight, the government responded, he returned the cheques and hit the airwaves. The ensuing outcry by press and opposition members led eventually to an investigation by auditor Rogers. His report, published in December and compiled with at least some assistance from the RCMP, concluded that the government through its Office of Special Programs, had misused public money on questionable cultural schemes. He also said he had found evidence of outright fraud as well as gross abuse of ministerial power and reported that ". . . \$859,000 was expended which was not related to any of the approved projects."

Just how Schmid's men went about their task of getting rid of the \$6 million can be judged from the fact that, before the office was disbanded, the budget had been over-spent and some groups were threatening to sue for contracts the office was unable to fulfill.

In the meantime two men, Donald Stewart and Olie Wowk, were to have a preliminary hearing on February 3rd and 5th on charges they face as a result of their work in the Office of Special Programs. Stewart, the former co-ordinator of the office, has been charged with three counts of fraud amounting to more than \$6,000 and with two counts of breach of trust. Wowk faces 12 fraud charges involving more than \$10,000. Both men are charged with fraudulently issuing wage cheques to a non-existent employee.

So when you compare our government with other governments, just keep this in mind my friends. I have a few minutes I think. I think it's a time when you can be very flexible and talk about almost anything and my colleague the other day talked about capital punishment and I'd like to express a few views on capital punishment. I support

BUDGET

(MR. BARROW cont'd) it, I support capital punishment whole-heartedly. I think, Mr. Speaker, that the feds really chickened out on it from the start. They passed legis-
lation that capital punishment would not apply to policemen or guards, which wasn't good
but it wasn't bad. But they have never executed anyone for killing a guard or a police-
man. I want to talk about three cases that I'm very familiar with because my son was
involved in the three cases.

A MEMBER: On which side?

MR. BARROW: He was on the police side. But two young men in Calgary set
out one day, as they put it, to kill a pig. That's all they were going to do, go out and
kill a policeman. Unluckily in the middle of the afternoon they went through a stop sign
and the rookie cop pulled them up to warn them and they shot him, killed him. Those
two kids are in jail today and they'll be out on parole. Now that's deliberate, deliberate
murder. There's no excuse for that, Mr. Speaker.

Another man barricaded in a former garage made into a suite, who held off the
whole Calgary police force from his barricade and bragged "I won't kill one, I'll kill as
many as I can because you can't harm me." He is also doing a term in jail.

Mr. Speaker, the third one: a man and his wife rob a 7-Eleven or a small store,
they get away with \$761. This policeman chased and caught them - he could only see one
occupant of the car - he took him out and he had his hands on the car and the second
who was hid in the back seat shot him through the chest with a double-barreled shotgun.
It was a lady and she'd get away with it. She will go to jail, she will be paroled and
she'll be back in society at great cost.

Mr. Speaker, we've learned from away back and the older people in this House
will remember Leopold and Loeb, you remember that? There was a case and a very
interesting case. Both these boys come from very wealthy families. They had no hang-
ups, they had everything to be desired and their one ambition was to perform a perfect
murder. So they killed Bobby Parker, an innocent 11-year-old child. They got off with
99 years. One died in prison --(Interjection)-- plus life, life plus 99 years. But through
our system one of them is out today. One is dead but one is out. --(Interjection)--
No, no.

Mr. Speaker, with those few words I thank the members from that side of the
House. I notice the front bench always leaves when I speak and I think they're trying to
tell me something.

Thank you, Mr. Speaker.

. continued

BUDGET

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I recognize that the Budget debate as the debate on the Speech from the Throne is a wide-ranging debate and any topic can be discussed. My intention is to discuss the Budget in my presentation and to deal with it in possibly a different way than some of the other members have presented their arguments. I, like everyone else, think that the Budget is susceptible to being attacked from critical point of view on the basis of a number of possibilities. One would be to take economic indicators that have been used by the government, to analyse them and to try and see whether it can be demonstrated whether those statistics really support the kind of conclusion that the Premier would like to suggest in presenting the Budget that conditions are as good in Manitoba as they could be, and that notwithstanding the fact that we are in a period of time of trouble that things are doing reasonably well. And I should say that the documents referred to by the Honourable Member for Fort Rouge in his presentation is a rather significant document. I was unaware of that document until it was referred to by him. I'm sure that it's just been recently published, and I don't know that too much knowledge of that document has been made available. But it's interesting Mr. Speaker, because in reading that - and I'm not intending to follow the argument that he's suggested, he only referred to a few of the statistics that are referred to - that document's overview of Manitoba I think is something that would temper the judgment of those who would suggest that conditions are as good as we would like to suggest and has some very severe signals to this province with respect to the future problems that we face.

But I want to talk about the Budget from three points of view. One, was the new taxation justified? I'm now not talking about the types of taxes that were raised, but just taxation generally - were new taxes really required? Secondly, what really is the true financial position of the province? And in that respect I want to deal with the inadequacy of the information which was furnished to the Legislature, and it's just not typical of this Legislature, it's typical of every Legislature in the country and the real inability of the members on this side to make any proper assessment as to whether the taxes being asked for are justified or not - and I say, Mr. Speaker, if we can't determine that properly, then how can the people in the province.

To a certain extent I want to deal with the problems of the lack of consistency in presentation, because I think stability in accounting records is the most important factor that's required, consistency to be able to make the kind of comparison with respect to understanding fully what has happened. And in this respect I want to talk, when I talk about the true financial picture of the province, about the role of the Provincial Auditor. He's an officer of the Legislature and I believe we're reaching a point where there is call that has to be made from this Legislature to him to furnish new information for guidance in the legislative discussions of the financial picture of the province. And then, Mr. Speaker, I would like to discuss the whole question of co-operative federalism which has been raised by the Premier and the concept of co-operative provincialism that deals with the whole question of the provincial - municipal relationship.

Mr. Speaker, budgets are really only estimates of revenue to cover estimates of expenditures planned for the next year, based on the knowledge of this year and the audited statements of the previous year. I suggest, Mr. Speaker, that in many respects they're presented in such a way that they mask the information so that true comparisons become very difficult and become very hard to make and one can only apply deductive methods to really understand what has happened; that the First Minister, and the members of the Department of Finance are very much aware of all the information, and not all of that information is revealed and it penalizes our ability to understand fully what is really happening.

Now let's then pose the question, are the new taxes justified? We have, \$39.1 million of additional revenue from new tax measures, and in one sense that's very small in terms of a Budget of one billion, 200 million dollars, but the tax measures I suggest, Mr. Speaker, are primarily orientated to arrive at a surplus for next year, so that in the election of 1977 the government will have at least a sum equal to the \$70-72 million they had in 1973 to provide in relief and tax measures to the people of Manitoba for the election of '77. And Mr. Speaker, I think I can prove that in a deductive way, based on the financial statements and information we now have for the past year.

BUDGET

(MR. SPIVAK cont'd)

First, let us look now at the fiscal year of 75-76 that has just passed the books of which will have been closed by now, I believe by April 20th. The forecast of expenditures for last year, Mr. Speaker, were one billion and 27 million dollars. The special warrants issued for the past year have been \$55 million, supplementary supply that was passed this year to cover last year before the fiscal year ended was approximately \$6 million, so therefore, Mr. Speaker, the forecast for this fiscal year of expenditures was one billion and 88 million dollars. Mr. Speaker, the Premier forecast in his Budget a deficit of \$11½ million and transferred \$2½ million in the normal way that they had transferred the \$45 million surplus the year before. But in any case, if we take the billion, 88 million dollars and we deduct the 11 million, 500 thousand dollar forecast that he's projected of the deficit, it means Mr. Speaker, that if we spent all the money that we budgeted for, all the expenditures that we approved last year, we will have had to raise in this province from all the cost shared programs, from the revenue guarantee with the Federal Government, from the equalization payments and from all the methods of taxation, we would have to raise a billion and 77 million dollars. Now Mr. Speaker, I don't think we raised more, and that's the point - that estimate the government knows, I don't know that, but I don't believe that we raised more than between a billion and 20 and a billion and thirty million dollars. And Mr. Speaker, the reason that I would come to that conclusion is because there are certain statistics that are available which would indicate the probability that my figures are correct.

First the Canada Tax Foundation has indicated that in projections of income for this year, that the income tax will realize \$239 million for Manitoba this past year as against a budget of about 242, so in effect we're \$3 million down there. Corporation tax would realize \$60 million instead of \$70 million, so we're \$10 million down there. Equalization would be \$8 million over what was forecast, 132 against 124, so we have approximately in terms of income tax and corporation, about \$13 million down, \$8 million up on equalization, so we're \$5 million down over a forecast of a billion and 20 million last year on the projected revenues.

Now the revenue guarantee is down, and if one can interpret what the Premier is really saying in the Budget, and it's masked again in its presentation, I believe on page 26, Mr. Speaker, where the First Minister says "in total the tax relief provided by our tax" I'm sorry, I've got the wrong page on that, Mr. Speaker, it's on page 23 - the First Minister states, "I want to point out that this total includes an estimate of \$51 million", this is discussing the revenue guaranty for next year, "in respect of our province's entitlement of the income tax revenue guaranty arrangements, this figure provides an allowance of \$21 million to cover half of our estimated shortfall for 75-76 and 76-77 resulting from Ottawa's plan to change the guaranty formula." He's already on record indicating that the Federal Government is not giving him as much money, and there were forecasts of \$30 million, he has indicated \$21 million to be spread over two years, and I have taken for the purposes of this particular presentation half or \$10½ million as the shortfall. So what I am now saying, Mr. Speaker, is that on the basis of income tax, corporation tax, equalization and revenue guaranty, the government is short by approximately \$15 million of a budget forecast of a billion and 20. Now Mr. Speaker, it's possible that in the shared cost receipts that they received from the Federal Government and that in a number of the other taxes there were amounts that may have been received which are higher than that which is budgeted for, but I doubt, Mr. Speaker, in total or in aggregate that they will be equal to the \$15 million and I --(Interjection)-- I'm sorry? Indexing has nothing to do with this, I suggest to the Minister, has nothing to do with it. I'm now talking in terms of gross revenues. That's another argument which has nothing to do with this at all, and if you can prove that indexing has increased your revenues then that will be a very interesting thing because, if anything, indexing was supposed to decrease your revenues.

Now Mr. Speaker, the point that I'm making and I think the Minister misunderstands, is that if in fact a billion and 70 million dollars was required to be able to cover the moneys that were supposed to be spent, and in effect in revenue you didn't even achieve the billion and 20 million dollars forecast for last year, that means that \$50

BUDGET

(MR. SPIVAK cont'd) million, possibly 60 of expenses that were to be spent in the past year were not spent, the estimates were not spent. And while that, Mr. Speaker, does not mean that there's a transfer of cash into the net this coming year, it simply means that for budgeted purposes for this year when the Premier says our estimates are 12½ percent - and some will argue with him, I think correctly, that it's 18 percent over last year, there are contained in that as well, \$50-\$60 million of estimates that were not spent, Mr. Speaker, and that carry-over will mean that when we come to Budget time of next year, there will be 50 or \$60 million plus the new taxes for the members opposite to have to provide the benefits of the election goodies that will be presented that year. And Mr. Speaker, my point being, that if 50 or \$60 million of estimates were not spent this year, and I think that's the conclusion, and this is the information the members opposite have, that we do not have, that's the fact in determining whether there's any justification for \$40 million of taxes being added on this year. Because in effect, Mr. Speaker, one can assume that where that money was not spent, that it could be deducted from the estimates that have been presented to the Legislature so far and next year's Budget could be balanced.

But what has happened Mr. Speaker, is that if we follow the pattern of the government of the 72-73 period, they are building for the surplus in '77 as they built in the surplus of '73. And Mr. Speaker, the argument - there have been a number of questions that I've asked the First Minister, and he has sort of indicated that I don't have knowledge of the revenues that have come and the increases of revenues that have taken place, but, Mr. Speaker, it's true that in previous years there were surpluses, and last year there was a \$45 million surplus transferred into the past year's estimates. But that came about, Mr. Speaker, as a result of increases in the receipts of corporation tax, income tax, equalization, and those moneys made up the bulk if not all of the total surplus of money that was transferred over. There is no surplus of such money this year, and as a result, because there is no surplus, there is no reason to believe that the province will receive in this past fiscal year any more amount than a billion and 20, which means that at least \$50 million of expenses have not been spent; which means that they are budgeted for in the 12½ to 18 percent rise for this year; which means that the government will have that surplus because it will not be spending it by next year, or transfer over into the following Budget, which will put the government in a position of presenting its Budget at that time, and the First Minister standing up and saying, because of our good management, because of the way in which we have handled ourselves, because we have exercised restraint, because of the general condition of the economy, for all the reasons that are positive, we are now in a position to say that we can do certain things.

Mr. Speaker, the problem with all of this is that it is short-term in its effect, it may very well have the political effect the members opposite want, but the reality is that it will be the year after and the year after that that we are going to face a very serious problem as the federal arrangements are finalized, the cost shared programs are finalized, and the equalization and revenue guaranties take on a different kind of dimension. And Mr. Speaker, at that time the people of the province will be faced with reality that the economy has not advanced to the point, their new investment has not taken place to the point where the same taxpayers are then going to have to pay for the difficulties of over-spending and of the failure in long-term planning that should have taken place in these years.

So Mr. Speaker, I don't believe there is any position that would indicate that taxes had to be raised at all this year. I believe that if the Provincial Auditor was in the position to furnish the information that I suggest, to indicate at this point to the House, that in his opinion the expenditures of last year will be over-spent or under-spent based on the records that he has today, and to furnish the information to use, we would be in a position to make the judgment as to whether those taxes that are being asked for are justified.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: I wonder if the Honourable Member would permit a question. Do I gather from the substance of your remarks that you are predicting that next year,

BUDGET

(MR. GREEN cont'd) 1976-77, we will have surplus funds which will then be available for expenditures in the Province of Manitoba. Do you make that prediction and statement right now?

MR. SPIVAK: Mr. Speaker, I make the statement that with respect to the revenues that were received this year, based on the information that I have, based on the Budget that has been presented by the First Minister, that it would appear that there were expenditures estimated and approved by this House to the extent of \$50 or \$60 million that were not spent. --(Interjection)--

Well, Mr. Speaker, then I would suggest, that that will always happen, it will always next year, and that will mean that there will be \$50 or \$60 million. And if the revenue is achieved that is projected by the new taxation and by the estimates of revenue, and there's 50 or \$60 million dollars that is not spent, there will be \$50 or \$60 million to transfer over as a surplus, which is in effect what they have done last year and the year before. And Mr. Speaker --(Interjection)-- Yes, there were no elections, but there was an election in 1973, and as a result a windfall and transfers we had \$70 or \$72 million to provide benefits, and Mr. Speaker, I would say to you that we're on the same path, the same critical path and we're going to try and hit the same target.

Mr. Speaker, what I'm saying at this point is it always happens and there is \$50 or \$60 million that hasn't been spent, then Mr. Speaker, what I think the House requires is the position of the Provincial Auditor every year in which he would indicate to the House exactly what the under-expenditures are, so that in effect an evaluation could be made, because when the Minister says it always happens, we don't know that it always happens. We know that the \$45 million, Mr. Speaker --(Interjection)-- no, as a matter of fact, in the previous --(Interjection)-- Yes, that's very interesting, because in the previous year you overspent \$20 million.

MR. GREEN: That's right.

MR. SPIVAK: That's right, so it doesn't always happen. But, Mr. Speaker, I think what we have to have now is the confirmation of this position and this goes into the whole question of . . .

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Is it not a fact that at the beginning of this session that you were asking questions to the effect that we overspent last year's budget?

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I may very well have been but I must tell the honourable member --(Interjection)-- No, the Honourable Minister of Mines and Natural Resources would like to try and create this into a debating position, would hope that somehow or other he could confuse it, because in effect, Mr. Speaker, what I am saying is accurate at this point. If the Provincial Auditor would come forward --(Interjection)-- Yes, oh yes, and I'm sure that I'm accurate, I'm sure that there's 50 or 60 million dollars based on the deductions that can be made from the statements made by the Minister that have been underspent in last year's Estimates, that will be underspent in this coming year. And, Mr. Speaker, if the taxes raised are \$39 million and in effect there's a projection that only 50 or 60 million dollars will be underspent again next year, there was no need to raise taxes this year. Mr. Speaker, we go to the whole basis of what the members opposite are trying to do and I say, and it's fair ball, they're no different than any other government, they are gearing for 1977 and they are gearing for a substantial amount of money to be able at that point to give away. I'm suggesting, Mr. Speaker, that governments have done this, and I'm suggesting, Mr. Speaker, that this is not any different than any other governments, but I suggest, Mr. Speaker, we've reached a point where members on this side should not be asked and the public should not be asked to approve increase in taxes, and I'm suggesting that should not occur without all the information being provided in this House. And that information is easily obtainable, because if the First Minister is in a position to estimate at this point \$11½ million of a deficit, he knows what his estimate of expenditure for this past year will be and that amount should be furnished to the House and the Provincial Auditor should at least give us the benefit of his advice as an officer of the Legislature, and in the

BUDGET

(MR. SPIVAK cont'd) course of doing that then we could then make the judgment as to what really has happened.

Mr. Speaker, I'm telling the members opposite what I think everyone knows, that in an election year the NDP will organize themselves in such a way to provide the best benefit for the people and to try and show in some way that they have been the best managers in the province. But what they have essentially done now is raise taxes for that position and, Mr. Speaker, in the course of doing it they're justifying it in a number of ways, and that the records that have been presented are correct records but they've been juggled in a position to be able to mask the information and I suggest to you that the information we now have would indicate the conclusion that I suggest. It may not be something that the honourable members want exposed but it's there.

So I suggest to you, Mr. Speaker, we do not know the true financial position of the province, that if the First Minister is in a position to indicate that \$11½ million was the deficit he could tell us how much we spent this past year and once we know how much we spent, we then would really --(Interjection)-- No, he didn't, you know, he did not tell us how much was spent. Well I can tell you, Mr. Speaker, what we spent was probably close to a billion and 20 and there is a 50 million dollar shortfall that I've talked about.

Mr. Speaker, this goes now to the next question, which really has to deal with the whole question of co-operative federalism and the arguments that will have to be advanced. I don't believe, Mr. Speaker, that the people of Manitoba are going to be impressed with the kind of gobbledegook that now takes place between the federal ministers and the provincial ministers when they talk about and deal, Mr. Speaker, on the federal-provincial matters dealing with cost-sharing, the revenue sharing, the revenue guaranty and the whole area of provincial fiscal arrangements.

Mr. Speaker, federal-provincial relations in the financial field are the biggest game in town. They are the biggest game in Canada, they will affect directly the ability of the Provincial Government to do a number of things here. That relationship directly affects the relationship between the provinces and the municipalities and, Mr. Speaker, it is something in which everyone has a vested interest. And the difficulty, Mr. Speaker, at this point is that in talking about these matters and in dealing with them, the kind of accuracy that has to be presented is not. Every indication now would be that the revenue guaranty will be altered in time even though we have budgeted for \$51 million this year, a revenue guaranty, as opposed to 30. And yet they're screaming now that something is going to change and it's going to change to a detriment. Everyone is concerned at this point that equalization will change and yet we have budgeted for about \$153 million, over 124 last year, and we now know that we received 132, or will be projected to have received 132.

So, Mr. Speaker, at this time I think there is a problem in trying to bring the public to a point of understanding that there are serious problems in the proposals of the Federal Government to deal with the issue of the cost-shared programs and their general impression to tone down the amount of federal support and in fact to leave it to the provinces. Because here, Mr. Speaker, we face the basic problem that the municipalities face. They had a limited tax base, we had a limited population, a limited economy in which to tax the income of our people and of our corporations and the reality, Mr. Speaker, is that if in fact the tax base of the country is not to be used as a means of supporting some of the cost-shared programs and it is to be thrown back to the provinces to fend for themselves, Mr. Speaker, then what that will really mean for us is that we are going to have to tax our people higher. And you are only able to gain that income from either the same taxpayers - and that's why I say tax our people higher - or from the growth of the economy and the development of the new opportunities, the industrial sector and the commercial sector, so as to be in a position to have new income, further income and new opportunities for income growth as a result of the developments that will have taken place. And that's why in an assessment of the economy of this province, in understanding what has happened in terms of broadening the economic base of this province. One has to accept and recognize that that has not taken

BUDGET

(MR. SPIVAK cont'd) place, and has to recognize that in effect . . . the Honourable Minister wants to ask a question. --(Interjection)-- All right, ask a question because I don't think I can contain him.

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

MR. SAUL CHERNIACK, Q.C. (St. Johns): Mr. Speaker, I want to thank the honourable member and I'm a little late in asking the question, the context of what he said, but he did permit it. I would like in the context of his under-expenditure comments he would care to relate his theory to the fact that in the '68, '69 Public Accounts, that's ending March 1969, his own department under-expended \$415,000 out of a budget of \$3 million, close to \$300,000, roughly under-expended by one-eighth, and the total summary shows an under-expenditure of \$42 million out of a budget of some \$400 million.

MR. SPEAKER: Order please. Much as I appreciate the question, and I'm sure so does the honourable member, but I do think our rules indicate we should ask questions in respect to clarifying the speech. But it's referring to another section of debate in respect to another year. We are discussing this year's Budget. The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, if I may and I think I could take the liberty of answering the question now that it has been posed, but as part of my presentation. I don't know how much time I have. I'm not in any way suggesting that there hasn't been situations in which there hasn't been under-expenditures. --(Interjection)-- Yes, Mr. Speaker. Mr. Speaker, I have not suggested . . . I have suggested to honourable members that this happened before and, you know, I'm not suggesting that there's anything unusual. What I am saying at this point is that we have raised taxes, we have raised taxes and I don't think taxes have been justified --(Interjection)-- Well, Mr. Speaker, we've raised taxes --(Interjection)-- Mr. Speaker, you know, the Honourable Minister can argue but at this point the information that was not available in '68 to the Legislature but was available to the members of the government should have been furnished, and, Mr. Speaker, I'm simply saying that the information that is available to the government should be furnished here. And if the honourable members want to say well in '68 it didn't happen, it shouldn't happen here, they're wrong, because I am suggesting that we've reached the point, there's no way in which the public are going to accept the continual increase in taxation, Mr. Speaker, at this particular time. You know it's all good and well, the Honourable Member for Fort Rouge suggested that there is a problem of disposable income that should be left to the individual, and my God it should be left to the individual. There is no reason why governments should continually try and basically do for the individual what they should be doing for themselves. And, Mr. Speaker, --(Interjection)-- Yes, you're with that. But, Mr. Speaker, your government that the honourable member is a very important part of is at this point more concerned and preoccupied with the election to come and with the necessity of putting itself in proper shape for that election. And that's fair ball, but I'm saying, Mr. Speaker, that the rules should be changed and that in effect a deduction could be made and I think I'm accurate on my deduction.

For the remaining time that I have, Mr. Speaker, I'd like to concentrate if I can on the federal-provincial matters. I am suggesting to honourable members opposite that there is at this point, I would think, a fair misunderstanding on the part of the people as to what really is involved. I'm saying as well, Mr. Speaker, that if the kinds of presentations that have been made continue, the difficulty will be to rally public support for the problems that we'll face. I'm suggesting, Mr. Speaker, that even though the government may be in the surplus position for next year, that the year after if, in fact, the equalization payments are changed as they've been proposed by the Honourable Minister of Finance, if the revenue guaranty is altered and if the cost-sharing programs are negotiated on a basis in which there is less participation on the part of the Federal Government, that we will face a very serious position. And if in fact, Mr. Speaker, the economy itself will alter and the slowdown that has occurred in agriculture with respect to its farm cash receipts was to occur in the kind of proportion that it has now, and the economic base is not widened dramatically - and

BUDGET

(MR. SPIVAK cont'd) I see no evidence that it will be - this will have caught up and many of the things that we have to support are going to be very difficult. The Honourable Minister of Health said medicare is there, we have to do everything we can to support it, there is no question about it. And the truth is there are a lot of programs that are worthwhile and the members opposite have acknowledged and we acknowledge that they will have to be continued. But the ability to be able to pay for that, the ability to be able to do those things will in fact be much harder.

Mr. Speaker, the arguments advanced for increasing taxes now as part of a conservation measure, as part of a support of an anti-inflationary program, or because it satisfies the Premier's basic explanation to organized labour of his position with respect to support the Federal Government have to be viewed in the context of what we can see down the road and what will take place in Manitoba in years to come. And, Mr. Speaker, we will have very serious consequences from it. I feel as a matter of fact, Mr. Speaker, that there is a tendency on the part of the government to tell the municipalities that they must now raise taxes when the municipalities and the cities are simply saying they want to share in the provincial revenues, which is already a basic request on their part, very different than raising taxes. Because, Mr. Speaker, if in fact they raise taxes, who is going to pay, the same taxpayers, the same people in Manitoba who at this time, Mr. Speaker, are faced with the serious position, Mr. Speaker, and with some difficulty.

Mr. Speaker, I don't know how much time I have left. I would like to . . .

MR. SPEAKER: The Honourable Member has seven minutes.

MR. SPIVAK: All right. Mr. Speaker, I can see the consultation taking place from the honourable members opposite and I want to in any way sort of prepare what I think will be a rebuttal, and I am going to --(Interjection)-- Well I have the book and I am going to try if I can in the remaining minutes to anticipate some of the remarks that will be made but I don't think that they will in any way take away from the arguments.

Mr. Speaker, last year when the Budget was presented there was a surplus of money in the previous year. That came because their revenues were higher than the expenditures and the expenditures were higher than estimates, and the revenues were higher than the expenditures because there was additional revenue from corporation tax, from income tax, from the equalization payments. Basically they made the amount of money that was transferred over into this past year. Mr. Speaker, there appears to be a \$11½ million deficit, we know that the expenditures of about a billion, 888 million dollars I believe I said, and we know that that means that if we have raised sufficient revenue to pay that we will have had expenditures of a billion, 77 million. But Mr. Speaker, we know that income tax is less than what was projected, that the corporation was down \$10 million, that the revenue guaranty was down and it would appear about \$10½ million; we know as well that equalization was up by \$8 million, and while there may have been increases in revenues in the other areas of sales tax and gasoline and liquor tax, it would not appear to be much higher than the amount that is contained in the short-fall I've mentioned, which would mean that it would probably close at about a billion and 20 million dollars, which would mean that there are expenditures of about \$50 million that were not spent. And, Mr. Speaker, those expenditures have been added by expenditures of another 12½ to 18 percent and, Mr. Speaker, at the end of this year all of that money will have been, all the Budget that we are approving will have been used to pay for those expenditures, \$50 million of which were not spent this year which would provide I believe the cushion for next year.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Thank you, Mr. Speaker. I will try and deal with a few items in the Budget. I know that the Member for Fort Rouge has presented a sub amendment and I will try and deal with a couple of items in the sub amendment. He has dealt with a couple of them quite extensively.

Mr. Chairman, the debate on this Budget for the first time that I have noticed in some fourteen years now has taken a completely different line than it usually has done

BUDGET

(MR. PATRICK cont'd) before. I know that the Throne Speech is sort of wide open range in debate, and the Budget Debate is usually, the Ministers or the backbenchers get up and defend very strongly the Budget and the taxes imposed on the people and say, look, that's fair. I remember quite some time ago when the Honourable Member for Churchill, the late Gordon Beard, who got up and defended the tax on fuel, I believe - and that's not the point I'm raising, if it was right or wrong, but there he was defending the government's position. And I was quite surprised when the Minister of Public Works got up and never even mentioned the Budget at all. He talked about capital punishment and somebody else talked about something else and we had quite a far range in debate. So perhaps I can deal with some of the points that were mentioned, and get back to the Budget. I will deal with some of the areas that I figure the government has failed to do, as initiate some action in economic and industrial development in this province. I feel that this is an area that the government is certainly lacking.

The other point that I will deal with, Mr. Speaker, is the government has failed to develop effective means of helping those who suffer from economic disadvantages, and the ones that I will talk about are in a core area where the Premier when he first became the Premier of this province, he took great pride in getting up and said, we are the only party that can sort of try and deal with the less fortunate people and the only party that really are coming to grips and trying to do something for these people because they lack education and they lack housing and they lack job opportunities. And the problem - and that's an area that I will deal with. The problem is, Mr. Speaker, that today there are many more of those people in that situation than there were seven years ago, many more in the inner core that haven't got the education, equal opportunity to education; haven't got housing opportunities, in fact less housing than they had then, and they haven't got the job opportunities. So I'd say in that area - and the reason I'd like to deal with that area is because the Premier used to take such great pride, he said that's the area that this party really can come to grips, it can really do something. And I feel that the government has failed those same people that the Premier used to take such great pride in, he said he would come and do something for those that are suffering from economic disadvantages in this province.

But before I do that, Mr. Speaker, I did deal - on the Throne Speech, I in fact gave some credit to the First Minister for the action that he took in respect to inflation and I said it was a pretty difficult thing for him because I know that he didn't have the unanimous support of his Cabinet or caucus and there was a big split in the party in respect to the anti-inflation measures. But the Premier has taken that action, not this year but he's been talking about controls for three, four or five years. And I give him credit - I said something had to be done, because in the wage settlements in 1975 in Canada they averaged 20 percent, Mr. Speaker. In the United States they averaged between eight and nine percent. The GNP which used to grow five to six percent in this country and did, I believe, in '74-75, and in 1975 it was .02, which was no growth at all. I don't believe we had any deficits for some 30 years or longer, and last year it was in the billions of dollars, billions of dollars. So, Mr. Speaker, what was happening, we were pricing ourselves out of the market, and the result was that instead of having four or five percent unemployment, or six, it was over seven, and if we didn't do anything this may have reached much higher, it could have been 10 and higher. So again the Consumer Price Index which used to rise at five or six percent a year, it went something like 10 percent in 1975. So I congratulated the Premier, the First Minister, and said that some action had to be taken and I saw it was a pretty tough position that he put himself in at the convention. And I said it was great, and from the exchange of questions this afternoon, I believe yesterday or this afternoon, on his position, I see that the First Minister is trying to ride the fence and have the best of both worlds, because now he says the contract in Flin Flon that was rejected by the AIB Board was . . . he can't agree with. So it seems to me that the First Minister is now trying to have the best of both worlds.

I know there has been discussion, Mr. Speaker, about where can we save money. I know that the Minister for Health and Social Development presented his

BUDGET

(MR. PATRICK cont'd) program to the House this afternoon, and I think it was good information for us to have because we are getting all kinds of information. I know he indicated that the Seven Oaks Hospital was a necessity and it's not reducing the number of acute beds. And from my information, and the information may be not correct, but the information that I got was from medical people, from doctors who have indicated to me that they said, look, you have one of the finest institutions in western Canada, the Health Sciences Centre, and what you're doing is actually reducing the beds in there and building another hospital in Seven Oaks. I'm not agreeing with that statement but I'm posing that question to the Minister so he can answer. And they're saying, what you're doing is reducing at the Health Sciences Centre which is the best institution there is, and what you're doing is building a second-rate hospital at Seven Oaks because it could be a political action. I know before I got in this House there was talk of building a hospital as far back as 15, 16 years ago. And I know from the first time I came in the House there was debate going on of a hospital, not in Seven Oaks but in the north end somewhere. So that debate has been going on. So what I'm saying to the Minister of Health is that's the information that's coming across to this side of the House, at least to me, from medical people, from people that are in the field. They're saying that all we're doing is closing some beds in one place and building in another and they feel the institution will not be as good as the one that there is at the present time. So I hope that the Minister will answer.

The other point that I wish to point out to the House at the present time, and I know the First Minister spent quite a bit of time on it, and that's about the Government of Canada pulling out of a partnership agreement in financing of many programs. Well I hope that it will be explained if I'm incorrect. The way I understand it, the Government of Canada is in partnership with the provinces in the health care and other related programs. But the Government of Canada put a ceiling on how much increase that they'll continue to give each year. That's the way I understand it. They said, look, we're not pulling out, we're putting this ceiling on to check excessive rises in health costs. If unchecked - this is what the government is saying - if unchecked it could destroy the country's ability to maintain these programs or any medical care services in this country. That's what they're saying. That the rise is so great and so quick that they're saying, we're putting a ceiling, we have to check, we're not pulling out of the programs but we're saying, look, it's a partnership it's essential and we have to ensure the minimum standard, whatever the country can afford. And the ceiling on programs is not withdrawing from the programs, it's to enable this country and the province to maintain a minimum service. So if I'm wrong I hope that the Minister of Finance will correct me, but that's the way I understand the program and that's the way it's been explained, it's not, you know, pulling away. The government is saying, look, if we don't do something, there may be such time that you'll destroy the ability to maintain the programs.

Mr. Speaker, the Budget - I know we're supposed to tell the government where to cut expenses and where to save money, and that's not a very easy task. I believe the Budget is an expected income, expenses for a given period of time in the future, and that's what it is. I think it's a plan of operation, a government plan, or on this side we may say to the front benches and to government that it's perhaps a lack of planning. It depends how much you agree with the Budget. There is no point, Mr. Speaker, talking of cutting expenses. It may be desirable and commendable, but perhaps we can talk about holding expenses, how much increases we should allow and how much the government should increase. But I think most of it or all of it should be related to an overall plan of government operations, Mr. Speaker. I think the present Budget appears to me, it's an adjustment, not much more than adjustments on taxes but not an overall plan in mind, and certainly through bits and pieces it raises an awful lot of money, which is \$40 million. I believe a large portion comes from liquor tax which is \$10 million. But the Minister in my opinion, Mr. Speaker, did not use the fiscal power that he had and tools to deal with economic problems in Manitoba. I think the economy in Manitoba is not healthy irrespective of what the First

BUDGET

(MR. PATRICK cont'd) Minister had to say and I believe the situation is far from good or perfect. Incomes may be slightly up and there may be an increase in the profits a little bit, but when one takes inflation into account, Mr. Speaker, we may be slipping backwards and this is what's happening in the province in my opinion.

I know that it's been indicated by my colleague from Fort Rouge where he indicated that . . . and there's indication from Ottawa that the agricultural receipts will be down by I believe \$100 million or somewhere in that neighbourhood. And new business in this province is not developing. Again I'm not saying that this is the government's fault, because maybe it's the general condition across the nation. But whatever the reasons, Mr. Speaker, I believe that we should seek answers in this area for our province to encourage new investment in here, and I believe that the Budget does not deal with that area at all.

So does the Budget, Mr. Speaker, does it accurately portray the economic realities of the province? It's been indicated by people in the House that use statistics that it does not. And will the measures, Mr. Speaker, in the Budget have an impact upon the economic conditions in our province?

Mr. Speaker, there are areas that I believe we have to deal with. We need measures, and the measures are needed to correct such things, as we do have high unemployment in the young age group, 16 to 25. I am quite concerned that last year our labour force only grew by 3,000 people, that's in the Minister's labour report, it's the smallest I could ever remember. So my question also is to the government, to the Ministers, what happened to some 25,000 people that came on the labour force, because I know 25,000 didn't quit. So these people are either not employed or they're looking for jobs or they're somewhere. But that's the fact, that's the Minister of Labour's report, it said a 3,000 increase in the labour force. So I am concerned about the high unemployment in the 16 to 25 age group and indications are . . . I'm sure the other members must be aware that the university kids at the present time are having a real difficult time, a difficult time. You can just ask. I know I've had communications with quite a few and they are having a serious time, much worse than last year or the year before or the year before. Then we have the other point, the consumer price index, Mr. Speaker, in Winnipeg was close to the top, the cost increase. We had a serious drop in housing starts in 1975 and we have a housing problem which the government did not come to grips with and did not deal in the Budget at all in that area.

There is a fall-off in capital investment in this province. So again, Mr. Speaker, there are problems. I wish to indicate that there are worsening labour relations and if you don't . . . I know the Minister of Mines and Natural Resources may say it's not true, but these are the words even of the Minister of Labour, that there are serious problems as far as labour relations are concerned. And I again am not saying that it's all the government's fault. --(Interjection)-- Well I said the Minister probably would say it's not true. But I'm indicating that it's true, it's worse than it was before, because recently the Federal Government released statistics which indicated that of all the settlements that took place in 1975, around 45 percent needed conciliation officers' assistance, needed some extra government assistance to get these parties together to resolve the problems and to resolve the problem and sign agreements. So it indicated, 42 to 45 percent, that you need further help. So when we talk in Manitoba that the government needs more power in their Labour Relations Act, they need to know what's going on, when there is a dispute and the contract is not signed, that you need more conciliation officers because they're doing a good job. And they're effective. They were effective in Canada, where statistics show that you have to have more officers, more assistance given to either employer or employee to resolve their problems and to come to agreement.

I know that the Minister indicated, and I agree that there may be difficulties in financing our health problems. Mr. Speaker, I know that the health costs are going up, but I will again say that I feel that Medicare services is probably one feature of the legislation, that there is the best in this country. This is something that I agree with. I will not argue that we don't need it because when we had the private plans in this country, we had the private plans for 40 some years and in most areas you had about 50 percent of the people covered in this country and the people that were covered were

BUDGET

(MR. PATRICK cont'd) the ones that were able to afford the premiums, the ones that were not able to afford the premiums were not covered at all. And in my opinion if you don't give people some medical attention, some medical care, then I think the cost in the long run will be that much greater on the provinces and on the country. So I think the program is good. That doesn't say that we don't have to have some kind of control, some kind of ceiling, some kind of ceiling on spending, because as indicated, the Federal Government has indicated, look, we're not pulling away from the program, we're putting a ceiling because the costs themselves may eventually destroy the program.

Mr. Speaker, the cost of living I know has been rising quite fast and this imposes a real problem on people on fixed incomes. This is what happened in the last year or so, and unfortunately many of those are unable to do anything about it. Again, the senior citizens, there's very little in the Budget as far as doing something for those people.

Mr. Speaker, the other point that I wanted to deal, and that was that I pointed out that after quite a few years this government has failed to develop effective means of helping those who suffer from economic disadvantages in this province and I think the stimulation of the economy probably would help to some extent employment opportunities for many people. But that's not the whole thing. I think that we have to undertake in this province training programs directed at the people, the groups of people that are disadvantaged and provide them job opportunities, on-job training. And I think that's the only way we'll be able to do something for many of these people. Because that's the people that the First Minister spoke with such great pride the three or four times that he got up on addresses in this House. And he said; look, no other party has responded to this group - we are. And I give him credit, he was trying to do something, but the point that I'm trying to make to him at the present time, he hasn't accomplished. Very little in fact, Mr. Speaker, because the disadvantaged in that same core area in Winnipeg are still there. Many of them still haven't got the housing, the kind of housing that they require; they haven't got the jobs that they require. So what I'm saying, the government has spent a great deal of time patting itself on the back when it talked about human betterment for the past six years, what great things it was going to do, but much of that, Mr. Speaker, hasn't come to fruition. The government promised much for our native people, for the less fortunate, but the facts are, Mr. Speaker, in Winnipeg, according to some of the government's reports - the Barber Report a few years ago showed a serious poverty problem in this area.

I know that the First Minister indicates how great things have picked up, but let's take a look at the per capita income in the cities as far as Canada is concerned. A per capita income was somewhere in the neighbourhood of 52nd or 53rd place some seven years ago, and look how rapidly it has fallen down. Now we're past 60th, we're in the 60th place and, say, in 1973 or '74 we were in 52nd place. Again, I don't wish to lay the blame on the government, but to say that they have solved a problem and when the First Minister used to talk and get up with such great pride and say, "we're the party that will do something for these less fortunate", we're finding now that in per capita income in Winnipeg we have dropped from the 52nd position to over 60th position in a matter of seven years. And these are the facts, if you check the green book, the income tax statistics. So what I'm saying, per capita income in Manitoba between the national average in Manitoba is dropping so we haven't done as great a job as perhaps some of the government Ministers may think that we have. Again, it was indicated that some 16 percent of the families in Winnipeg earn somewhere around \$4,000 annually, and I believe that the figures of these families have increased. This is a clear indication that a proportion of our community poor in one heavily populated area around Logan area in the middle core are still poor today, they remain poor, their wages are not increasing at the rate of perhaps other people.

So the economic and the social lives of low income families, Mr. Speaker, is an important public concern because they cannot contribute, they cannot contribute to the society as everybody else. First, I think that unfortunate people in our city should have access to adequate level of living because, Mr. Speaker, at the present time these people are unable to contribute to the growth and development of our community because they lack education, they lack decent housing, and many of them, perhaps the biggest point is they

BUDGET

(MR. PATRICK cont'd) lack jobs. I know that the government has indicated that they are trying to do something about it, but it appears that your program will have to be a man-power training program, on-the-job program, that for many of these people that's the only kind of program that will work.

The other point I wish to make - I know that the government takes great credit about the tax credit plan and what a great program it is. I will not argue but, Mr. Speaker, it doesn't do that much for many people, it doesn't do that much. Because if you take somebody that is making - this is the Budget - somebody that is making \$5,000 with two kids, he'll get \$10.00 a month. Well I know somebody will say well that's a help, that's much better, but it isn't such a great help in my opinion. The tax credit plan probably is a greater help for senior citizens, perhaps it is one of the best plans for the senior citizens. I don't believe it's a solution to our taxing problem and municipal problems, because it's not. Now I know that every time somebody compares, and the other day I think the Leader of the Opposition was speaking and somebody got up on the government side and said, "Give me your statistics, give me your sources." Mr. Speaker, I was in Edmonton this past year and I went to the best residential area there is in Edmonton, the home price range of \$100,000, right in the City of Edmonton and I compared the property tax up there to an area of St. James. Mr. Speaker, it's two and a half times as high here, it's two and a half times as high. So --(Interjection)-- well, one of the Ministers says why? Because we had all kinds of releases from the school trustees, from the Winnipeg School Teacher's Association, who have again and again and again pointed out that where the Foundation Program was supposed to finance 80 percent of the education costs, that it has dropped down to approximately 50, in their brief they've suggested it has dropped down to somewhere like 46 or 45 percent. Of course you have to take your tax credit into consideration, but the tax credit doesn't cover that difference, for the drop from the \$80,000 to 45 percent. So Mr. Speaker, there is a difference. That would be my source of statistics, because I went and I checked, in fact I took some pictures of some residential homes, and it's such a difference that it's unfortunate to talk even about them. I think it's a serious matter.

The other point that I wish to make at this time - I think that the small businessman in this community is getting worried and he may be saying that his days may be numbered, and that's perhaps because he's disappearing from the scene. And that's a real concern, Mr. Speaker, and should be a concern of all of us, because I think it is the small businessmen that provides the competition, that provides the services. I'm talking about the small store, the dry cleaner, the independent service station, the hardware store, and you're not getting the greatest deal from the supermarket as has been indicated by the Food Prices Review which came out from eastern Canada. So we look around and we see quite a few empty buildings appearing, small buildings, and there is evidence that the small businessman is not doing that well, and perhaps the Minister of Industry and Commerce would have some kind of a solution or something for these people, because I believe they are necessary. I think they are the ones that provide the capital, provide the tax revenues; they're the ones that expend the tax base in this province, that can give us the kind of revenue that we need for education, that we need for health costs and everything else.

Mr. Speaker, if the economy is healthy there are I know many opportunities, great opportunities, and I believe that the small businessman needs some assistance and something should be done in this area. So I hope that the government will respond and I hope that we can hear from the Minister of Industry and Commerce. I know that sometimes on the government side when you discuss profits and earnings it seems to be sort of a, not a welcome development. I don't know why, because, Mr. Speaker, we should be happy that there are profits. We should be happy that there are earnings, because it's the business capital, it's investment that is necessary for expansion of our new plants, the equipment and increased productive facilities to create job opportunities which are required at the present time. So I think that, as well, business should be advised in this province to take careful account of the interest of the people as well, that society will not stand for any ripoffs and that we just will not accept that. But this is an area that I think that the Minister of Industry and Commerce must respond, and in my opinion I don't believe he has responded.

BUDGET

(MR. PATRICK cont'd)

So Mr. Speaker, the area that I tried to deal with - I know my time is up. I'm not quite finished but I will conclude and just say that --(Interjection)-- No. I might as well conclude. I think that we do suffer from some economic disadvantages. I believe that the government did not do enough to increase private housing in the province. I believe that we can do something in the labour - management problems that are appearing quite evident. And the other point, that I think that this government has really, Mr. Speaker, failed to help those who suffer most and the ones that I talked about who suffer from economic disadvantages.

MR. SPEAKER: The Honourable Member still has 12 minutes if he wishes it. The Honourable Member for Ste. Rose wish the floor next?

I am leaving the Chair to return at 8 p.m. The question is open.