

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
10:00 o'clock, Friday, April 14, 1972

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 60 students of Grades 10, 11 and 12 standing. The host school is Glenlawn Collegiate and they are hosting a number of students from Polyvalent School from the Province of Quebec. These students are under the direction of Mr. Entz, Mr. Raimvaut and Mr. Allard. This school is located in the constituency of the Honourable Member for Riel.

We also have 51 students of Grade 9 standing of the Niverville Collegiate. They are under the direction of Mr. Bergen and Mrs. Burkhart. This school is located in the constituency of the Honourable Member for La Verendrye.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; Notices of Motion; Introduction of Bills.

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): May we have the first bill stand, Mr. Speaker?

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

INTRODUCTION OF BILLS

HON. LEONARD S. EVANS (Minister of Industry and Commerce)(Brandon East) introduced Bill No. 25, an Act to repeal The Farm Loans Act (Second reading Monday next). And Bill No. 27, The Seine River Relocation Act (Second reading Monday next).

MR. SPEAKER: Oral questions. The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, my question is for the First Minister or for the Minister of Industry and Commerce. Can you inform the House whether the government has investigated the complaint of the staff against the Chairman of the Manitoba Development Corporation?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, that question was asked yesterday, or a question very close to that, and I would simply say to my honourable friend that I'm surprised he raises the question in the form in which he has and in the forum in which he has here.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I wonder if the First Minister could inform whether the Chairman of the Manitoba Development Corporation was appointed by the government or appointed by the Board.

MR. SCHREYER: Mr. Speaker, whichever method of appointment was used is completely irrelevant to the first question asked.

MR. SPEAKER: The Honourable Member for -- Order, please. The Honourable Member -- Order, please. The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, I'd like to direct this question to the First Minister in the absence of the Minister of Agriculture. Is the government intending to bring in a bill to support the Saskatchewan Feed Grains price bill passed yesterday or the day before? I will pass this clipping on to him, to the First Minister . . .

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I'm aware of the matter that the Honourable the Member for Virden raises and I would simply advise him that the prairie ministers of agriculture are always seeking ways and means of closer interprovincial co-operation.

MR. SPEAKER: The Honourable Member for Virden.

MR. MCGREGOR: Mr. Speaker, then I direct this question to the Minister of Health and Social Development. This is regarding a provincial board of health. In recent months, in the

(MR. MCGREGOR cont'd) . . . . last nine months they haven't been able to have a meeting because of not getting a quorum and maybe because of vacancies. Has the Minister filled these vacancies or made replacements or is he intending to in the near future?

MR. SPEAKER: The Honourable Minister of Health and Social Development.

HON. RENE E. TOUPIN (Minister of Health and Social Development) (Springfield): Mr. Speaker, there are enough members on the Provincial Board of Health for them to call meetings and have a quorum if there is enough members attending the meeting. There are still two vacancies on the board. I'm attempting to fill these two vacancies with candidates that are willing and capable of rendering a worthwhile service to the Province of Manitoba pertaining to health matters.

MR. MCGREGOR: Then a supplementary question. Could the Minister disclose to the House the composition, the numbers, the composition of -- regarding citizen members and department or civil service members, because the point of willingness I think is the one that's concerned -- willing to serve.

MR. TOUPIN: Mr. Speaker, again I could mention to the honourable member that this was done by Order-in-Council. It is a public document and any member of the House can actually avail himself of a copy of the Order-in-Council. I can search for the Order-in-Council and make sure that the honourable member gets a copy of it.

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

MR. JACOB M. FROESE (Rhineland): Yes, Mr. Speaker, I'd like to direct a question to the First Minister. Was there a cut-off audit made of CFI at the time that the firm went into receivership?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, there were one or two words in the honourable member's question that I did not hear but in any case I have the impression that it's a question that I should take as notice.

MR. FROESE: If the Minister takes it as notice, could he also at the time that he will inform us whether further audits have been made and whether statements of operations and a balance sheet will be made available to members of the House.

MR. SCHREYER: Well, Mr. Speaker, it can be said that of course there have been series of audits carried out relative to the CFI operation. Insofar as more detailed balance sheets are concerned I would think that fairly extensive balance sheet reporting will be made available annually.

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

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, my question is for the Acting Minister of Mines and Natural Resources. Is there any likelihood that the Portage Diversion will be used this year?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, that question was asked some time ago in the House and it was answered at the time. If I may on behalf of my colleague simply indicate that should flood conditions and prospects warrant it the Portage Diversion certainly would be made operational this year inasmuch as over \$20 million of public monies have been expended in constructing it. As to whether or not that was a good and sensible public work is another question.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): I wonder whether the First Minister could advise if the Saskatchewan Government have invited Manitoba to join with the Saskatchewan Government and the business people in a conference at Churchill along with the Northwest Territorial Government to consider further business in respect to the sea lift this summer?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I can't answer that question just offhand. I'd be glad to take it as notice.

#### ORDERS OF THE DAY - BUDGET DEBATE

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance and the amendment thereto by the Leader of the Opposition and the sub-amendment thereto by the Honourable Member for Portage la Prairie. The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. Mr. Speaker,

(MR. FRANK JOHNSTON cont'd) . . . there is something very noticeable in the Minister of Finance's presentation about the Budget and I reviewed Hansard to make sure that I caught it right, but the Minister of Finance now refers to the New Democratic Party in Manitoba as the social democratic party and this is probably the right word, social democratic party is really what this government is at the present time, which is again as I've said many times "socialist".

Mr. Speaker, I would like first of all to -- I knew the Minister -- I know the previous Minister would appreciate that. We have a little thing going with us and he's either going to be the first member of the Manitoba Flat World Society or I am, I don't know which but we'll see what happens. I was just reminded by my colleague, Mr. Speaker, that it looks like the Member for Inkster has a new seat and I would say that I welcome him to the back row with all the backbenchers and I'm sure all of us in the back row are very pleased to have him here.

Mr. Speaker, I first want to deal with -- I'm sorry the Attorney-General has left because I think it's something with -- well all right I'll hold it, I'll deal with something else. There's all kinds of things to deal with in this budget. One thing that I would like to say is that really I hope too many of the members have not sent out what Mr. Turnbull, the Member from Osborne has sent out to his constituents. It was mailed on the 11th and it must have been -- the budget speech was Thursday, the 6th -- it must have been printed Thursday or Friday and all set to go in the hot little hands of the printer, and in this it says: "Seventy-four percent of the people will receive up to \$140.00." You know knowing that constituency the way I do, it's impossible. I don't intend to go into figures but you'll find that it's absolutely impossible for this member to do for his constituency what this bulletin says. It's absolutely impossible that this can happen because there isn't that many people in that constituency earn less than \$4,000 a year and we don't have to go into our figures. Our figures were explained by our Leader. So, Mr. Turnbull I hope will be able to explain these facts when they're in the hands of the people.

Mr. Speaker, there is only one taxpayer in the Province of Manitoba and that's the people. And this government seems to think you can take and you can shift taxes all over the place and somebody else is going to end up paying, but there's, you know businesses pay taxes but they pass it on, corporations pay taxes and they pass it on and there's only one taxpayer, that's the people. And when you've got a \$59 million increase in estimates and the Minister of Finance comes along and says I am going to have a tax shift here, I assure you the tax shift has to be in the place of the middle man, the working man of Manitoba, because there's not that many people making over \$20,000 a year, in fact only one percent. And there's no question about the fact that the people of Manitoba are not dumb. When somebody stands up and says I'm going to spend \$59 million more and I'm going to do it with a tax shift and the people that are going to have the burden of the tax shift is the middle person because the money has to come from somebody. You're not kidding anybody and I assure you're not kidding the people of Manitoba.

There has been discussion about the working man and the unions and what have you in this debate and I would venture to say that I probably am in contact with more working men during the period of a month than most of the people on that side of the House. I'm on construction jobs, I'm in warehouses, I'm in offices and I'm meeting them every day, and you haven't fooled them. The Minister of Finance made great presentations to the people of this province last year about Unicity. He didn't fool them. He stood up and he said now I can sell this thing again, and he hasn't fooled them. It hasn't gone over; and as a matter of fact it hasn't gone over so well that Mr. Turnbull says in his letter, Mr. Speaker: "From reading the papers and watching TV you would hardly think that the Schreyer Government had reduced taxes. To let you know the extent of the reduction I thought I would write you this letter. If you want more information about your reduction in education property tax please return the enclosed questionnaire." And you know on the questionnaire the media will be very pleased to know this, "Question 2: Do you think the following news media reports fairly what is happening in the Manitoba Legislature: Winnipeg Free Press, yes-no. Winnipeg Tribune, yes-no. Other newspapers, name it. CTV, CBC TV, radio programs, please specify the program." Now I'm sure the media will know that there's a poll being taken in Mr. Turnbull's constituency about you and I know you're looking forward to it.

MR. SPEAKER: Order, please. I do believe the honourable member is aware that in this Chamber we have a rule that members are referred to by their constituencies and not by their names. Would he comply with the rule?

MR. FRANK JOHNSTON: Thank you, Mr. Speaker. I'm very sorry, the Member from Osborne. -- (Interjection) -- Yes I will, I made a mistake. Well I don't mind admitting when I make a mistake and I thank the Speaker for reminding me. So the Member from Osborne has now got a poll going for the media and I am very happy that they have, but what it boils down to is it only says again "the Minister of Finance has not been able to sell this program to the people".

The Attorney-General's not coming back, there's two or three things I want to talk to him about, but anyway to get in this comment from this local paper here, in order for this to be in on time or be printed in this particular issue it had to be delivered on Thursday and the Attorney-General says, "We estimate that 74 percent of all the taxpayers will save \$100.00 annually with education property tax reductions. Indeed 31 percent of all taxpayers will claim the maximum reduction or \$140.00." Now I want to tell the Attorney-General that I know his constituency probably better than he does or as well as he does. I assure you I know the constituency of St. James-Assiniboia as well or better than the Attorney-General, and I assure you there are not enough people in St. James constituency earning less than \$4,000 for 74 percent of the people to get that money. Now I am saying that as fact and I know it. So here again the big sales pitch didn't go across and all of these things were ready to go to the printers the night the Finance Minister made his statement. Well there's only one thing that we can say, it seems to be popular today. You know, say that if I'm right, I'll quit and if you're right or you're wrong, you'll quit you know, or vice versa. It seems to me that the Member from Thompson has put his job on the line, the Leader of the Liberal Party has put his job on the line and as the Minister of Finance says, the Leader of the Liberal Party hasn't got that much to put on the line but I could say the Member for Inkster and myself are quite even but I don't think he and I would deal in childish play like that. We have our opinions, we state them and we're not going to put our jobs on the line, although it seems very popular today to do so.

I want to get back to the Attorney-General's Department again, as far as I'm concerned the Liquor Commission. It was first of all very unfortunate that in the Budget, Mr. Speaker, we have now raised the price of liquor again and everybody thinks this is okay, if you got to collect money you collect it on the liquor. Well I know that this is pretty rough . . .

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, I wonder if the Honourable Member from Sturgeon Creek will permit a question?

MR. FRANK JOHNSTON: Oh, sure, sure. No, I don't mind. Go ahead.

MR. MACKLING: Is it true that you indicated that somehow particularization of the contents of the Budget was released for publication in the press prior to the budget details being announced in the House?

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON: No, by no means did I say that. The Finance Minister obviously feels I did. I said here this article which appears in the Press must have been written -- I don't say it was given to the paper but it was written and all ready to go is my particular feeling. -- (Interjection) -- Well I'd say this has to be in by Thursday afternoon or Friday morning. -- (Interjection) -- Well it could have gone in Friday morning -- (Interjection) -- well that's fine. It was still the next day, let's put it that way, and we still haven't sold it is what I was basically trying to put across.

Mr. Speaker, it would seem that the Minister of Finance is a little bit upset, and really what he's upset about is he hasn't got it across to the people, they haven't bought it. That's right. In other words, there are people in this province that think what he says is not entirely right. -- (Interjection) -- Not on that side of the House anyway.

Mr. Speaker, getting back to the Liquor Commission very very clearly it is really too bad when we have to increase the price of liquor. Here you've got a corporation or a Crown corporation that is presently making money now, all kinds of it. The Chairman of the Manitoba Liquor Board walks on air that he had increases. How much money do you want to get out of one area and how much money do you want to really take from the guy, who enjoys to buy a crock on Friday or Saturday night -- and you really don't kid yourself there's lots of them.

Then I will tell you this also, that when you get involved in bars, you think a five percent increase in cost at source is not going to be more in the bar, and I would sincerely hope that

(MR. FRANK JOHNSTON cont'd) . . . . all who sell or have bars in Manitoba would put this on their menu like a man from Regina did: "Due to the labour legislation, effective January 2nd, an increase in cost has been felt in all aspects of business both for our suppliers and ourselves, it was found necessary to increase the menu cost 10 percent on all foods, beverages are exempt." Now they should do this in the way of beverages and they should let the people know that their increase in costs when they go into a bar to have a drink is directly the responsibility of the government. -- (Interjection) -- Right. And then you guys, Mr. Speaker, will stop adding taxes as fast as you are. All the hidden taxes that you can think of. You know that man is saying I run an efficient operation, I don't have to raise prices but if the government makes me, he's telling you who did it. But the real, what I would say almost mean thing is, when you have a corporation that is making a profit, and they add up their revenues and their expenditures each year and they find that they're making a profit, they go back to the revenue side of the sheet and they say, oh gosh, it costs us more than this to issue a permit. The Attorney-General got up and said from 1928, you know, the costs have gone up. Isn't that amazing. It's just too darn bad that you can't give a service to a customer especially when you're making a big profit. You know, why go back to the revenue side of the sheet and say we're making 30 million bucks but really we haven't raised this in 20 years so we got to find another few bucks here. We're going to raise the cost on weddings, we're going to raise the cost on banquets, we're going to raise the cost on everybody that wants to have this type of pleasure. Even when you're making \$30 million a year. You know it doesn't make sense. Even businesses which these people dislike to very great extent, Mr. Speaker, when they're making a profit give services to their customers but this government doesn't believe in doing that.

Mr. Speaker, the Member from St. Vital never ceases to amaze me. I must say that when he gets up and mentions that the farmer has his subsidy on telephone and he's got a subsidy on hydro and he's getting along very well at the present time, I'd like to inform the member I'm not just sure of his business but I could tell him about many businesses that where a man runs a business his telephone is expense, his hydro is expense, it's the same in grocery stores, it's the same anywhere, it's expense of operation of business. And if the Member from St. Vital says that a barn is not a business operation and a man who picks up the phone in his home to order food supplies or supplies for his farm is not doing business, I assure you, Mr. Speaker, I think he must live on the moon. Because I'll tell you that there's no reason because the barn is behind the man's house and the office is in the man's house does that make him any different than even businessmen in the city? Now I would prefer the Member from St. Vital start to get some logic in his argument. I assure you, Sir, even I as a businessman can claim my business phone. Why can't the farmer? I can proclaim the percentage of hydro that I use in my business. Why can't the farmer? You know, this is really not logical, and when he uses that excuse for not paying the farmer what he should be receiving from this government, he is absolutely out of his mind.

Mr. Speaker, the Member from Ste. Rose mentioned Mr. Bowen, you know, and he and I agree on that, if he remembers my speech on the Throne Speech debate, he and I agree 100 percent that farming is our number one industry and if we start to neglect our number one industry this whole province is in trouble. This government has neglected it and obviously the Member from Ste. Rose agrees with me 100 percent. So I'm beginning to really believe that that message may be starting to get across. As a matter of fact I think the Member from Inkster is a little bit amused. I was speaking at a country gathering the other night with two rural members and I started out by saying ladies and gentlemen these guys are shaking in their boots because when I get up to speak agriculture and I'm from the city, they never know what's going to happen. But I tell you that I have a respect, I have a respect for the farmer in this province and there's no question about it. I know that if we didn't have the rural agricultural business in this province I'd starve and so would all you guys. Well, I'll stop worry-them on this side of the House right now, Mr. Speaker, and get on to something else.

Mr. Speaker, why would the government decide to take all this money that they're spending, or why the government spend all the money they're spending and the Minister of Finance come along with a few mediocre ways of collecting it by putting it on liquor, by putting it on cigarettes and the worst thing that he did was put it on this machinery the way the bill reads because that is just another way of depressing the people of Manitoba. It is just another way of saying to business and corporations "don't come here" and the Member from Logan

(MR. FRANK JOHNSTON cont'd) . . . .thoroughly believes that I think the only productive man is an entrepreneur, and I think you think that on the other side. In fact I probably would say that the opinion of me on the other side is that I would be a relation of Mr. Getty or something of that nature the way the press once called me. I'm a capitalist over here, fine. But I will say this, that the Minister of Labour kind of did some twisting one day on a resolution that I had made and came out in very bad shape because he started to twist and assume things and slide around, and all of a sudden everybody realized that a pensioner when you talk about pensioners is an old age pensioner, but he chose to split hairs and the Member from Logan when he says that I'm only for the entrepreneur and this party is only for the entrepreneur, he's splitting hairs too and it's going to catch up to him because I will tell you this, what the people know and what they know very well, unless you have the man that's investing in the province, unless you have the man that is planning to build an industry, unless you have the man who is working to do all of these things, the productive man the Member from Logan is speaking about -- and he is productive, I don't argue that with him -- will not have the opportunity to work or even show his production. We all know what we mean but you fellows -- excuse me a minute Mr. Speaker, would you like to wait, I might get some more ammunition, Mr. Speaker. So really we don't pull any bones about the fact that unless you have investment in the province you're going to have the working man suffer.

Well, Mr. Speaker, also the Budget discourages people from investing and he keeps saying that the increase in retail sales will be about eight percent. Well that's true there will be about five percent increase in costs inflationary. The retail sales that he's talking about are really controlled by car sales, furniture, heavy sales, this type of thing. But I tell you the retail sales that really bother me is the fact that soup is selling more, Kraft cheese is up and that's what the problem is in Manitoba. The people are not able to purchase the nice things that they'd like in this province and that's because there is not any work, there are too many people unemployed, and frankly this government keeps taking the money out of their pocket in a roundabout way. You know the Minister of Finance keeps saying let's make a tax shift, you know, and he gives the man the ball and he let's him shift and run down the field and then he lets him shift again and when he's moving he hits him and knocks him back five or six yards. Because that's exactly the way it works. You fellows with your taxes have got the idea that the individual Joe on the Street isn't paying them, and I assure you in Manitoba they are and their costs go up every single time you fellows do it.

The public housing in Manitoba, Mr. Speaker, is in a disgraceful mess and we will get to that very thoroughly when we get to the Minister's Estimates and we may even get to it sooner. When you examine the file getting bigger and bigger on the complete financial mess we're in on public housing and the complete attitude of the government to listen to nobody, you're in a real financial mess.

Autopac is in a mess, and strangely enough we can point at one Minister who's really got this government in topsy-turvy. Somebody should turn around and put the reins on him because he just goes along merrily, merrily along his way saying, everything's okay, everything's fine. A-Okay, wandering around in a cloud and he's got this province in so much of a mess in about three or four of the portfolios or things he handles, that they're going gray on the other side.

Mr. Speaker, the other part of the Budget that is really annoying is that now we are spending money in 73, we're not sure where it's going to come from and we disagree that the payouts are different from what they claim. So what happens? Now, we've got to go down and go into \$95 million more of debt. You know, Mr. Speaker, a municipal government in this province has to present its budget to the Provincial Government and there are really basic rules and regulations as to what is capital and what is operating, and there is nobody at the present time telling these guys what is capital and what is operating. It would be desirable that there would be a board or commission set up to look at the Provincial Government budget, Sir, and say, now look, you can't put this in capital and you can't put this -- this has got to be in operating. But these guys can make their own rules and this government keeps making their own rules about what is capital and what is operating. -- (Interjection) -- I heard the same way we did, I'll tell you this, I wouldn't mind having a body coming forward when I set up my budget and saying, really I think your conscience ought to be bothering here because that's not capital that's operating, but I'm finding there are no conscience on the other side.

Mr. Speaker, and so what happens? We're down into New York again, and I think the

(MR. FRANK JOHNSTON cont'd) . . . . Member from Inkster would be disappointed if I hadn't had a passage for the Minister of Finance really. -- (Interjection) -- Now we have it, now we have it. -- (Interjection) -- Oh no, there's a paragraph for all of you quite frankly. It says, Mr. Speaker, "Mr. Fines kept his horn brimming by the simple device of adding a new tax here or there when his spending trended to move ahead of his income. Between budget while his boss busied himself on the home front flaying away at capitalism and decrying the sordid spectacle of American coupon clippers fattening off the Saskatchewan's bonded debt, Mr. Fines was appearing regularly in the money marts of Manhattan for the express purpose of selling more Saskatchewan bonds to the American coupon clippers. Obliging New York coupon clippers bought Mr. Fines bonds, wined and dined him, and sent him on his way with bags of money with which to bring down bigger budgets and get on with the bigger job of eradicating capitalism and capitalists." Now we know that our Minister of Finance is going to have to be going down and looking for money again, and mortgaging the future of Manitoba to those terrible capitalists. -- (Interjection) -- Well, I'll tell you, I'll tell you as much as I disagree frankly disagree with the wild, stupid spending of this government, they couldn't do it if there wasn't somebody in New York, a capitalist that lets them. So, Mr. Speaker, we have now gone to the mortgaging of the future of Manitoba.

The First Minister, he keeps talking all the time about what other people did, and he talked about deficits and he talked about the previous government, but I think if he took a look at 1968 and part of 69 an attempt was made by the provincial government of the time, our party, to balance the budget in this province, take a look at where we were going, and go from there in a very stable manner. But this unfortunately had a change in June, and these fellows have just gone on a wild spending spree. And I will tell you this, the people of Manitoba absolutely have caught up to his type of spending, and they are going to turf you out; they're going to kick you out the next election. And if as many of you wandered around and met the people that I do every month who are workers on construction jobs, while I'm in my overalls -- surprising enough I get in overalls and work with these guys -- they tell me, they tell me that they are going to turf you guys out. Regardless of what you talk about, the union bosses and everything of this nature, I am telling you right now the working man tells me he is going to kick you guys out and he is going to enjoy doing it.

A MEMBER: Frank is such a brilliant man.

MR. FRANK JOHNSTON: Right, thank you. Nobody blows his horn like I do.

Now, Mr. Speaker, the businessmen that I had the opportunity to speak to after the budget were exactly in this particular state of mind. When he talked about how well the economy was going, when he talked about how well business was going in this province, and these men are really feeling bad because they're laying off staff, and people in warehouses are seeing their buddy that they've worked with for 6 or 7 years having to be laid off, they frankly wonder if he was on the moon with the Member from St. Vital when he started to make this kind of a statement, because the atmosphere of the economic situation regarding business people in Manitoba is so bad that you wouldn't believe it, and if you guys would get off your prats and walk around and talk to some of these businessmen and find out what's going on, instead of sitting here getting advice back from a bunch of kooks that you send out to talk to them who don't believe what the businessman says anyway, you'd be a lot better off, and you would know what's happening.

Now, it's just really a joke, right now in the business community the words of the Finance Minister are a joke in the business community at the present time, and they're going to turf you out, too. They're laughing at you. I will tell you this, that if you really think that this 12 percent increase in investment is in the private sector you're wrong because I have told you before that all you have to do is look at the building reports and you'll see it's nearly all public money. Other than the private housing you've got the public housing, which is a big figure; you've got the hydro, which is a big figure, and then when you take -- the private housing is a big figure. I will tell you this, Sir, that the investment in this province by private people who want to put business in this province and grow, is next to nil unless the government goes with hat in hand and says, here buddy I'll give you as much money as you need, come in here. -- (Interjection) -- If you want to call it that, fine.

I don't know that I am completely agreeable with CFI, with the way the financing was done, but I'll tell you this, I'll tell you this, nobody in this province has put out \$400 out of their pocket yet as everybody said, I haven't, you haven't. The money came from the money

(MR. FRANK JOHNSTON cont'd) . . . . market and if the thing was left alone by that bunch of stupes on the other side of the House it would be operating properly at the present time. And if you wouldn't go around spending up to \$4 million on investigations which it will probably be after charges for lawyer's fees, holding commission hearings in the North Star Inn and paying \$175 a day to commissioners it would probably do all right. So why don't you -- and another thing -- you're the guys that spent the money. Now it's as simple as that. I hope the Premier gets on the stand and we get the questions. If you want to bring it up and have a debate in the House we're ready any time you like. -- (Interjection) -- Now, no I'm just getting going, you sit down. Mr. Speaker -- (Interjection) -- right, right, right. So don' get any funny ideas that this side of the House will back down on CFI. Any day you want, fellows. Any day you want.

Now, Mr. Speaker, let's get back to the financial situation of the province, and I will say this: The hydro has now been put in a mess, and I have a very simple way that I explain it to people that ask me about it. Mr. Speaker, I think I can say the same thing to this side of the House, because I don't think they can argue with it. When you are going to flood South Indian Lake anyway, and you could go to fifteen feet, and you would have enough water to supply the diversion, and put down the Nelson, you could give Manitoba enough power to supply the province and even sell some, and when you get the profits from that power that you sell, you could then apply it to the regulation of Lake Winnipeg, and people would be paying the \$100 million instead of the taxpayers of Manitoba. When you're in business if you have a situation where the profits from the things that you sell will advance your company, it seems like the logical thing to do. And that, Mr. Speaker, is the logical thing to do . . .

MR. SPEAKER: The Honourable Member has five minutes.

MR. FRANK JOHNSTON: Thank you, Mr. Speaker. That, Mr. Speaker, is the logical thing to do, but we have political situation, as my colleague from Pembina has said "you brought somebody in to get you out of a mess". And going back to the book again, Mr. Speaker, in the Saskatchewan situation, going back to the book again, and when they were bringing in people, NDPers and you know the great man is mentioned here. "It was somewhere in Ontario that David Cass-Beggs missed out at the polls but this in no way disqualified him from getting a political handout from the Douglas administration in Saskatchewan. The handout to Cass-Beggs was the job of general manager of the power corporation, a job that now pays him \$25,000 a year". I wish they'd take him back for \$25,000 a year. We're paying about \$65,000. So this guy moves around, any time there's an NDP government gets elected, he says "Here I am fellas, here I am. Raise the ante, and I'll come running". He has just absolutely, absolutely, put this hydro situation in the Province of Manitoba in a mess.

But, Mr. Speaker, what have we got? We sum it up that we've got more bureaucracy, we've got more taxes, we've got more government control, we've got all of these things, and I said when I was speaking on the Throne Speech debate that that adds up to socialism and the people of Manitoba -- (Interjection) -- that's right. Now we've got you admitting it, you know. Mr. Speaker, the Member from Inkster, I have all the admiration for him in the world, and even the Member from Crescentwood who I don't have that much in common with, but we know where we stand. We're finally getting those guys to admit it. They're all socialists. And as I said before, Mr. Speaker, where is this young fellow who is going to save the province from socialism; where was this young fellow who everybody said as long as he's there we won't get it shoved down our throats? And I'll tell you this, he's probably a bigger socialist than the rest of you.

MR. SPEAKER: The Honourable Attorney-General.

MR. A. H. MACKLING, Q.C. (Attorney-General) (St. James): I think the honourable member indicated he would answer a question.

MR. SPEAKER: There is only one minute left. It will have to be short.

MR. MACKLING: Do I take it that if you had a decision as part of the government to make all over again you would approve of the loaning of the money to CFI; and do I take it also that your view is that the Hearings by the Commission are a waste of taxpayers Money?

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON: Mr. Speaker, the Hearings of the Commission are definitely becoming wasteful. I think if there is something wrong the RCMP can sure find it out, so why fool around with the Hearings. Now the other thing is, as far as the loaning of the money is concerned the principle behind the idea of CFI is sound, and leave it alone, and it will be



(MR. FRANK JOHNSTON cont'd) . . . . all right. -- (Interjection) -- Right.

MR. SPEAKER: The Honourable Member for Winnipeg Centre. The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON: The principle behind it is sound and if left along it will do all right. And you know, it's going to make money despite you guys. You guys are going to be so mad it's not very funny. -- (Interjection) -- Yes.

MR. SPEAKER: The member's time is up. I must indicate. It must be by unanimous consent if we are going to continue. Do we have unanimity?

The Honourable Member for Inkster.

MR. SIDNEY GREEN, Q.C. (Inkster): Mr. Speaker, I wanted to ask the honourable member a question if he would permit me to. The honourable member said that I have finally admitted being a socialist. Is the honourable member suggesting that at any time that I have denied being a socialist?

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON: Mr. Speaker, at no time -- I said the Honourable Member from Inkster has always made his position clear. If I confused that issue, I say to the member -- (Interjection) -- No, no. I said the fellows over there -- you happened to be sitting there -- but I wouldn't put it that way.

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J. R. (BUD) BOYCE (Winnipeg Centre): Mr. Speaker, in sitting listening to the Member for Sturgeon Creek he almost sounds like someone from the past. I just had visions of him in his weskit and breeches and boots riding to the hounds and coming back to distribute the Queen's Sovereign.

I am very glad, Mr. Speaker, to see the Leader of the Opposition in the House because in his response to the Minister of Finance he challenged the backbench on this side to respond to his criticism, and speaking this late in the debate, I think that most of his rather superficial analysis have been responded to, but one thing I would like to point out, and I hope all Manitobans are listening to what was implicit in the Leader of the Opposition's speech, because after all these years I have finally found what is the difference between the Conservative philosophy and my own personal philosophy. There's not much difficulty in establishing what the Liberal philosophy is. The Liberal philosophy has become one which you don't do anything unless you have to do under the term of laissez faire, to one of wait until things get so bad that you have to drive it back into the ground; such as if inflation becomes bad you drive it back into the ground by creating another problem of unemployment, then you drive it back into the ground. It's just like having two stakes, you drive this one down, the other comes up; you drive this down, this one comes up, and you time it to coincide with election.

But with the Conservatives I have finally found what their philosophy is. When the Leader of the Opposition was speaking, he said "I believe, I believe, I believe", if you look at his speech and read it, you will see that it is just peppered with "I believes". He never once says, you know, "I know" or even "I believe" based on these assumptions. And as a result of these assumptions I conclude -- one, two, three, four -- there is absolutely no logic whatsoever in the Leader of the Opposition's speech. The specifics of his challenge to the Minister of Finance, the \$50, the \$140, the 5 percent, the \$5 million, the \$2 million, the \$4 million, I agree with the Member for Pembina, that sometimes these figures are beyond my comprehension. But overall, from what I have heard, and I happened to be in Regina yesterday, and having read some of the criticisms which are coming out of the East, this is one of the most imaginative budgets that's ever been presented by a government in Canada. But, Mr. Speaker, there was one subtle imprint in what the Leader of the Opposition said, and not only he, but every other member that stood, and especially the last member that stood up on that side, to speak on the budget debate, the Leader of the Opposition made reference to a poker game. Now I ask you to consider in your minds this. If you knew somewhere in Manitoba where there was a poker house, that the fellow dealing the cards for the house would never call a bluff, would never call a bluff, I'd love to find one. I personally would love to find a poker house. The Member for Rupertsland knows what I am talking about. But this is tantamount of what this conservative group across the other side keeps harping on. They try to paint the picture that this government is anti-business, and there is nothing that could be further from the truth, nothing that could be further from the truth. What this group on the other side want people to believe is that we are anti-business, but what they are saying is that they themselves,

(MR. BOYCE cont'd) . . . . if they were in this position, would never call business' bluff. They went through the country here in Canada trying to sell our north; they couldn't get a taker, they couldn't get a taker. They went all over the world to find somebody who they could give it to. There are many other instances of the same type of philosophy because the business community knows that if a Conservative Government is in power, they will never move themselves. Now what this government has said in the past, and they say now, and they will say again, and as long as I'm part of it, they will keep on saying that if the private sector will not move, this government will move. If you won't do it, we will. -- (Interjection) -- You're darn right they'll vote. -- (Interjection) -- They'll move to Alberta. You know, and, Mr. Speaker, what is coming across from the other side is just substantiating my argument, and as long as this philosophy permeates the land of Canada this is the way it will go because business will just call the tune any place that they can get the best deal from any dumb, stupid government they'll take it. And who is suffering? Who is suffering? It is the people of Canada. The Member from Pembina the Member from Pembina, Mr. Speaker, is a man like myself -- (Interjection) -- Oh, you know, Mr. Speaker, you kind of know when you're getting to them. As the Member for Morris got to me the other night, Mr. Speaker, and when I recall the incident I wish to apologize to the Chair by reacting to the burrs that the Member for Morris stuck under my saddle.

But, Mr. Speaker, they keep saying this, that they themselves, they wouldn't interfere with business. We won't either unless we have to. The Member for Morris when he was sticking this burr under my saddle and what I got really annoyed about was his point which is, you know, totally fallacious that an increase in inventory, the worth of an inventory isn't income. I don't care what kind of accounting system you use whether it is a caste system, or an accrual system, somewhere along the line if there's an increase in the worth of an inventory it is income. Well I learned the hard way. I learned the hard way. Three years later the tax people came back on me and said I owed them another \$360.00 because my inventory had increased and I didn't -- they talk about business over there. You know sometimes I wonder where you get your business experience from.

A MEMBER: CFI.

MR. BOYCE: But the Member for Pembina when he was talking about something, the movement of people from South Indian Lake. He figures \$250,000 per person, or something else -- (Interjection) -- two million? Two million. Well this illustrious government over there -- or the illustrious government over there -- the people on the other side who were there, the mismanagers of the affairs of the Province of Manitoba, invested \$92 million in 500 jobs in the north, \$92 million. You know what the annual cost, the capital cost of \$92 million is? You figure it out yourselves. But -- (Interjection) -- Well I think that I was sabotaged. Somebody swiped half my speech.

But really, Mr. Speaker, there was just two points that I wanted to make. There was number one, the way that -- the Member for Morris you know who, I have learned a lot from in this House. You know I haven't developed the technique of standing back here like this and walking in the aisleway but the member does make a contribution to my education. But the main point was the implicit philosophy of the Conservative party is if they should, you know, by some far stretch of the imagination, return to power, that they would continue with the CFI, with the Simplot, with all the other types of giveaway programs that was their philosophy in the past, and still is today. They haven't learned anything yet, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I thank you for giving me the opportunity of addressing myself to the Budget that is before us and that has received very considerable discussion over the last number of days and I hope to make a contribution that the government I hope will listen to and take some advice. After all when we discuss the Budget we are discussing the financing of operation and the cost of government of this province, and to open the discussion I think we should remind ourselves of what the cost of government has done, how it has increased over the years. In 1960 which was the first budget that I happened to be in the House at the time -- elected in 59 -- and the cost of government was \$89 million for the ensuing year. Today we find it is \$575 million, about a 640 percent increase. This is roughly 50 percent a year. Imagine the large amount of increase of cost of government of this province. -- (Interjection) -- I couldn't hear the honourable member. But, Mr. Speaker, the actual cost in the Estimates is not the total amount that we are spending, on top of that we've been

(MR. FROESE cont'd) . . . . spending large amounts year by year for capital purposes, and this year is certainly no exception as we've been presented with a statement of capital spending for the coming year of \$393 million out of which 92 million is for operational expense. This, Mr. Speaker, should never be capitalized, this should come out of current revenue because sooner or later we'll have to pay that money and the way things look at the present time it won't be any easier paying for it later than paying for it now. In fact I would suggest that we reduce spending rather than increase it by the amount that we are doing.

I have a copy of the B. C. Budget Speech and I think in order to understand just what is happening in Manitoba we should relate it to what is happening in other provinces and see how our government is performing. And I would like to read a few passages from their particular budget for this year and on Page 9 of that report dealing with Federal-Provincial relations and so on, the Premier, who is also the Finance Minister in B. C., has this to say: "Mr. Speaker, I would like to place in perspective for the people of British Columbia and Canada the serious restraining effect upon government and the cost to the citizens of government debt servicing charges. In 1952 when the people elected the Social Credit Government to manage the affairs of British Columbia, provincial government debt servicing costs including payments for debt retirement took 23 percent of the government's total expenditure. That same year the Government of Canada debt servicing costs amounted to 10.7 percent of the total expenditure, and that constituted interest charges and the cost of issuing new debt only. Almost the entire debt of the Government of Canada is without annual debt retirement requirements." No debt repayment, hardly any. "Had British Columbia debt servicing costs been allowed to expand at the level prevailing in 1952 a total of \$330 million would not have been available for government services to the people this next year but would have had to go to debt servicing," a tremendous amount, Mr. Speaker. "Instead provincial government debt cost to the people of British Columbia are nil. With all provincial government revenues available for services to people and strengthening the economy and have been since 1959. To have achieved this and at the same time to have kept pace with the province's fast-growing needs in government services is a unique accomplishment in government finance. On the other hand Government of Canada debt costs in this year have been estimated at \$2,025,000,000 or 14.1 percent of the total federal expenditures. This is approximately the combined total of the federal contribution to all provinces for hospital and medical care programs and its payments for the national family and youth allowances. It is time the people of Canada awakened to the drain debt costs are upon the economy.

"This difference in finance policy between the national and other provincial governments and the British Columbia Government is characterized in a statement of Aneurin Bevan made in the British House of Commons and cited in former British Labour Prime Minister Harold Wilson's recently published memoirs, a personal record." And I'm sure that honourable members of the government should know the name of Aneurin Bevan as he is one of their kind. "Mr. Bevan stated, 'there is one important problem facing representative parliamentary government in the whole of the world where it exists. It is being asked to solve a problem which so far it has failed to solve, that is how to reconcile parliamentary popularity with sound economic money.' This British Columbia Social Credit Government is the only government in Canada that has dared to adopt and adhere to a policy of no debt and balanced budgets, despite severe criticism both political and from special interest groups of the provincial community. A government to be responsible to the entire community must follow policies which benefit the community as a whole over the long term. This has been the consistent policy of this government since it took office in 1952, and will continue. Without this approach democracy cannot stand."

Mr. Chairman, I think that is a very sound, a very good statement and when we compare it with what we have in Manitoba where our Estimates of this year show that we will have to pay close to 38 million to cover the interests costs of the indebtedness in this province. This is a tremendous figure and money that could be put to use elsewhere for good purposes. Think of the amount that we are spending in interest on the national debt as was outlined. Over \$2 billion. This would in other words provide 100,000 new homes, paid for, to the people of this country. It would almost be enough to house the whole of the City of Winnipeg with new housing, and I think that something must be done to correct this matter.

Government borrowings certainly must be brought to a halt. We cannot continually go on borrowing these millions and millions of dollars year after year and hope that things will resolve

(MR. FROESE cont'd) . . . . itself and serve to the betterment of the province.

In fact we are not having balanced budgets either. When the Minister of Finance says that we will have a small deficit of, what is it, 2 million to contend with but I think he has to add at least the \$92 million which go for operational purposes. Some of them have been outlined in the sheet that was given to us but there is another 45 million figure which says "general purposes" for which we don't even know what the money will be spent for. And certainly we will be asking for further information when we do get to committee to consider this.

We have to in my opinion bring about a pay-as-you-go policy. This, if it is not done we certainly will not be able to pull up ourselves and bring about prosperity. It also has a devastating effect on the private sector's spending. In an article in the Financial Post: business signals are "go" except for one key holdout and this is the private capital spending. And it says in this article, "capital spending steadfastly refuses to join the band since capital spending accounts for more than 20 percent of the gross national produce." Then it later goes on to say that the forecasters are generally agreed that growth this year will have to rest on the shoulders of the consumers' spending, government expenditures on goods and services, and inventory investment. And later on it goes to say, "but the real bug bear in the outlook is capital investment and if the recent survey results are taken at face value it will be difficult enough matching last year's gain of 5.4 percent in real G and P growth let alone exceeding it." It further states here, "on this score then it could reasonably be expected that total public and private investment might rise by some seven percent this year rather than the five percent indicated."

But even this, Mr. Speaker, is not enough. We must have more private investment in Manitoba and in Canada as a whole. And if the economy is going to rely on consumer spending we must also have more purchasing brought in and given to the people so that we can have more spending in this respect. Otherwise the manufacturers will be in trouble, the wholesalers, the retailers, all along the line will be affected. And as I have on many occasions stated that we will have to adopt, and we should adopt the social credit policy, one which would introduce debt free purchasing power in the hands of the people through a national dividend. Because we today have a gross national product of \$92 billion yet the purchasing power in the hands of the people in the way of salaries, commissions, what have you, is roughly 67 billion and how can you buy \$92 billion worth of goods for \$67 billion. It's an impossibility. The only course open to them is to go further into debt and this is not the proper thing to do.

Mr. Speaker, when we take a further look at what is happening in British Columbia compared to what is taking place in Manitoba, there is a vast difference. We find that in British Columbia a total of \$53,200,000 is being distributed in municipal per capita grants and a one year increase of 6 1/2 million. This compares with Manitoba's 10 million and I am sure that this must be a great easement to the people in the municipal field administering the various municipalities in the Province of B. C. compared to that of Manitoba.

We go on to the Home Acquisition Grants which is another big help in British Columbia, and I am taking this from the Financial Post of March 18th, and the caption is "Housing - Home Acquisition." A home acquisition program of outright grants and low interest second mortgage loans is an original plan of the present British Columbia government. Its benefits are two-fold. First, it enables thousands of British Columbians to own homes and secondly it produces thousands of jobs.

"In 1972, an additional 25 million is to be added to the Home Acquisition Grant Fund. And when we turn to the budget we find that there's a further explanation given here as to the total amount that already has been gone into this program. Under Provincial Home Acquisition Act, since introduction of this Act in 1967, the British Columbia government has provided \$105 million in home ownership capital funds. To date \$34,100,000 has been approved for outright housing grants and 86 million for second mortgage loans.

"The Provincial Home Acquisition program amount of outright grants and low interest second mortgage loans is a very popular and original plan of which the government is very proud. It has not only enabled thousands of British Columbians to own homes but at the same time has produced thousands of jobs through home building. I am therefore proposing the addition of a further \$25 million to this fund from current or surplus revenues, not borrowing. I will also introduce legislation to carry on the grants and low interest second mortgage indefinitely for the older homes to encourage persons presently renting, if they choose, to own their homes. I wish to announce, Mr. Speaker, that it is now permanent Social Credit

(MR. FROESE cont'd) . . . . government policy in this province to help our citizens to build new homes or where renters prefer, to buy older homes and through the annual grant to homeowners to assist them in paying local property taxes."

This is a far cry from what we see happening here in Manitoba, and I think this is a much much sounder policy than to provide public housing and where you have no real ownership and which in a few years will be just great slums in Manitoba. Then, too, people can take pride and own a home. I think this is the objective of most young people when they get married, they would like to own a home of their own and we should, rather than go into the public housing as we do here in Manitoba, provide this type of a grant to the people so that they can acquire a home of their own.

It also does other things because what we're getting through the program in Manitoba, we're getting a large group of transient people who can get up and leave any time if they want, and this is why we see so many leaving from time to time. Whereas in B. C. where you have this type of a program they get rooted and they will make their home in the province and stay there.

Then, too, they have provided for additional grants in lieu of taxes to the aged in addition to the annual homeowner grant. And I would like to read again from this article here: "Annual homeowner grant raised from \$170 in 1971 to \$185 in 1972. An additional \$50.00 homeowner grant is now provided for homeowners age 65 and over." This is a very good thing in my opinion for those that have difficulty because of the limited pensions that they get and so on. "For a maximum grant of \$235, an annual \$50.00 grant to renters age 65 and over is also provided. A total of \$80,670,000 is marked for homeowner grants in 1972 as British Columbia leads the country in providing relief from property taxes." Mr. Chairman, and when you take a look at the taxes prevailing today between Manitoba and British Columbia, you will find that the personal percentage of Federal tax payable in British Columbia 30.5, and in Manitoba 42.5. The corporation taxable income 10 percent in B. C., 13 in Manitoba. Gasoline per gallon, 15 cents in B. C., 17 in Manitoba. Again it's up. Diesel 17 in B. C., 20 in Manitoba. Retail sales tax is 5 percent in both provinces, although meals are exempt from tax in B. C. whereas in Manitoba if it's \$2.00 or over you pay tax. Amusements they are nil in B. C., 10 percent in Manitoba. Cigarette tax 8 cents in B. C., 10 cents in Manitoba and this is now being increased by a nickle I understand. Then hospital insurance, there's no premium in B. C., in Manitoba \$43.20 for a single; \$86.40 for a family. The medical services, voluntary plan in B. C., a compulsory one in Manitoba. Private passenger vehicle license fee, B. C. 22.50, Manitoba 24.75. Annual driver's license, \$1.00 in British Columbia, \$2.50 in Manitoba. And this is the way it reads, higher taxes on every occasion in Manitoba, and we are again increasing taxes here in Manitoba at this session --(Interjection)-- There's nothing in B. C.

Then we have another matter that I would like to raise and that is the many people that go there. There's a terrific amount of jobs being provided in British Columbia for the people out there, and so many of our people are moving out there and getting jobs in British Columbia who cannot get jobs right here. We're losing population day by day and to top it all off it's not that we don't need some of these people. I know the farm community down south needs people and if it weren't for some of the people coming in from the south, we wouldn't have been able to maintain our industries that we have out there. And what do we find, we find that our immigration policies are such that people cannot really come in or have to come in under false pretenses to come to Manitoba. And I think this is a sorry day to have this happen.

First of all so many people moving out, many of them not replaced and then the immigration is being thwarted; people coming in have to come in as visitors and then apply for landed immigrant status because they cannot qualify under the Immigration Act. The norms that are set up under the regulations are such that they cannot be met and I tell you, Mr. Speaker, that most of the members of this House wouldn't even qualify to become immigrants into Manitoba under the rules and regulations set out in the immigration regulations. They couldn't meet the norms. And to top it all off our province has such a poor rating -- did you know that Manitoba's rating is zero? We have a zero rating when it comes to occupational demand that there's virtually nothing as far as Manitoba is concerned which gives them any units or any merits in order that then can get into Canada. Winnipeg has one point the rest of Manitoba is zero. Whereas other parts of this country are in a much better rating and we find that the people coming in cannot meet the norms set out under the Immigration Act and I think it's incumbent on this government to see to it that something is done to change it.

(MR. FROESE cont'd) . . . . .

We should make recommendation to Ottawa to have this changed because they now have to come in as visitors, apply for landing status, and then in 99 percent - I should probably say at least, by far the largest amount of people coming in don't get it and then they have to apply for an enquiry and then the enquiry is being held, this is government expense, and once the enquiry is finished that they have 24 hours to appeal to Ottawa for further enquiry under the appeals. And Ottawa has such a big backlog of applications that'll take over two years for them before they'll appear before such an enquiry so that what happens, these people then stay here and acquire property, get a job if they can - and in most cases these people are very industrious - and get a job and by that time they have acquired the language so that they then meet the requirements by the time that the appeal is heard. But isn't this foolish to have a thing like this set up the way it is that these people can't come in the first place, why have to go through all this rigamarole and almost have to do it in a deceptive way. I feel that this has to be changed, it should be looked into and a better procedure set up and one that people could meet the norms set up under the regulations and so that people could come into Manitoba in a better way. This is certainly a big deterrent right now in getting people into Manitoba.

A further matter I think I should raise in connection with that, and I'm sorry that the Minister of Tourism is not here. We should have longer hours at our custom offices here at the border. We have one at one 24 hours stationed at Emerson, the next one is --(Interjection) -- yeah it's about 150 miles further west, nothing in between. If you come 15 minutes late to the border you have to go probably 100 or 75 miles one way to cross the border and then go back which could be 150 miles and the roads along the border are of such a poor state that you can hardly do it, and I feel this is a great imposition on the people that go back and forth and that would come in as tourists, and this too should be changed, Mr. Speaker. We should have more ports that would have 24 hour service, provide that kind of a service. Certainly it would encourage tourism to a large degree.

In connection with the matter of providing investment and so on -- I'd forgotten before that I was going to touch on the British Columbia bank. Certainly honourable members would want to hear how the bank is performing and I will read part of a statement which gives a report. It says here: "The most recent annual report," that is of the bank, "makes another kind of sound reading which the bank is very happy to write. Total assets were up 47 percent to 178 million. Deposits were up 52 percent to 163 million. Loans were up 82 percent to 124 million; balance of revenue was up 77 percent to 924,000, and a dividend was paid for the first time." So that's quite a performance for the British Columbia bank.

This is the Financial Post of March 18th, for honourable members who want to get a copy of it, I'm sure it's available and they can get and read up on it. But this is something that we need to get going for Manitoba. We are short of capital and why can't we get a bank in Manitoba that would be oriented to our needs that would look after the development capital for this province as well.

It seems to me the matter - I raised it a few years ago, it was brought up in committee we had a report from the Finance Department which certainly - the report was very favourable. But what do we hear? Nothing. There's not a thing said anymore. We don't hear a thing from this government as to whether they are going to proceed or whether it's just dying out. -- (Interjection)-- It seems to me that it's a tired government as the Member for La Verendrye says.

Mr. Speaker, also commenting on a matter of the tax rebate that this government plans to provide and how this will affect a farmer in Manitoba. I say that the \$140 grant that they are proposing is designed to help mostly the urban dweller, and it should never be tied to the income tax return. We should not penalize those that have some income. I feel that this grant should be made outright as it is in British Columbia, that everyone would benefit because what do we see as far as the farmers in my particular riding? Notices have gone out to the farmers in Manitoba stating on the notice on what parcels they have buildings so on those particular properties the \$50.00 will be applied, and most likely if the legislation is not changed on that particular property the \$140 is going to apply. But what is the situation in my riding? I have about 12 to 15 smaller villages in the south and where you have many smaller farmers. And let's say one of the farmers had a 240 acre farm. At \$4.00 an acre tax, and this is quite common, that would be a \$960.00 tax bill. In addition to that he has a ten-acre lot in the village where he lives, and where he keeps his cattle, and so on, and the buildings are exempted

(MR. FROESE cont'd) . . . . on this property. The tax would be at \$4.00 an acre at ten acres would be \$40.00. Sixty-five percent of that would be roughly school tax, so that the school tax would amount to \$26.00. This would be the entire rebate that he would be getting because it would only apply to that particular piece of property because the notices have already gone out as to which parcels will apply. And so that even if this farmer and if you connect it with the income tax, if this farmer had an income of \$10.00 an acre which is high in the net profit for a farmer, on an acre, that would give him \$2,400; and if he had a wife this would give him a \$2,000 exemption, so the \$400.00 would apply and one percent of that would reduce it further by \$4.00. So he would have a net of \$22.00 of tax rebate of what the government's program is being brought forward. Not \$140.00, but \$22.00. This compares vastly different with those people living in the cities and so on where you just have one dwelling, you just have one tax notice, and where the total amount could apply. But not so with the farmer where he has additional farm lands aside from where he's actually living. And I feel if the legislation will not provide for this variation then it should be rejected outright because the discrimination would be too large. And I for one certainly take great exception that we're bringing this in together with the income tax, filing of an income tax. I think this is unnecessary; this just involves a lot of administrative work and it should not come in.

MR. SPEAKER: The Honourable Member has five minutes.

MR. FROESE: Thank you, Mr. Speaker.

I had a number of matters that I wanted to touch on as far as the agricultural situation is concerned. We really, as I pointed out with this matter of the rebate, what really do we have there for the farmer? There is nothing there and I feel that we should have with the deplorable situation that he's in, we should at least recognize it and bring about some assistance. In fact I would like to see that we in Manitoba with the actually small amount of production that we could underwrite the price of wheat in Manitoba as a provincial government. Why not have a floor price of \$1.75, that would be at the elevator to the farmer. This certainly would give him considerably more income. A lot of this money would come back by way of taxes to the government. It would certainly give a shot in the arm to the rural economy, provide more employment instead of having these people go on welfare they would then have a ways and means to provide employment and also to do things they otherwise cannot do. And I feel that this should be tackled and given consideration.

I also feel the matter of the sale of federal grain to the pools is deplorable as well. We are cutting out all the competition between the grain handling companies and pretty soon in many places you just have one source where to deliver your grain. There is no competition. If the elevator man says such and such a grade, you cannot go to another place where you probably could get a better return, which has been the case up until now. And this government should not have allowed this to happen.

And what do we see? We would like to see the Churchill Port develop too to the benefit of the Manitoba farmer which would give him a greater return but it seems to me that our pools are opposing us in this. And I would just like to read a letter into the record. This is addressed to my seat-mate here, Mr. Gordon Beard, Member for Churchill. "Dear Sir:", and this is from the Pelletier Wheat Growers Association, "Walter Nelson asked me to send you the enclosed copy of a clipping which he read at the Hudson Bay Route Association Convention yesterday. I enjoyed your speech very much and might add that your remarks about the Canadian Wheat Board changed Walter's speech considerably. We weren't going to tee off on the co-op elevator companies quite so much at that particular meeting but it just followed naturally after your comments. They do call the shots for the Wheat Board, and they do own the terminals at the West Coast. We would like to be kept posted on the situation at Churchill. Use of that port is of great concern to our membership." And that is the letter.

Mr. Chairman, this indicates to me that the pools are one of the big objectors why we cannot get the Port of Churchill developed. They have got their terminals at the Lakehead and they don't want to see the Churchill port developed. And I think we should strongly protest on this side for that action and get them to change their minds about this. And if this is the case, certainly we should have an inquiry set up to see just what is the real issue and whether this cannot be changed. Because I feel that we should set up a railway in Manitoba directly to Churchill so that that port could be used to greater advantage. Why do we have to ship Saskatchewan grain to the Manitoba Port of Churchill? Why cannot we ship Manitoba grain out there and develop the port ourselves? If we are just going to depend on Saskatchewan people

(MR. FROESE cont'd) . . . . to develop our Port of Churchill, this will never happen and we will have to take the situation into our own hands and develop it. Certainly when we look at British Columbia, or the B.C. Government, the way they have developed their railway and they are making large headways again this year extending it further north for the development of their resources and they had almost a million dollar profit on that railway last year. And surely enough we can do something in Manitoba to do the same thing and extend the facilities at the Port of Churchill. --(Interjection)-- Pardon? The Honourable Minister of Public Works thinks that the days are numbered in -- the social credit days are numbered in B.C. I think he has got one coming because indications are that they have never been as strong as they are right now and --(Interjection)-- Oh, yah. Maybe I misunderstood him that its Minister's days are numbered. That could quite be. He could be right in that.

MR. SPEAKER: The honourable member's time is up.

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

HON. RUSSELL DOERN (Acting Minister of Public Works)(Elmwood): Mr. Speaker, I would like to thank you for the opportunity of participating in the Budget Debate at this late stage and in the time when interest tends to die down somewhat. I wanted to deal with a number of points raised by the Opposition, and some of the first points made by the Honourable Leader of the Official Opposition.

Mr. Speaker, one of the comments made by the Leader of the Official Opposition which I found rather staggering was the fact that he contended that in one part of his remarks that government spending should parallel or be in direct proportion to the gross national product as it is in the province at that time. And I find that rather an unusual approach in this day and age because if I understand the leader correctly he would suggest in effect that in a time of recession government spending should be low and minimal, and in a time of boom or a time of inflation that the government spending should parallel that. So the effect would be in a time when there is a downturn in the business cycle that the government would in fact reinforce that downturn and at a time of prosperity the government would encourage further prosperity or further inflation. This runs counter to I would say current economic thinking that has been in effect for at least two generations. I would characterize this as a pre-Galbraithian and pre-Keynesian.

There is no question, Mr. Speaker, that the fact that the Provincial Government, and I now speak in terms of Manitoba, spends money in the public sector that this of course stimulates the private sector as well, or to listen to some of the Honourable Members of the Opposition and they seem to feel that government spending is something that takes place in isolation to spending that takes place in the private sector. But we all know that when the government spends money, when the government undertakes construction projects, or building school, or pays salaries that the goods and services are purchased in a 95 percent or better percentage from the private sector. So the materials that are used in buildings come from firms that manufacture them and distribute them. There's a stimulation of purchasing power; there's a stimulation of employment, in short a stimulation of demand which has an effect on the entire economy. If we were to listen to the members of the Opposition one would conclude very quickly that it is much better to spend money on toothpaste rather than parks, or to purchase deodorants rather than to expand our educational program, because for some reason they are hung up on the notion that private spending is good and public spending is somehow or other not useful or destructive.

Another point, Mr. Speaker, is that members of the Conservative Opposition apparently feel that since public enterprise is bad I think they should also, to be logical, attack the people who are involved in the formulation of public policy and in the implementation of public policy. On one hand they demean public enterprise and on the other hand they praise the civil service. And I say that this is contradictory; I say this is contradictory, that if the members feel that public enterprise then they should criticize and they should attack the people who help us formulate that policy, the people who do the research for that policy, the people who implement that policy, and the people who run government on a day to day basis. I think that members of the Opposition who believe that civil servants are sitting around doing nothing, that there is an overweight of civil service, that there is a lot of fat, that there's a lot of inefficiencies, should tell that to the people in the civil service, should go into the offices and should talk to the people who are running this government and tell them that they don't need as many people in the office, that they don't need the materials that they request and so on. They should tell it to them and I think that they will get a very interesting earful from people who work for this government and for the Federal Government as well. The Member for Sturgeon Creek -- I'm glad that he just walked in -- made a big point -- he has these big annual points which he reiterates about his sales experiences in Manitoba and about the fact that everybody is depressed and there's a mass exodus east, west, north and south. He makes a big todo every year, Mr. Speaker, about the fact that there are no businessmen in the New Democratic Party. And I would like to answer him by describing for him what I think is required in government, in the Executive Council. For one thing I would remind him that this party consists of a number of lawyers and we have a number of professors, several of whom are economists, one political scientist; we have a number of teachers who I think largely were historians, and I think that a sense of history is I think of some value in political life and I think that most members in the Conservative Party who have an appreciation for tradition, and have an

(MR. DOERN cont'd) . . . . appreciation for past precedents, would admit that, or should admit that. We have several people who I think can be described as small businessmen, and we have a number of people who have business experience. I know that I can't equal my honourable friend from Sturgeon Creek who is a super salesman but, Mr. Speaker, I had several years experience in sales and marketing and I know that my honourable friend from Winnipeg Centre has run a number of businesses. I know that the Minister of what is sometimes called higher education was a successful small businessman for a number of years, and so on. In addition to that we have a number of farmers who are definitely businessmen, and we are very fortunate in having two men who are clergymen, and I think that it's very telling, Mr. Speaker, that men of God are active supporters of this party and not of the opposition.

Mr. Speaker, I want to deal very briefly with this question which the Member for Sturgeon Creek raised about — I would rephrase it and say to him that he raises the question of who can best run this province. And his answer of course is people with business experience. And I tell him from my limited experience in the administration that it takes a number of particular characteristics to be a good Cabinet Minister. Because for one thing a Minister must of course be involved in the formulation of policies and on the other hand he must be an administrator. I would suggest to my honourable friend that a good education is an asset, that could come about from academic life, it could come about from experience in the world but I think that a general grounding in the, I suppose, history, economic, political science, etc., and practical experience is I would say an important requisite. In addition to that, a Minister needs the ability to make good decisions fast, and I think that can come from a variety of fields not just from experience in the business world. Another characteristic, Mr. Speaker, is stamina, because all of us I think have to sit through some pretty long and arduous meetings, we have heavy work schedules, and it's not just good enough to be capable; you have to either have good health, or be able to manage your affairs in such a way that the job doesn't kill you in the process.

And finally, Mr. Speaker, I think that one of the most important characteristics, one of the most important characteristics is political experience. There are many businessmen who are topnotchers in the field. We have seen Walter Gordon and we have seen other men who were very successful in private enterprise enter the political field; some went to the top and some were booted out of the cabinet, some quit, some blundered, so on. Those that had very little experience, I think were the ones that were the first to go, and the first to be disillusioned. Because I say, Mr. Speaker, that we are not just people who need a general kind of practical every day business experience, we need a political dimension because that's the game that we are in. We have to be able to read and to respond to the needs of the people that we represent throughout all the province, and that's a special skill. It's like a sixth sense. I think many of the people here, of course, reflect that, especially anyone who has lasted more than one election. These are people that have some kind of intuition, or sixth sense, or political savvy which is very hard to put your finger on, but if you have it, it is obvious, and if you don't have it, I think it is apparent as well.

We can get all the research and all the experts that money can buy, that is not what is at issue. The question is how can you use that research, what research do you require, and what policies are needed to get the economy moving. Many of the problems that ministers and the government are confronted by — the answers are not found in textbooks, there are new questions which arise every day. For instance, if you look into the whole field of communications and so on, you can't find textbook answers because in many cases the areas are completely unexplored. The research is being done now and the policies are being formulated or are being considered. It's like the BNA Act. The BNA Act attempted to deal with Canada in the 1860's and to project somewhat into the future, but there were new developments in technologies and there has to be a grafting on of experience, there has to be new interpretations, there has to be new laws passed.

Mr. Speaker, the final point that I wanted to deal with concerns the field of tourism. We know that there are people in the Opposition who are prominent supporters of the tourist industry, including the Member for Fort Garry, Member for Assiniboia, the Member for Sturgeon Creek, and so on; there are many people who continually encourage the government to spend more money on advertising and attracting people to Manitoba. I too am one of those who feel that this is an industry where we can always do more and will always benefit from.

The Member for Fort Garry selected a couple of advertisements from the Department of

(MR. DOERN cont'd) . . . . Tourism and criticized them, and I would just like to point out to him that, although there may be flaws in some of the ads, that these ads, of course, come not from the department, but come from the agencies which throw up the ideas, develop the campaign, and so on. We are always told to trust private enterprise, to trust private firms. Well, we do, and sometimes I suppose our judgment is wrong, but their judgment may be faulty as well, and if the member wishes to criticize us, I think he should criticize the source of the idea, which I suggest to him comes from private agencies, the best that are available in the province.

In terms of our support for tourism, I have to again repeat that this government has recently committed itself to \$7 1/2 million on the Convention Centre and a continuing promotion of the province. Now I don't know whether it is essential that the Provincial Government promote the Convention Centre as part of the team that the city is now putting together. I know that when we promote Manitoba, when we develop radio and T. V. commercials, brochures, pamphlets, etc., I know that by promoting Manitoba, we are, of course, promoting every industry. I know that the materials that are available from government departments, and particularly the Department of Tourism and Recreation, will be given quite freely to people connected to the Convention Centre, and will stimulate interest in the province. These people will come, not just because of the building, they will come because of the City of Winnipeg, and its attractions, and they'll come because of the Province of Manitoba and its attractions.

At present we've tried to make it clear to members of the Opposition we work as a participant with the City of Winnipeg to develop plans for the Convention Centre, and to keep that building in a 15 million dollar framework -- very easy, Mr. Speaker, to allow costs to escalate, and the City which has the basic responsibility now can, afford if they wish, build a better building, but under the present terms of reference they will have to pay the extra amount. But we have put in our money and we have put in our time, and we decided that it was best at this stage to turn over the day to day operations of the Convention Centre, and to turn over the construction phase in particular to the City of Winnipeg. They are a responsible elected people; they have people with ability; they have people who can make decisions, and can hire the management staff, and the PR people to promote the Convention Centre. We could continue to be involved with them, but I think it's always a better policy when two levels of government are involved to have one government do the basic decision-making. When two levels of government are involved the processes is longer and of course it can lead to delays, so I think we went through an exhaustive and intensive period of developing the program and the building, that phase has been completed and now the city will complete the construction and will handle the day to day operation of the Convention Centre. Mr. Speaker, I think that is my comment.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I want to direct my remarks primarily to the budget. There has been a wide ranging debate and I expect that I'll join in making it wide ranging, but I want to address my remarks primarily to the budget itself. I do feel that this is the most important part of what we are going to do here this session, apart from the public schools issue or any other issue that might come up. The debate over the budget should be the most critical debate. Critical, Mr. Speaker, because I think this year more than others, there is concern about the level of spending of the government, and also there's concern about the capability of the province actually being able to raise the money for that level of spending. I take in the Public Accounts that are published up until the year ending March 31st, 1971, and attempted to plot up the trend from this and, Mr. Speaker, I would like to distribute these to act as some background to comments that I want to make. So if I can have these sent out, the members that are interested can at least refer to them, and comments I make will be as factual as possible. There are two different sets of graphs, Mr. Speaker. The first one that I want to refer are the revenues of the province, and these are listed in the Public Accounts -- and all I have done is taken and plotted them on this graph so we can see what they look like from year to year. In addition to what's in the Public Accounts, I have taken 1972 and 73 from the estimates of revenue that has been filed in this session by the Minister of Finance.

Now the most critical points, if I can go through them one by one that come out of it. First of all the individual income tax revenues are raising at a rate that exceeds by far any other source of revenue for the province. And we have the trend as you will see shows a significant bump in 1971 when the transfer was made to the Medicare premiums, off medicare,

(MR. CRAIK cont'd) . . . . and on the individual income tax. But even after 1971 and into 1972 we see the progression continuing, and then we come to 1973. The estimates of revenue show that in 1973 there is going to be another \$20 million raised in 1973, even though we have got over that high period where presumably we have absorbed the medicare costs.

Now the question here is should the rate of increase on collections on individual income tax be that high? Can the Minister of Finance say with full justification that he expects that the revenues are going to climb by an additional \$20 million in that period? It is noted, Mr. Speaker, that -- I do not believe, and I think that the Minister of Finance will point this out -- there is no provision in this budget for any collections on the school tax rebate that he is proposing, that is for January, February and March of 1973, there are no allowances in here; but if there are allowances for those people who might collect in January, February and March of 1973, does this not make the \$20 million of revenue increase even more questionable than that that is shown in the estimates? I assume that most people will file their income tax in March or April even, but if you are aiming the tax rebate at elderly people, retired people who have a rebate coming, it seems -- and people who are not on a T4 slip -- it doesn't seem logical that they would file as soon as they could in January to get their money back and that this money would come back; if it's coming back to the retired people, it is not going to come back before the end of the fiscal year and if it doesn't come back, Mr. Speaker, is the rebate system actually going to help those people that the Minister and the government says it's going to help.

So there's a question of whether or not there shouldn't be some allowance in the budget for paying out those people who file early in 1973 for their school rebate. And I think the Minister will verify that there is no allowance in the budget. If there was then this 20 million dollar increase even is an underestimate, which would mean that he is counting on even more than that in increase in personal income tax. So that's the first one and the most critical because all of us are hit by personal income tax, and as you can see the graph accelerates at a rate which is much higher than any of the others.

If we look at corportion tax which was also bumped when the Medicare was shifted, the amount of money collected from the corporation tax did not go up but in fact has gone down, and the amount of money raised by corporation tax, Mr. Speaker, may well be an indication of the state of health of industry in Manitoba. And now up until 1970 to 72, there was in fact a decrease in the amount of money collected from corporations despite the increased rate which the government proposed. Now in spite of that the government is predicting in the coming year that this is going to not only hold steady, it is going to reverse itself and industry is going to pay in another \$8 million over and above what they did last year. Well, how does one gather this? How can the Minister of Finance predict that he is going to take the downward trend of return from industry, reverse it in 1973. Not only reverse it but take it from \$30 million up to \$38 million, that's a 25 percent, a little better than 25 percent increase in monies coming from corporation income tax. The rate hasn't changed -- is he assuming that business is going to improve? Now we are dealing with corporation tax, then the question is, is the Minister not over optimistic in saying that he is going to be able to collect an increase of over 25 percent from corporation for taxation in 1973 when the trend in the last two years has been down in returns.

Now we look at sales tax and we find that the sales tax has stayed steady from 1969 right through until 72 between 60 and 70 million -- it's a flat curve. There has been very little increase. Now the Minister announces that he is going to charge production equipment with the sales tax, which incidentally, Mr. Speaker, makes you wonder how he can predict corporation tax is going to go up if he's going to charge industry the \$12 million on production equipment that he is talking about. Despite the fact that we are talking possibly about two different fiscal years, he is saying that despite the corporation tax going down it is going to go up by 8 million, and the sales tax he is going to apply to production equipment which is going to bring in, I think, \$12 million; and it is going to bring in an addition \$6 million from John Doe public, despite the fact that he's announced a few changes in the sales tax, changes which incidentally were billed in his address as being an improved condition for the consumer of Manitoba. So the Minister has got sales tax going up between 72 and 73 by \$18 million, jumping from \$68 million up to \$85 million, \$17 million increase. Are we to sincerely believe that the Minister is going to achieve this and if he does achieve it, even worse, what kind of a break is this for the Manitoba consumer which as the Leader of the Opposition has

(MR. CRAIK cont'd) . . . . said pays a large chunk of the production sales tax anyway because it gets passed on to the price of the goods that are distributed in Manitoba. So how do you rationalize a reversal of the trends in corporation income tax from a decrease to a vastly improved increase in one year and the sales tax is going to collect another \$12 million from those corporations, and in addition to that another \$6 million from the consumers of Manitoba.

Well, Mr. Speaker, if we go on the gasoline tax remains relatively flat, no change in that. The liquor tax is going to bring in more. I haven't plotted the liquor tax on here. The national equalization payments from the Federal Government are improved by about \$8 or \$9 million but you can see that they're pretty small compared to all these other things. The real money producer is individual income tax. It's going to produce \$140 million, a little better . . . for the next fiscal year. And on the bottom of this list that I've given you is corporation income tax which actually only produces directly the \$30 million that it's now doing although it's supposed to go up to 38. The national equalization is up slightly.

Now the common thing in all of these is that they show an uncharacteristic growth in revenues for the next year, an uncharacteristic growth in revenues. Now either if they're true it means that Manitoba is going to pay a lot more tax. If they're not true, if these are wrong it means that the Minister of Finance is misleading us, is misleading us in saying that these growths are actually going to provide enough money to bring the Budget anywhere near what he has suggested is a balanced budget.

Now, Mr. Speaker, the other graph is the graph of expenditures. And the solid line, this is the one line that shows the trend in the expenditures since 1965 up until the projected expenditures for the coming fiscal year. Again the trend during the tenure of this government has been substantially up. The most difficult part of this graph though is to tell what the expenditures actually are. We know that for the fiscal year on which we have information, which is the end of 71, that the special warrants were \$33 million. That is there were \$33 million had to be spent and approved later that were not accounted for when the budget was passed. We don't know what the special warrants were for 72. We don't know what they are going to be for the coming fiscal year except that we do know, Mr. Speaker, that if this government follows its past pattern that the special warrants will probably be substantial and will have to be approved at a following year.

The Leader of the Opposition has stated that between the special warrants and the transfers of borrowing from current into capital and the amount of money that has to be paid out under the school tax rebate next year to cover this year, that when you add the three up that the deficit is not \$2.7 million that the Minister of Finance has stated but the deficit is closer to \$95 million. If you plot the \$95 million difference on this graph you can see that the graph almost goes off the paper. The House Leader of the Liberal Party has stated in his address that it's his belief that the discrepancy between the shown expenditures and the actual expenditures for the coming fiscal year is \$100 million. So, Mr. Speaker, what is plotted here is \$95 million that has been stated by my Leader and I would take the \$100 million statement by the Liberals which is probably determined by the same means, by the same extrapolations as being somewhat of an endorsement, so I think it's safe to say at least that the actual expenditures are somewhere between what is shown in the Budget and that that is shown by adding the \$95 million. Now in any case if you draw it in and that becomes the actual it's still a pretty devastating increase in spending for the Province of Manitoba, particularly in light of the fact that other provinces are seeing fit to at this time put some sort of control on the spending of government. --(Interjection)-- Like Ontario, like Ontario with its increase in budget to 4 to 5 percent. Mr. Speaker, that's a far cry from here. The Minister has said that the increase is ten point something percent in spending, but the actual increase may well be between, somewhere between 11 and 20 percent. So we don't know but we certainly are questioning both the revenues and the Estimates -- the revenues and the expenditures that have been listed by the Minister of Finance.

The First Minister has said this isn't an election budget, this is a social democratic budget. Well I hope he's wrong because if this is a social democratic budget I'd sure hate to see an election budget.

But I listened to the Minister of Finance when he sat on this side of the House in 1968 and he made the reply to the Budget Speech and I still recall, and I can produce the Hansard for the Minister because I recently read them over, and his position at that time was that it's no sin to borrow for current requirements, that if borrowing is required to pay current

(MR. CRAIK cont'd) . . . . expenditures, you borrow. That's the principle that he endorsed on this side. And I fully believe, Mr. Speaker, that the Minister of Finance has kept true to his word and that now that he is the Minister of Finance he's doing exactly that. He's borrowing for the financing of the day to day operations of the government. We know that last year - this is why we're waiting to get at the capital supply this year - we do know that last year that he was borrowing for reproduction equipment, Gestetner machines and Xerox machines, and other things that should be day to day expenditures. He was borrowing to pay rent, not to build buildings, he was borrowing to pay rent out of the capital expenditures that he supplied last year and we fully expect that the \$45 million that he has included this year as general capital requirements includes a sufficient degree of money there to say again that he's borrowing on general borrowing purposes to pay for what normally should be operating expenses.

So we'll look ahead with a degree of anticipation to get some finite answers as to what is in general borrowing because I think the average housewife in Manitoba knows that she may have to have her husband borrow some money to pay for the family car, or for the mortgage on the house, but I think even she knows that when you start borrowing money to pay for the groceries that you're in difficulty, and that's exactly what we are concerned that the government is doing now. And I think that the Minister can't deny that when he was on this side of the House he endorsed the principle, and we're sure that he's actually applying it now that he's in the position to apply. And that we disagree with. We disagree with the borrowing to provide for the day to day operation of government. We do not disagree with the borrowing for the provision of capital requirements. Although when we were in government we at least tried to keep a balance on that. There's \$13 million in the Budget, there's \$13 million in the Budget, Mr. Speaker, for university construction requirements. In the previous government that \$13 million would have been paid out of current. It was always paid on a year to year basis, it was not borrowed for. This government has taken all of that capital requirement that we paid for out of current and put it on to borrowing, and they've done it in other departments, too, although it's difficult to find out where it has been done, which leads you to the basic question as to whether or not there should not be a universal accounting procedure that tells the people of Manitoba where they stand. Because right now they don't know.

The government stood up in their Throne Speech and said that the dead weight debt of Manitoba has gone down thereby leading the average Manitoban to think that their debt position was better. That was the intent of it and the Minister can frown and look all he likes but the clear intent of your Throne Speech statement was to say to the Manitobans your debt position is better. Well the debt position of Manitoba, Mr. Speaker, is not better. The debt position in Manitoba is defined much more adequately in other statements than the dead weight debt. The dead weight debt that's listed in these accounts makes no provision at all for any losses that you might incur through Agricultural Credit Corporation, through the Manitoba Development Corporation, if you're expecting losses on things like CFI and other things that they've lost money on, it's not included in the dead weight debt. And still they come out and say the dead weight debt position of Manitoba is good.

Well even the Minister's statement of revenues shows the financing of debt up from \$12 million to \$13 million. Now is that not a more adequate statement of debt servicing charges statement? Is that not a more adequate and finite thing that you could tell the people of Manitoba - and then he doesn't include anything for Hydro and the big spenders as capital. None of this is included. You know it's so misleading, it's worse than what -- it's more misleading than what Mr. Bennett did in B. C., if you'll pardon the reference. In his transfer of contingency debt that he went through in B. C. at least the people knew that he was farming it out to the utilities and they could find it if they really wanted to get at it. But here we don't know. The Minister comes out - the only statement about debt that he came out with in the Throne Speech was the dead weight debt of Manitoba is down. That is a misleading and dishonest statement.

MEMBERS: Hear, hear.

MR. CRAIK: It is not down. Now everybody recognizes the requirement to borrow for heavy capital requirements such as Hydro, and I think in general there is no argument, I assume there is no argument with saying that is Hydro's debt. But here's what it is because eventually it comes back down to the taxpayer of Manitoba. And in the capital requirements, the statement that we have before us there's another \$150 million for Manitoba Hydro. And I raise that, Mr. Speaker, because if there was ever \$150 million of borrowing that wasn't

(MR. CRAIK cont'd) . . . . . required, it is that \$150 million. I say it because - I come back to the argument that the waste of monies that's taking place in this government's hydro policy is unnecessary. And I'll repeat it again, and I'll come back to it again as long as this session lasts despite the efforts of the government to avoid the question. It is a loss of money. The money being spent on Lake Winnipeg regulation in particular is a complete and absolute loss. And the government is hanging its complete decision on a very narrow path of rationalization by which to do it. The \$150 million for Hydro that's in these estimates can be substantially reduced if they followed a sane hydro development policy.

The export market for power right now is the best seller's market in power that has ever probably existed in Canada, on the North American continent. And in spite of the fact that in one of the reports that the government has that says that the export value of Churchill diversion power is \$142 million, which, Mr. Speaker, incidentally I think the Minister of Finance would agree that even if you recovered a half of that \$142 million would make a substantial difference to his troubles. The government in its intransigent position has absolutely refused to consider anything in any way imaginative or creative to try and do anything to relieve the revenue and expenditure problem. Instead of that they hang flatly to this line, which I can only say is a political decision, the only thing it always come back to is a basic political decision on the development of power in northern Manitoba. And they've taken every effort they possibly could to take this technical evidence and put constraints on it to prove their point that what they're doing for northern power development is the right thing to do. And it is not a technical decision. It is a lousy technical decision and they know it, and every engineer in Manitoba knows it. --(Interjection)-- I'd be happy to take a question after, Mr. Speaker. It's not only a very lousy technical decision, the point is that the technical input in this has been brought about in a fashion that is unbecoming to the history of good technical work that has been done in this province over the years.

Mr. Speaker, I heard on the radio this morning that the Minister of Industry and Commerce has set up an expedition of Manitoba engineers to go to Alaska. Well, Mr. Speaker, at the same time that that expedition of engineers is in Alaska you have an expedition of English engineers that have just come over here and despite the First Minister's denial in this House yesterday otherwise, they are now working on the project in northern Manitoba. And at the same time you've got one of the largest engineering firms in Manitoba - well closing its doors and looking elsewhere. So it's no wonder the Minister of Industry and Commerce is looking for jobs in Alaska because he's unable or unwilling, either one, to make sure that the capable body of engineering in Manitoba has had the opportunity to do work in its own native province. And that, Mr. Speaker, unfortunately is the fact of the matter, and I am extremely disappointed to hear the First Minister stand up, and you can't help but wonder why he would answer the question in that fashion when he knows very well what has been going on. And it is not a unique situation. What has been going on in Hydro is -- this example is only one of several that has been happening.

So I come back to the main premise and I want to finish it, Mr. Speaker, is that the money accounted for in capital expenditures for this budget for hydro are unnecessary and unrequired.

MR. SPEAKER: The hour being 12:30 I am leaving the Chair. The honourable member will have an opportunity to continue.