

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 p.m., Monday, April 26, 1976

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 46 students, Grade 11 standing of the Pierre Radisson School. These students are under the direction of Mr. Senchuk. This school is located in the Constituency of the Honourable Member for Radisson. We also have 14 students, Grade 11 standing of the Garden City Collegiate. These students are under the direction of Mr. R. Jolly. This school is located in the Constituency of the Honourable Member for Seven Oaks, the Minister of Urban Affairs. On behalf of all the honourable Members I welcome you here.

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

TABLING OF REPORTS

HON. SAUL A. MILLER (Minister for Urban Affairs) (Seven Oaks): Mr. Speaker, I am pleased to Table the Annual Report on the Audited Statements for Manitoba Housing and Renewal Corporation for the year ending March 31, 1975.

MR. SPEAKER: Any other Reports or Ministerial Statements, Notices of Motion; Introduction of Bills; the Honourable Minister of Consumer Affairs.

INTRODUCTION OF BILLS

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne) introduced Bill 60, An Act to Amend the Securities Act.

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk) introduced Bill 62, An Act to Amend the Human Rights Act; and Bill 63, An Act to Amend the Trustee Act.

ORAL QUESTIONS

MR. SPEAKER: Questions. The Honourable Leader of the Opposition.

MR. DONALD W. CRAIK (Leader of the Official Opposition) (Riel): Mr. Speaker, I direct a question to the Attorney-General. I wonder if he could advise whether the government is considering bringing in legislation to allow the City of Winnipeg to use the Convention Centre as a gambling hall.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, neither the government nor myself is considering any such action.

MR. CRAIK: Mr. Speaker, I wonder if the Attorney-General could indicate whether discussions are taking place with the City on this matter?

MR. PAWLEY: Mr. Speaker, there certainly have been no discussions with the City of Winnipeg insofar as I have been concerned.

MR. CRAIK: Mr. Speaker, I wonder if the Attorney-General could confirm that special legislation would be required for this to proceed.

MR. PAWLEY: Special legislation would be required.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, my question is to the First Minister. I wonder if he can indicate whether his government is prepared to take any position with respect to the shareholders' fight in connection with Chemalloy involving Tantalum Mines, in view of the fact that a group of the shareholders who are trying to gain control have in fact been linked with the Mafia, as a result of the report

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(MR. SPIVAK cont'd) . . . . on violence in Ontario's construction industry.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, if that hypothesis were to have evidence to it, then it seems to me that under normal, standard commercial law, appropriate steps could be taken. I would not want to leave any impression, however, that there would be special steps taken because of the fact the Crown is one of, I believe, four corporate partners in this particular enterprise. Rather we would sooner want to ensure that standard commercial law is adequate to cope with the problems.

MR. SPIVAK: Mr. Speaker, my question is to the Attorney-General. I wonder if he can indicate whether anyone from his department held a watching brief on the shareholders' meeting of Chemalloy held last Thursday. I know the Honourable Minister of Mines and Natural Resources indicated someone from the government was there, I wonder if he can indicate whether anyone from his department was there.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, not with my knowledge of by my instructions.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder if he can indicate whether at the time of the purchase of the shares of Tantalum Mine there was any review of whether any shares were held at that time by Dr. Peter Briant who was Chairman of the Board of the Manitoba Development Corporation or by Nicholas Matossian, who I believe was Acting Director in charge of Operations.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I will have to take that as notice.

Certainly I cannot say that I was aware that the two gentlemen in question specifically were or were not shareholders of a widely held company, but now that specific names have been mentioned I would think that that should be possible to ascertain the facts.

MR. SPIVAK: Mr. Speaker, I wonder if the First Minister can indicate whether his government has had an opportunity to review the actions of the former Chairman of the Manitoba Development Corporation and the employee who was in charge of operations with respect to the shareholders' struggle now taking place with respect to Chemalloy and the ultimate ownership of part of the shares of Tantalum.

MR. SCHREYER: Mr. Speaker, I've undertaken to ascertain the facts as best we can in order to answer the question. However, I would once again like to indicate that the internal rumblings that may go on from time to time, internal to Chemalloy or any other private corporation, is something which the Crown is not necessarily, or even indeed oftentimes, aware of unless it is brought specifically to their attention because of some alleged breach or violation of law. But all of the other internal struggling that goes on, and indeed it does from time to time, is not something that necessarily does nor need come under the purview of the Crown.

MR. SPIVAK: Yes, to the First Minister. I wonder if he would be prepared to undertake to call the meeting of the Standing Committee on Economic Development so that the Chairman of the Manitoba Development Corporation, who I believe was present at the shareholders' meeting last Thursday, would be in a position to be in attendance and to review the matter with the committee.

MR. SCHREYER: Mr. Speaker, it is standing practice for the committee to be convened during a session in order to have an opportunity to question the Chairman of the MDC. But I say to my honourable friend that that does not mean therefore that we will convene a special meeting in order for my honourable friend to satisfy his insatiable curiosity as to what kind of internal struggling goes on behind the doors of the corporate board room of Chemalloy or any other private company, unless there is an alleged breach of law.

MR. SPIVAK: Well again I ask the First Minister, would he not be concerned if his government was partners with, in fact, the Mafia.

MR. SCHREYER: Mr. Speaker, yes, of course the Crown would be disturbed, and I would suggest so would the other three companies that are privately owned and presumably owned by shareholders who wish to uphold the law as well as the Crown, at least as well, no more, no less.

## ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Thank you, Mr. Speaker. I direct a question to the Honourable the Minister of Agriculture. Can he indicate to us whether or not it's his intention to introduce any legislation during this session emanating from the special land hearings that we held, legislation dealing with land sale and land use.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, the Member for Lakeside should know that that is a matter of policy and that it will be announced whenever the government is prepared to announce a policy.

MR. ENNS: A supplementary question, Mr. Speaker. I'm well aware that that is a matter of policy.

MR. SPEAKER: Question, please.

MR. ENNS: I ask the Minister a supplementary question. I'm simply asking whether he is prepared to indicate to this House whether he has any intention of bringing in legislation having to do with land during this session. It's a yes or no question.

MR. USKIW: Mr. Speaker, again it's obvious that I am in no position to indicate government policy on that subject at the moment.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Speaker. My question is to the Minister of Renewable Resources. Can the Minister inform the House if the province has complete jurisdiction as to where a person with a trapping licence can trap, and if so, is trapping allowed within the city limits?

MR. SPEAKER: The Honourable Minister of Renewable Resources.

HON. HARVEY BOSTROM (Minister of Renewable Resources) (Rupert's Land): Mr. Speaker, I thank the honourable member for giving me notice of this question. Yes indeed the department is responsible for all matters pertaining to wildlife under the Wildlife Act, including trapping, and at the present time there is no prohibition of trapping within the city limits.

MR. SPEAKER: The Honourable Member for Thompson.

MR. KEN DILLEN (Thompson): Mr. Speaker, my question to the Minister of Northern Affairs. In light of the commendatory interest shown by the Honourable Member for River Heights in the recent report on Northern Transportation by the consulting firm of Hickling-Johnson, is it correct this is the same Hickling-Johnson which when the Member for River Heights was Minister of Industry and Commerce was paid \$580,000 of taxpayers money to write a report showing the Tory Government how to categorize constituencies so they would know how to spend the tax-payer's money to buy his vote?

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I have a question for the First Minister. I wonder if he can confirm - this is in his position as Minister of Finance - I wonder if he could confirm that a large number of Manitobans, a substantial number of Manitobans have not paid their mineral royalties according to the Mineral Acreage Tax Act.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I am not aware that that is the case, whether compliance is any different in degree in this particular case than in other cases of levies of taxation by the Crown. I would have to take this as notice and check with the officials of the department.

MR. SPIVAK: Yes, I wonder if the First Minister can confirm that some Manitobans have in fact surrendered their mineral rights rather than pay the taxation.

MR. SCHREYER: Mr. Speaker, I believe it is correct to say that some number have. My last recollection from the last briefing on this and related matters was that it was not any significant or undue, or - yes, particularly significant or undue number. But I've already undertaken to check.

MR. SPIVAK: Yes, I wonder whether the First Minister could indicate whether he or his Cabinet have reason to consider the unfairness of the application . . .

MR. SPEAKER: Order please. The question is becoming argumentative.

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MR. SPIVAK: Well Mr. Speaker, I'll put it directly.

MR. SPEAKER: Very well.

MR. SPIVAK: . . . whether he or his Cabinet had an opportunity of reviewing the Mineral Acreage Act with respect to those who have not paid and those who had to surrender their title and have discovered any unfairness in its application.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I don't know how the honourable member could come to the conclusion, in 1976, that that particular tax is basically unfair when it has been levied I believe for some several years now in two sister provinces to the west - by degree perhaps differently, but the very nature of that tax has been levied now I suspect for a decade if not more.

MR. SPIVAK: Yes, by way of point of order, Mr. Speaker, my question was not that question. It was a question of the application of the tax by the government to those who have paid and those who have not paid and those who've surrendered, whether his government has had the opportunity of revealing that.

MR. SCHREYER: Mr. Speaker, I've undertaken to check the first question, so this would be related in the checking.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Thank you, Mr. Speaker. My question is to the Honourable Minister of Highways. I wonder if the Minister can indicate to the House if he is giving any consideration to the licencing and registration of Moped bicycles, or Moped vehicles.

MR. SPEAKER: The Honourable Minister of Highways.

HON. PETER BURTNIAK (Minister of Highways) (Dauphin): Mr. Speaker, I suppose I could give the honourable member the usual answer. It's a matter of policy to be announced in due course. And I guess I can say that, but I want to say at this time there is no such consideration given in this particular session.

MR. PATRICK: A supplementary, Mr. Speaker. In view of the fact that many other provinces have licences, can the Minister indicate if he had any requests from organizations or owners of these vehicles for registration and licencing.

MR. BURTNIAK: I would say, Mr. Chairman, there have been a few, yes.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the Minister of Highways. I wonder if the Minister of Highways could indicate to the House if he has any intention of meeting with the farmers in southwest Manitoba who sent a letter to him, as I've said before, dated February 5th, in which letter they threatened suit. I wonder if the Minister could . . .

MR. SPEAKER: Order please. Order please. Very well.

MR. WATT: I wonder if the Minister could indicate, is it his intention to do anything out in southwest Manitoba on 83 Highway in order to avoid suit by the farmers from that area.

MR. SPEAKER: The Honourable Minister of Highways.

MR. BURTNIAK: Mr. Speaker, I would hope that the honourable member could be a little bit more specific as to what he is requesting that I as Minister of Highways should do.

MR. WATT: A further question then to the Minister of Highways. I wonder if the Minister of Highways could indicate if he has had any communication in the last few days from Mr. Hirschfield, the lawyer in Brandon who is now retained by the farmers in southwest Manitoba.

MR. BURTNIAK: I believe, Mr. Speaker, the honourable member said information or communication within the last ten days or few days? I must say, I personally have not had any communication with Mr. Hirschfield in the last few days or the last few months.

ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day. The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I believe it's the intention to call second readings this evening, subsequent to which we would then call the departments of Education and Industry for the Supply motion.

MR. SPEAKER: Thank you. The Honourable Member for Morris . . .

MR. WARNER H. JORGENSEN (Morris): In connection with a statement made by the First Minister, I think that he is aware that the department that is called outside the House is called at the prerogative of the opposition, and it was my intention to ask if the House Leader would agree to allowing Highways to go into that committee rather than Industry and Commerce at this time.

MR. SPEAKER: The Honourable Minister of Highways.

MR. BURTNIAK: Mr. Speaker, there is only one little problem we have to go into committee of Highways at this time to deal with Highways Estimates, is that our program has not been completed, the printing of the program which we hand out. So I would like to have that completed - it should be completed within the next day or so.

MR. JORGENSEN: If that is the case, then Industry and Commerce will be suitable to go into the other committee.

BUDGET DEBATE

MR. SPEAKER: Thank you. On the proposed motion of the Honourable First Minister and the amendments thereto. The Honourable Member for Arthur.

MR. WATT: Mr. Speaker, I rise to make a few comments related to the speech from the Honourable the First Minister on the presentation of his Budget. It is not my intention, Mr. Speaker, to delve into facts - I shouldn't say facts, but to talk in terms of dollars and cents, because in fact I am not a mathematician. Rather than talk in terms of dollars and cents I would rather speak particularly on what has been happening and has happened in the Province of Manitoba and what is likely to happen.

I would like to say, Mr. Speaker, that I find this a rather peculiar debate, a peculiar session in fact, taking into consideration, Mr. Speaker, the fact that the Conservative Party on this side of the House have a leader who has not a seat in the House; and considering the fact that the Liberals over here have a leader who has not a seat in the House; and considering the fact that the government on that side of the House has no leader. Mr. Speaker, I do not say this facetiously. I simply say it --(Interjection)-- and the First Minister says, how do I know? Well, if you'd let me carry on for a moment, I suggest to the First Minister that he himself has indicated to this side of the House and to me that he is not necessarily the leader of that party. --(Interjection)-- I'll be happy to explain, Mr. Speaker.

I was glad that the First Minister asked me that question, because I do want to explain. Now I should really go back to Hansard, the last couple of weeks or so, and get some of the questions and some of the answers. But one of the questions that I directed to the First Minister - when I couldn't get answers out of the Minister of Mines and Natural Resources on water control, I then started to question the First Minister. And at that time the First Minister indicated to me and to the House that he had no jurisdiction and did not intend to interfere in the Department of Mines and Natural Resources on Water Control.

MR. SCHREYER: And Highways.

MR. WATT: I'll mention that in a moment. At that time he was backed up by the Minister of Mines and Natural Resources, and the Minister of Natural Resources said - and I think I quote him correctly, I wish he was in the House today - when he said, if I am not big enough to run this department by myself, if I am not big enough to run this department by myself without a Premier or without a leader, then I shouldn't be in this seat. --(Interjection)-- I suggest that he did say that.

Now, Mr. Speaker, if it applies to the Department of Mines and Natural Resources, then it no doubt does apply to the Department of Highways; and it does

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(MR. WATT cont'd) . . . . apply to the Department of Labour; and I'm sorry that the Minister of Labour is not in his seat today. I'm sorry that he is in hospital, hopefully he is recovering. I understand that he is having an operation on his eyes and I wish he was here today so that he could see, which he apparently could not before he left the House. But seriously I --(Interjection)--

MR. SPEAKER: Order please.

MR. WATT: I rather disagree with the Member for Lakeside. I think that he will be able to see a little beyond the end of his nose when he comes back. But I respectfully say that I wish him well, that I hope he comes out of the hospital well and recovered from his eye problem.

But to go back to my statement, that on that side of the House they have no Leader. It's been indicated all around that side. There's 17 Ministers on that side of the House, Mr. Speaker, 17 Minister have constantly indicated they have had no support from the First Minister that they were running their department. In effect, going 17 different ways. I have never seen in the 17 years that I have been in this House, 17 Ministers on that side for every year that I've been in this House - I've been here more than 17 sessions, I've been here for 20 some sessions, but never before have I seen 17 Ministers sitting in that House going in 17 different directions.

A MEMBER: Oh, that's fantastic.

MR. WATT: I have already said that it's fantastic. I've already suggested to my honourable friend, the agricultural critic from Radisson, that it is fantastic, that I have never seen anything like it in this House.

Mr. Speaker, I want to talk for a few minutes about suggestions that have been made, particularly by the honourable member who is in charge of - I was going to say Autopac, I should really be saying in charge of wreckage of automobiles in the automobile insurance industry - but he suggested in a speech in the House the other day that through the 10-year period that we were in power that nothing had been done.

MR. SHAFRANSKY: That's absolutely true.

MR. WATT: Mr. Speaker, he made that positive statement, and the Member for Radisson says that that is absolutely correct. And when you go back to look over those years, Mr. Speaker, I think that we should recall some of the things, many of the things that were done at that time. He suggested it cost a lot of money. The member suggested that we had spent more money in our term of office than this government were spending now. I suggest to him and to the First Minister that we did spend a lot of money. We spent a lot of money on the Portage Diversion. We listened to a lot of criticism from that side of the House when they were over here on the Portage Diversion. I wonder if they would like now to go and do what we did in respect to the Portage Diversion, or the Winnipeg Floodway which was known at one time as 'Hutton's Dry Ditch' - known as Hutton's Dry Ditch --(Interjection)-- I'm talking about the Winnipeg Floodway. --(Interjection)--

MR. SPEAKER: Order please. The Honourable First Minister state his matter of privilege.

MR. SCHREYER: Mr. Speaker, if one is going to comment, one might as well be accurate. The position of my colleagues at the time as I recall was one of non-opposition to the concept of the Red River Floodway; and with respect to the Portage Diversion as I recall the preference was for, as a flood control and multi purpose public work, the Holland Dam, and I believe that that indeed was for quite some time shared by the late, the then Minister of Agriculture and Water Control, and for all I know he held that opinion perhaps to the end.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: Mr. Speaker, I don't know whether that was a point of privilege or not, but the honourable member has worked himself in a little speech. I just point out to him that I recall very vividly the opposition that did come from that party from this side of the House. I recall very vividly just a few years ago when the Minister of Mines and Natural Resources said that they were only using the Portage Diversion because it happened to be there. And his indication here in the House was that there was no necessity for having constructed the Portage Diversion,

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(MR. WATT cont'd) . . . . because I recall him very vividly saying on the question period, on the question period, Mr. Speaker, that government were only using the Portage Diversion because it just happened to be there and they might as well run some water through it. So I ask the Minister now, why are they using it now? They're using it now because of necessity, and admittedly it is not big enough. We should have spent more money. We should have built a bigger diversion in order to carry the water that it is carrying now. Mr. Speaker, it's unfortunate that the Honourable George Hutton did not live to see the use of both of those projects for which he was responsible for.

You know, Mr. Speaker, I think back over the years when we were in power, when we started the hospital service, when we upgraded the hospital service in this province; when we started services for senior citizens, homes for senior citizens. And I recall being at the official opening and taking part in the official opening of the Sherwood Lodge in Virden which was one, if not the first, maybe I stand to be corrected, but I believe the first senior citizens' home that was built in this province.

A MEMBER: How many more did you build?

MR. WATT: I'll come to that shortly. I happened to be on the steering committee of that, I believe the first home, I believe the first home that was built in the Province of Manitoba. I happened to be on the steering committee. I was there at the opening. It's a nice home. --(Interjection)-- We'll get to Souris in a moment. Again that was a home that was constructed in conjunction with the municipalities at Souris.

I was at the official opening of the Virden Hospital which was initiated and was built in conjunction with the municipalities and the Town of Virden - the hospital. I was at Hamiota at the official opening of the senior citizens' home at Hamiota which was built during the time of the Conservative Government. I was at Elkhorn at the opening of the hospital at Elkhorn, or which I was part of the committee that worked on the establishment of that home. I was at Reston at the opening of the Reston Hospital which was constructed during the period of time that the Conservatives were in power. I was at Reston when the senior citizens' home was opened in Reston at the time when the Conservatives were in power.

I was at Reston when the Secondary School was opened. I officially cut the ribbon at the Reston School, one of the first schools that was built, any many were to follow all over the province. I was at Melita when major changes were made in the hospital at Melita during the time of the Conservative Regime. The Honourable Member for St. George says we did nothing - Ste. Rose, pardon me, the Member for Ste. Rose I believe. I was at Melita when a very modern home was opened there during the time that the Conservatives were in power. I was at Deloraine when we opened a modern senior citizens' home. The honourable members are taking credit for what they are doing for senior citizens, and where was the base that started the service that is applied throughout the province now, but by the Conservative Government. And as the First Minister has mentioned, I was there at Souris.

Now I mention these things, Mr. Speaker, because they happen to be in the southwest part of the Province. This program applied completely across the province. But I want to point out to the government and to the First Minister, that since 1969 there has been not one official opening of anything in that constituency, in the constituency of Arthur. --(Interjections)-- There was no major concession in Deloraine. Deloraine has now applied for a nursing care but there has been no confirmation that nursing care will be constructed in Deloraine. Melita has applied for nursing care. Melita are set up, their share of the cost of construction has been set up and they have been stalled off by this government, the government's share of the cost of nursing care. --(Interjection)-- Mr. Speaker, I'm giving you the facts . . .

Mr. Speaker, I have mentioned a few of these things relative to education. I could go on in education. We instigated the first step in the largest school units, of which there was great criticism at that time, not only here but throughout the province. But I ask the honourable members across the way now, would they go back to the old system that we had before the Conservatives came into power in 1958? These are things

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(MR. WATT cont'd) . . . . that I would like just to bring to the attention of those who have been constantly saying from that side of the House that we had 10 lost years while the Conservatives were in power. What I would like to get at is what they have done, the thrusts that they have claimed that have gone forward in the Province of Manitoba. When I look at the Estimates of Agriculture, and what do we find in Agriculture that is a main thrust that was not instigated by the Conservative Government. I'm referring to the Agriculture Credit Corporation, I'm referring to crop insurance, I'm referring to the veterinary services. When you look at the Estimates, when you look at the Estimates of the Department of Agriculture, Mr. Speaker, what have we got in the Estimates? Where are those main thrusts that the Minister of Agriculture would like to talk so much about? Where do they appear in the estimates?

The Manitoba Agriculture Credit Corporation, Mr. Speaker, now is being used as a means for the government to acquire land and to fully take control of all farm property in the Province of Manitoba. And to in fact become, Mr. Speaker, one of the biggest Capitalists this world has ever seen. They refer to us as capitalists, we refer to them as socialists. The fact of the matter is we are capitalists, we believe in capitalism, we believe in that system. So does the Minister, the First Minister, but he does not believe in a series of capitalists, of people that acquire and people that produce, and people that are productive, and within the production bring jobs to hundreds of thousands of peoples across Canada. But the Minister's first aim is to become "The" capitalist in Manitoba. His aim is to control completely the industry, the natural resources in total in this province. Now if that is not being a capitalist, I don't know what a capitalist really is. --(Interjection)-- Well the people will decide whether it's nonsense or not when they begin to find out what is going around, when they begin to find out that they are losing control of all that they have acquired and produced to make this one of the greatest provinces there is in the world.

MR. SCHREYER: It still has one of the highest living standards in the world.

MR. WATT: Well it's going to take you a little more than six years to knock it down, but gradually you are doing that.

Mr. Speaker, what I am saying could only be brought squarely in front of the people of the Province of Manitoba if they were to go to the countries that have this type of government. If they were to go to India and see what is happening in India insofar as Natural Resources are concerned. --(Interjection)-- I've been talking with their Minister, yes. I will tell you that I've been talking to more than the Minister of Agriculture in India. I've been talking to farmers and I've been talking to businessmen, businessmen from all over India. And I find out that in India, those people that have any money left, that have any property, are getting rid of it and are moving their capital out of the country as rapidly as they can. Because of the fact that Mrs. Gandhi is becoming the biggest capitalist there is in the world. Two years ago, Mr. Speaker, one person was allowed to own 25 acres of land, that was the law two years ago. At the time that I was there, there was legislation before parliament in India which would restrict 25 acres to one family, because those progressive farmers in India were holding up to 200 acres of land, those that were progressive. They had 25 acres of land in their wife's name, in their son's name, cousin's name, their aunt's name, and what have you, in order to accumulate enough land to make a viable unit. So legislation was then going through parliament to restrict it to 25 acres to one family. I'm sure the First Minister is aware now of what Mrs. Gandhi has done. The legislation had been passed there now that nobody will own any land but the Crown. She becomes the biggest landowner that there is in the world, outside of Russia.

I say, Mr. Speaker, that this is the greatest form of capitalism that the world has ever know, for one person to control the total resources of any one country. The Minister of Mines and Natural Resources says you can look at it in a global aspect, on a global aspect, that one person could own the world. And he's perfectly right, that under this type of government one person could conceivably own the whole world. And the rest of us would simply be tenants, we would be subject to the will of one owner, to one government. --(Interjection)-- I'm telling my honourable friend the direction that Manitoba is going under his jurisdiction. That is what is happening, Mr. Speaker,



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(MR. WATT cont'd) . . . that is what is happening in this country. --(Interjection)-- I am saying that the Manitoba Agriculture Credit Corporation is being used to that end, that at any time the five-year lease that they talk about so much, any time that that can be terminated the same as they terminated the voluntary hog marketing system in the Province of Manitoba, just by a stroke of the pen it became a compulsory marketing board. --(Interjection)-- Correct. Why should we believe that this will not happen in the case of the Manitoba Agricultural Credit Corporation Land Lease Plan? Why should we believe? --(Interjection)-- We're not in Ontario now. Take a look up in Saskatchewan. If you want to talk about marketing boards, talk about Saskatchewan, not Ontario.

Mr. Speaker, I suggest that this government is leading us into one of the greatest socialistic, one of the greatest socialistic crown controlled countries in the world. If those members on that side of the House knew their particular departments in their own right, I might look at it a little different. But when you consider that the Minister in charge of Autopac who has taken over the total insurance business in this province and believes himself to know more about insurance in respect to automobile insurance than the Wawanesa Insurance Company that started from scratch and built up a business in the Province of Manitoba and offered an insurance policy that no one was really objecting to; that the Portage Mutual built up an insurance organization in this province over years and years of time with people that understood the business and learned to understand it more as we went along - and suddenly a young Minister comes into the House and takes charge of the total automobile insurance in the Province of Manitoba. Are we satisfied that on that side of the House we have Ministers that can take over industry and commerce? That we have Ministers that know, that understand enough about mines and natural resources to take over the total mines and natural resources in the Province? I suggest, Mr. Speaker, that we have not. I say to the Honourable First Minister that if we were to go to the people on the basis of Crown owned natural resources in total in this province, I would suggest to him that we should go to the people now. And I suggest to him that the people would give him the answer that I give to him now, that it would be the last that we would see of socialism in the Province of Manitoba. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: It's fascinating, to say the least, to hear the - I was going to say by way of initial rejoinder, Mr. Speaker, that it's absolutely fascinating to hear in the last quarter of the twentieth century someone make the kind of Freudian admission as the honourable member just did in his closing sentence, that he regards natural resources as belonging to someone other than the public. Because that is what he just did. And yet I think it is in our day and age become so commonplace that only the most rank conservative reactionaries would dare suggest that natural resources in the ultimate sense accrue and adhere to the people of the jurisdiction in which those resources lie. Indeed --(Interjection)-- well you just finished saying it.

MR. SPEAKER: The Honourable Member for Arthur state his matter of privilege.

MR. WATT: I referred in total to the resources of this province. I was referring to farmlands, I was referring to everything in total in the Province of Manitoba.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, in that case the Honourable Member might as well get down to the very precise specifics of it. With respect to natural resources, I have just indicated what I believe to be a commonplace national, indeed even international, definition as to ownership of natural resources. Now when it comes to land for agriculture purposes, there is no need for him to assume that our policy is anything other than what it is, namely the support for the ownership of farmland by family farm organization, by farm families, those who earn their livelihood from farming. We have as much a tradition of support and goodwill and sustenance for family farm operations as my honourable friend does. Because we have also indicated that we would like to proceed to provide an option for those younger farm families that wish to engage in agriculture whereby they have the freedom of choice as to whether they wish to

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(MR. SCHREYER cont'd) . . . . proceed by conventional means or by means of leasing land, that there be some meaningful degree of option open to them. And for that we do not apologize one iota. But viewed in the long run, I think I could say, though at times I hate to admit it, that I perhaps share some view with the Honourable Member for Arthur that in the long run that agricultural land will continue to be owned for the most part by families who are actually earning their livelihood from farming - with some, with some scope or room for option for those who wish to try different approaches.

Indeed I should say, Mr. Speaker, without dwelling on this too long, that in the United States Senator Mansfield, Humphrey, McGovern, Mondale and others, names I just can't remember, have sponsored a bill in the Senate of the United States which is remarkably analogous to the kind of farmland option that we have introduced in Manitoba and which has been introduced even earlier than here in the Province of Saskatchewan. Indeed right in the preamble to the Senate bill and in the remarks by Senators Humphrey and Mondale there is specific reference to the fact that two Canadian prairie provinces have introduced analogous programs and that they are indeed functioning and functioning well. So not if that makes certain members of the Congress of the United States some kind of wild-eyes radicals, then I suppose it's all a matter of definition as to what constitutes radical. In the eyes of my honourable friend the Member for Arthur, any kind of social or economic program that is sort of post 1920 in its assumptions must be radical. But that doesn't mean that we must be therefore intimidated into avoiding those kinds of programs.

Mr. Speaker, to deal with the greater part of the statements that were made in the Budget Debate, I would at the outset, and as is customary, like to thank all members on both sides of the House for their comments and their observations. That is must be clear to you, Sir, having heard all or most of the debate, that the reaction to this year's Budget has been very very interesting in the sense that it has evoked very contradictory comments from honourable members opposite. I don't know if this is an indication that there is some kind of cleavage in the Conservative caucus or whether it is rather a case that they are confused and that they are really not in cleavage at all but remarkably united in their confusion and their reactionariness. Perhaps that would be a fairer or more accurate comment.

It would seem, Mr. Speaker, that one of the initial reactions to the 1976 Budget, indeed I think it was voiced over television, was that it was such a unusual Budget for a non-election year that people were expecting an election in Manitoba in 1976. --(Interjection)-- Well it was by one of the CBC, I believe, commentators. --(Interjection)-- No. That may be, Mr. Speaker, but the consolation for the Conservatives is that if the CBC hasn't joined their caucus, at least Channel Seven and CJOB Hotline Shows are very much part of their caucus, or might as well be. Might as well be. And I say that, I say that, Mr. Speaker, in both a bantering and serious way, because why not call a spade a spade. A commentator on a radio talk show who is reactionary and Tory in his philosophy might as well 'fess up to it rather than pose as being objective in his analysis and his comments. --(Interjection)-- I wouldn't mind putting it publicly, Mr. Speaker, except that that sort of thing is not usually done, and I am like the Member for Swan River, one who likes to respect tradition and custom. But it is galling, it is galling, Mr. Speaker, to have ostensibly objective people in the electronic media who are for all practical purposes operating as an extension of the Conservative caucus.

Be that as it may, I repeat --(Interjection)-- oh well, I can give you the name just posthaste. Mr. Speaker, I repeat that it has been variously described as an election Budget. Well that immediately conjures up all kinds of definitions as to what kind of Budget that is, that is must be a generous Budget, etc. I didn't particularly think of it as being generous. But on the other hand, I think the converse is true as well. It's not a harsh budget, indeed not nearly as harsh or draconian as some of the provinces have found it necessary to resort to in their budgets in 1976, probably for good reason, in their respective jurisdictions.

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(MR. SCHREYER cont'd)

I also note that in one of the local newspapers it was referred to as a Robin Hood Budget, that probably, probably I say, in the Harry Marden column. It was also referred to as a middle-of-the-road Budget and to follow-the-leader type of Budget. But then I'm confused by that, Mr. Speaker, because the Member for Arthur feels that we on this side don't have a leader. And now I know what gave rise to that. He wouldn't have thought of that, Sir, except it was my own fault. I said in the Throne Speech debate that I felt rather in the awkward position, in this Assembly I mean, for reason of the fact that I am the only leader of a party sitting in this Chamber, that I felt like the person described by the actress Marlene Dietrich, when she said that it wasn't much but it was the only thing they had. Well that's the way I feel sometimes. A little bit of modesty, I hope, is not altogether escaping me.

But the Member for Arthur really misinterpreted that, perhaps deliberately, and tries to make out a case. But there is some kind of different relationship that exists between the First Minister of this government and his cabinet colleagues as compared to most cabinets. And I'd like to know on what basis of authority he feels so sure of himself as to know what is the real relationship that exists between any First Minister and his colleagues. It is a pretty difficult-to-define kind of relationship. But I would say to him that if he thinks that in our modern day and age there is a Cabinet anywhere in a democracy where the First Minister snaps his fingers and the Ministers of the Crown hop to it like martinets, that he has a completely, but completely, unrealistic vision or view as to how modern governments can operate. Indeed if they are to be democratic, they ought not to operate like that even if the personality relationships were inclined that way. It would be wrong - well, my honourable friend now wants to avoid the extreme, and I welcome him back to the, via media, the golden middle mean. And he should not - but that applies to social and economic analysis as well. I would invite him back to the middle of the road and away from his extreme right position.

The Member for Fort - oh, I can't avoid this, Mr. Speaker. One of the media referred to the Budget as a bowl of mush. And didn't elaborate as to whether the mush was not or cold, but I would like to know if they regarded the mush as being nutritious. I think that nutritious mush is more beneficial than nice sounding, nice looking platitudes, that are hollow and empty and meaningless to the greater number of people in society. Whether it be a bowl of mush, my concern then would be that it be nutritious, at least in the social ethics sense and nutritious in feeding our search for more equity in society, more equality of the human condition, because we live in rather peculiar times, Mr. Speaker. There is kind of a consensus in our society that inflation is dangerous. And I certainly agree with that consensus, if that is a consensus, and that therefore there must be something done about it. There's agreement, indeed there was great strident demands on the Government of Canada in the past two years that something be done about inflation. Indeed I know some federal candidates who ran in the last federal election on practically their entire platform crying out about the dangers of inflation, demanding that something be done in Canada. So then if that's the prognosis, what is the proposed remedy? Well presumably, it is restraints.

And everybody, or I should say again, it's not everybody - at least the consensus, particularly those right of centre, that there be restraints. Then low and behold if there is some suggestion about restraint with respect to those in upper income strata, they cry out "radical", "dangerous". Which leads one to the conclusion that they want restraint but they want restraint practices by those who are already by definition restraining most because they are on lower incomes, below average, average and below average incomes. They are to restrain. They are the ones to practice the conservation ethic, not those in higher income strata, a complete perversion of social equity and economic reality. Nevertheless, that seems to be the nub of their position.

Well I don't want to mention particular names, but some denounced the Budget, apart from the media, some honourable member or members opposite denounced

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(MR. SCHREYER cont'd) . . . . the Budget as being so lacking in perspective, so biased in what it was presuming to tax, what income levels it was presuming to tax, so biased as to be intolerable - "intolerable". Well, Mr. Speaker, that is a strong word. I can think of no stronger word than to say that something is intolerable. And I rather suspect that the word was dreamt up even in advance of the Budget's delivery and kept in handy reserve for the mouthing of it at the appropriate time which is in those few minutes after the Budget comes down when under our current media practice of getting comments within the first 60 seconds after something happens to get all kinds of erudite comments in 180 seconds, I shouldn't exaggerate. Well so it was described with that kind of haste as being an intolerable Budget.

So there we have the range of the reaction, Mr. Speaker, the Budget ranges from being an election Budget to being intolerable. Well if it's intolerable, at least then it isn't a bowl of mush, is it? Or is it both mushy and non descript and intolerable. Anyways, that gives you some indication Sir, as to the difficulty that I have had in trying to come to grips with what was the main thrust of the criticism of this Budget. And you'll forgive me, Mr. Speaker, if I say that I found it very difficult to come to understand what was the main thrust of the criticism, because the criticism did not have a core or theme or thrust to it but rather a scatter gun approach, a buckshot scatter approach.

Some honourable members, those perhaps more Conservative, didn't hide the fact that in their eyes they felt that the Budget presumed to do too much or to continue to finance too much activity by the Crown, and others felt that we were not doing enough. And that perhaps is epitomized more by the Honourable Member for Fort Rouge and perhaps his two other colleagues, although I do certainly not wish to be unfair. I certainly do not wish to be unfair, that perhaps is not an accurate summary. But certainly for the Member for Fort Rouge, if a theme came through, it is that there is literally a whole wide range of social services, social counselling, psychiatric social counselling, therapeutic social counselling and the like which we are negligent in not providing and that we should be doing much more of that. We're accused of not giving enough time for local consultation with local government and with local residents in urban renewal, and at the same time criticized for not getting the program launched quickly enough. And I want to say that criticism must always be heard in patience by governments that believe in democracy, but also governments I think have a right to ask that opposing polar points of view be reconciled at least in the mind of any one person who is going to be mouthing both kinds of opposing criticisms.

The Member for Fort Rouge should understand, as I think he does, if he ponders it, that you cannot go the route of Athenian democracy and at the same time get huge major housing and related urban renewal programs under way quickly. Indeed, as I think he might know from some experience, that through the consultative process that he was engaged in, according to the Mayor of Winnipeg, it took him three years to build three duplexes on William Avenue. So that there is no way that you can have both, quick action and lengthy and detailed consultation on every bit of preliminary planning, etc. If there is a way, of course, we would like to hear about it. But I would be surprised if my honourable friend is really serious when he talks about both in the same breath.

Some have described the Budget as revealing overspending and others, including one of his colleagues, said that we were hiding underspending. Now here I would like to mention the Member for River Heights. Because if anything came through from his comments, it is that he believes, contrary to most of his colleagues, that we are in this year's Budget actually hiding, in his opinion, we are hiding a potential surplus of a significant amount. Others have alleged that we are indeed masking a deficit that will loom much larger than we are indicating in our Estimates. Well then, my honourable friend the Member for Swan River and the Member for River Heights are again, you see, at polar opposites in their prognosis. I can say that we sincerely believe that when all is balanced out, that we will have a final balance on the 1976 - '77 Budget very close to within about one percentage point of what the

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(MR. SCHREYER cont'd) . . . . print is showing. That is about as close estimating as one can do.

Indeed, in our last year's Estimates just completed, last year's fiscal balances just completed, usually close the books around the 20th of April, whereas we started out with an estimated budgetary deficit of, I think it was 6.7 million - and twelve months and a whole host of events, conflicting events up and down, we ended up with a budgetary deficit that is in the order of 11-1/2, or thereabouts, million. Were it not for a whole host of things, we probably could have ended up bang-on at 6.7 million. But we do not regard a deviation of \$5 million as being far out. In fact, Mr. Speaker, one must regard it as being what it is, namely one-half of one percent of our total budgetary position. And if my honourable friend the Member for Swan River is able to keep his, let us say, personal budget to within one-half of one percent of what he estimates, then I would say that he deserves commendation.

Interestingly, some members were candid enough, even though they sit opposite, to say that they agreed with our tax proposals. But then some said we didn't really need them and should have cut programs. Others of course said we should have expanded our programs and cut taxes. That of course is the ultimate. That is really the ultimate in helpfulness, Mr. Speaker, is when gratuitous advice from somebody across the way who says that you should be doing more and taxing less and that in that way we will really have good government. Well, I suppose it would be good government - well I even question that, but assuming that were possible, I would say that that would be possible only in a kind of Alice in Wonderland world. Unfortunately it's not possible in the world of reality, particularly at a time of inflation.

My honourable friend the Member for Lakeside especially, I don't know why he's taken it upon himself to be the sort of - well, not hatchetman, but sort of the vanguard of the advice that governments only benefit from inflation. And he has been quite critical that we have --(Interjection)-- Well, somebody opposite, I thought it was the Member for Lakeside. --(Interjection)-- Governments benefit from inflation. Mr. Speaker, I would like - so much do I disagree with that statement that I wanted to get my hands on some contention to the very opposite effect, and preferably is possible emanating from a Conservative source, and I did, I managed to get it from the Ontario Minister of Finance. --(Interjection)-- Well, Mr. Speaker, if one is searching for the truth then why should one quibble as to the source. I only referred to it because I thought it would impress my honourable friends opposite a little more if it came from a Tory source than if it came from myself. If I made the same contention, they'd obviously dismiss it, they'd close their ears to it.

But here is the Minister of Finance of Ontario speaking. He said, and I quote: "The Government of Ontario as both a major employer and purchaser of goods and services has been subjected to the same strong inflationary pressures as the economy as a whole." And he went on to table, it's Table 6 on Page B-8 of their Budget, some examples of the extent to which government has been required to pay horrendously inflated escalating costs for goods and services which it cannot avoid, should not avoid if it wants to be responsible government. Therefore it is as much a victim of inflation as it is some kind of alleged beneficiary because of the impact on tax revenues.

The Province of Ontario, Manitoba or any province could make roughly the same kind of table available, that with respect to for example steel, the Province of Ontario, which is a major purchaser of steel, is required to pay 31 percent more on those purchases. For asphalt, for paving of highways, in one year a 105 percent increase, in 1975 as compared to 1974. I would hazard to say that there is another 45 percent increase in asphalt prices to report since this document was tabled a year ago. All of the explosives that are purchased by the Government of Ontario - I don't know what they are purchasing explosives for but presumably it is for non-subversive purposes - the price increase to the people of Ontario, through their government, has been 28 percent. Office furniture has increased in price to the Province of Ontario by 67 percent; to fuel oil an increase of 100 percent in one year; natural gas 45 percent; and so it goes, etc., etc.

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(MR. SCHREYER cont'd)

In that context, Mr. Speaker, it is absolutely ridiculous, absolutely ludicrous for any honourable member to try to leave the public with or indeed feed - feed the erroneous impression that governments somehow are immune to inflation or at least they are to some greater degree than the generality of society and that governments are happy to see inflation continue. That, Mr. Speaker, is a dastardly misconception to keep alive and to fan the flames of.

I would go so far as to say that history has proven that inflation is one of the greatest social and economic destabilizing phenomenon that there is; that governments that are willing to live with inflation really are not aware that they are playing with great danger. There is, I would have to admit, a tendency on the part of liberal, and I use the word "liberal" here in the broad generic context, liberal includes Social Democrats, kind of a tendency of the past thirty years to avoid, to avoid thinking about some of the hard facts of the destabilizing effects of inflation and the kind of slow poison that it constitutes. As a result adequate enough measures were never really faced up to except in more recent years. But the paradox, Mr. Speaker, is that when facing up to some of the harder facts of inflation and its slowing down or its restraining then of course one runs smack into the problem of equitability, the mutuality of restraint that has to be practised and that is where I would hope all clear-thinking Liberals and Social Democrats part company immediately with those who would style themselves as Conservatives and Tory. Because they would want --(Interjection)-- oh, yes, they're great ones for restraint but they want all the restraining to be done below the average income levels of our society and as such it is a repugnance to all those who want to think about the ideals of greater equity in our society. Well, Mr. Speaker, we'll come back to that a little later.

I suppose that if a Finance Minister can take any kind of comfort or consolation from the varying kinds of advice and criticism that has been made of the Budget - and indeed that is to be expected - then the comfort lies in the fact that the criticisms have been so loaded with contradiction. This impossible do more but spend less advice was repeated in so many, unfortunately, so many of the speeches that were made. It reveals the very real difficulty that all governments must face in preparing a Budget amidst the kind of economic circumstances we have experienced in the last few years. The fact is that our government believes we have chosen a prudent course, a middle course, but one that certainly holds up as an ideal and guiding light the necessity of always working towards more equitability in what we try to do and more equality of the human condition.

The members opposite said that we should have cut taxes. Well viewed with respect to those who are at average and even below average incomes we did cut taxes in the sense that through our increased tax credits, through the personal income tax, there is a tax reducing impact. The tables are in our Budget documents. For a family of four with an income of \$25,000 or less the tax cuts range up to \$190 compared to last year's level. That requires further elaboration which, if time permits, I will try to come back to later.

Members opposite said we should have held the line on spending and should have even cut some programs. That, Sir, is a piece of advice which even if one doesn't agree with one has to at least respect for integrity and consistency. The problem with that advice is that while it has an intellectual integrity to it, looked at in the coldest - but I mean coldest way, in that sense it's about as positive as I can be about that advice - unfortunately it ignores that fact that we have in our society and we like to pride ourselves of having among the highest living standard in the world, but it ignores the discrepancies as between different communities and between different occupational groups in our society and also ignores the fact that there has been far from equality of opportunity with respect to many of the younger people who come from families that were disadvantaged historically or living in degrees of either remoteness or disengagement from our institutions which would have enabled the young people to have better education, better manpower training.

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(MR. SCHREYER cont'd)

They were left as a kind of an aliented group and it's no secret, Mr. Speaker, that in order to try to break the vicious cycle of poverty to the extent that we have pock-ets of poverty in our midst, that there's no point in yearning nostalgically for some way to do it in a dramatic one fell swoop. The more probable way of succeeding is to con-centrate public expenditures - yes, that's a dirty word for my honourable friends opposite - to concentrate more, not less, public expenditures with respect to the younger generation. If the battle can be won there in terms of greater opportunity and education and manpower training and back of that adequate nutrition, etc., then there is some concrete hope that the vicious cycle of poverty can be beaten.

But that, Sir, calls for increased public expenditures, not less. That I guess does draw on sad because no one likes to separate himself from his other fellow man but that is a very pronounced line that draws between we on this side and the 19th Century Conservatives - which doesn't include all of them, unfortunately most of them - on the other side.

What is modern political philosophy and striving for public office all about? It is when it comes down to it, really on that issue. It is on that issue and in that regard I would recommend to all members who hold public office and who would like to at least familiarize themselves with the arguments, the very intelligent arguments that can be made for increased public expenditures rather than decreased, is to read works of such economists as Galbraith and others. But I know my honourable friends have their own sources such as, I suppose, from the Chicago school - I've forgotten the name - well no matter --(Interjection)-- Yes, Freedman, Milton Freedman, I should say and others who would like really to return to the "good old days" which is one of private opulence and public squalor, which is one of conspicuous consumption for the few and misery and lack of equality of opportunity for too many. That is the kind of dichotomy that exists between Conservatives and true Liberals. --(Interjection)-- Well, my honourable friend says nonsense. Even though he may not particularly want to read it, I will send him a copy so that he can at least keep it on his desk as a reminder to his conscience from time to time.

I might say that as for myself I do not put a book aside just because it happens to be written by some 19th Century - I mean figuratively speaking - 19th Century anti-social, anti-liberal Conservative reactionary.

MR. ENNS: Name one that you've read lately.

MR. SCHREYER: Well, indeed, I have read a good part of the thinking of Milton Freedman and also Arthur Burns. There are a few. --(Interjection)--

Mr. Speaker, I do not want to pass over this lightly because it is the heart and soul of modern-day contention on political and public policy issues and that is what constitutes the real difference in attitude between those who fashion themselves as Conservative and those who fashion themselves as Liberal or Social Demo-crats. But the fact of the matter is that some people have the peculiar view that because we are an affluent society, and indeed we are by prac-tically any measurement, certainly by any historical measurement the consumption of material goods has gone up and up and more and more people are slowly being brought into conditions of more comparable affluence; but there is still, Mr. Speaker, a great deal that cries out for those with social conscience to at least want to attempt the task of doing something about...

The fact of the matter is that it has become an article of faith in the Conser-vative religion that there is too much government spending. Let's face it. I have to admit, I have to admit that right now there is a kind of trend which is moving across our country and it's indeed true in the United States as well, the conventional wisdom is that there is too much government spending. It's been hammered in as a refrain for the past several years so much that it has become part of conventional wisdom. I call it that it seems to be a growing conventional wisdom. I'm not so sure that's true. One has to continue to have faith in public attitudes. I think perhaps some politicians in public office who call themselves Liberals, such as Hubert Humphrey or Social Democrats, regard that kind of talk as cheap talk, not conventional wisdom. Cheap talk. Too much

(MR. SCHREYER cont'd) . . . . government spending. Too much government spending in relation to what? I would concede that there is too much government spending if government spending is going for things that probably could be saved on because of carelessness, inefficiency - and I have to agree here with the Member for Lakeside that it's always good hunting to attack a government for waste. Yes, and you know there is some truth to it. So why not say it, it's true.

But then it should be said there's a corollary to that and that is that there can be extravagance and waste especially in larger private corporate spending as well not the smaller so much but the larger. I mean carelessness and waste is one cause of more than can-be-justified type of spending and habits such as travelling first class wherever you have to go. That's what I consider to be excessive spending because it's to a degree unnecessary - to that degree unnecessary. But if someone is trying to say that there is too much public spending because we are providing home care, nursing home care, day care, expensive manpower training for those who live in remote or distant disadvantaged circumstances, I say nonsense.

There is no more excessive public spending. Perhaps indeed the problem is that there isn't enough public spending in relationship to the affluence of the society in which the setting takes place. Is it not possible, Mr. Speaker, for the other side of the coin to be told as a truth as well and that is that it is entirely possible in our day and age to have private opulence and public program inadequacy? Or is that perhaps somehow departing from reality?

What is reality, Mr. Speaker, in that context? Are all our problems due to excessive public programming and public spending, that we are outrunning our capacity to afford those programs or is some of the problem the fact that for perhaps too long politicians of a Liberal or Social Democratic frame of mind or view of society have been too long allowing themselves to be put on the defensive by rank or reactionary Conservative thinking? They back away from programs that are humane and desirable from a public point of view because we're afraid to tax because if we do we will be making incursions into the private opulence and conspicuous consumption spending that a goodly portion, a growing portion of our society is engaging in.

I wonder if that isn't the gut issue, Mr. Speaker, and it would be better to lose a battle on that kind of issue than to be going along half smugly, perhaps half in fear of taking on rank reactionary Conservative thinking in our society. And it exists. That is, I believe, where we're at in the latter part of the 1970s because you know what is particularly tragic is to have it said with straight face that we shouldn't be going ahead with denticare; we shouldn't have gone ahead with home care for the elderly and thus save some public dollars in terms of nursing home beds, and good nursing homes, and a whole array of things. You can't have it all at once but you can keep up a good pace. But then you find out that you're under attack because of a level of government spending and you wonder, well, what's the problem? Taxes are too high. Taxes are too high. And then one looks about and finds that indeed the level of private opulence and conspicuous consumption is as great as it's ever been. So then where indeed lies the truth? Can taxes be said to be excessive when patterns of material consumption and opulence in consumer spending continue to increase? There has to be a compromise and that compromise is that if there must be restraint then the restraint must be practised mutually in society and not indeed only by those who are of average or below average income. I don't know why that simple truth seems to cause so much confusion but it certainly does.

Mr. Speaker, we know from what few modest determined efforts we have made, and on balance and from a historical point of view I suppose they will be regarded as modest, but they were persistent and they had to be thought through with persistence. We found that the greatest single objection was that in order to do it - it's all very nice, where will all the money come from? All very nice but taxes will be too high. That horrendous generalization, Mr. Speaker, hides the fact as to taxation with respect to whom. What incidence of taxation are we talking about?

We find last Friday in the Globe and Mail and the coincidence of that article in the Globe and Mail with our Budget and with my response today is so great that some would probably think that I asked the Globe and Mail to publish that article, but I can



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(MR. SCHREYER cont'd) . . . . assure honourable members that I didn't. After five years of constant hammering home in the media that we had the highest, and indeed some didn't say just highest income tax, the highest taxes, you know a kind of despicable generalization that lies far more than it tells the truth. But be that as it may we're trying to, on the other hand, bring home the point that with respect to Manitobans of average and below average income that the incidence and impact of taxation compared quite well with other provinces, indeed was of lighter impact. Couldn't seem to get credence to that. We find that - but I can't use the Winnipeg Free Press chart. They took it from the Globe and Mail but they just couldn't leave it alone, they had to transpose everything which is a little confusing. According to a tax expert retained by the Toronto Globe and Mail, and published in last Friday's Globe and Mail, that with respect to those at average industrial income levels, and a four-member family earning \$8,200, slightly below average - but this can be taken up I would suggest to close to the \$20,000 level, diminishing differential - that the Province of Manitoba, according to this Toronto Globe and Mail, does not have the highest incidence of taxation, doesn't have the second highest, nor the third highest, nor the fourth, nor the fifth, but according to this source, the lowest impact of taxes in relation to all ten provinces in Canada.

Mr. Speaker, it's not as though we were trying to set some kind of record of a ten province comparison; rather we were taking our fiscal policy through to a logical consistency with our own philosophy of what we would like to use the instrument of government to try and achieve in terms of more equality in the human condition. We don't feel that we have achieved dramatic results. We would like to think that at least every small step we have taken has been in the right direction. I think we would be inconsolable if something we did was inadvertently but nevertheless in the wrong or opposite direction, away from more equality in the human condition; that we would find we would be inconsolable about.

So here we have perhaps a little more of the facts, a little more clear insight as to just where Manitobans who are in average or somewhat below average income situations find themselves in the way of taxation as compared to their counterparts in other provinces. Measured on that basis, we have an incidence of taxation lower here than other provinces and certainly lower by almost \$400 than the Province of Ontario or Quebec, lower by some \$300 than New Brunswick or Nova Scotia.

I would like to put this on the cautious side, Mr. Speaker, I believe that the differential as between the impact of taxation to average and somewhat below average income in Manitoba cannot be significantly different from Saskatchewan or Alberta but it would seem according to this chart that it is lower. I frankly do not feel we can sustain that kind of favourable ratio indefinitely because we simply do not have the kind of revenues per capita that are enjoyed by Alberta and Saskatchewan. Certainly much less than Alberta.

But there is the truth, the reality, which is exactly 180 degrees opposite to the kind of garbage that has been peddled over the media, the electronic media, oftentimes which is directly contrary to that. Well you know, Mr. Speaker, the only way one can remain in politics in the democratic left is to have faith. You have to have faith or you can't hold, you cannot sustain very long because the distortion that takes place day after day from those who I have to admit, alas, have the capacity to really get a message across, those in positions of influence and muscle, is really something to behold. Ranged against that is a people's political movement which is so historically under-financed that, you know, I think we used to operate the whole provincial operation on less than the Leader gets paid in salary nowadays. Be that as it may, times have changed.

I am pleased to see people's political movements, Social Democratic parties, able to finance themselves in a way that begins to approach the Conservative Party. If it can keep on that way then there will always be a significant input by a political party on behalf of those fellow citizens of average and below average income whose interests are unfortunately too often set aside by those who represent power and influence in our country. But you have to have faith I was saying and, you know, one of the old English adages is that truth cannot be forever on the scaffold, that wrong cannot be forever on

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(MR. SCHREYER cont'd) . . . . the throne. Occasionally, like once a year thereabouts, you get an article such as appeared in the Globe and Mail last Friday which does sort of give credence to that old adage, but not often. Then it's forgotten and in the meantime there is a cacophony, a bombardment of 364 reportings to the contrary the rest of the year. Be that as it may.

You see cheap talk, Mr. Speaker, the cheap talk about too much public programming, too much public spending. There are two reasons why I think it is valid to call it cheap talk. One reason is frankly that it is simply cheap; cheap to think in terms of building a society in which there is opulence for the few and public squalor, inadequacy of public buildings, inadequacy of public programs, inadequacy of outreach programs that could be provided to people whether they be aged, whether they be handicapped, whether they come from deprived environmental circumstances.

The second reason it is cheap talk is that it is from an idealistic and social justice point of view cheap in the same sense that public needs should be suppressed even where the goal and objectives are eminently justifiable but suppressed so that there can be greater amounts left for private opulent spending. Who's going to join that battle since so quickly and so readily it can be distorted and twisted into the argument that governments want it all. What do governments want it for in any case, even assuming that they wanted half, let alone all? It would be to try and bring about better equated conditions, more equal conditions for ourselves and our fellow man.

I suppose it is entirely, entirely not even to be thought about by some that there maybe is some idealistic truth in the old notion that what we desire for ourselves, we wish for all. I know that sounds hopelessly idealistic but what is wrong with trying to at least begin to work our way more and more towards that kind of ideal. --(Interjection)-- Well I think my honourable friends disagree maybe in a way that doesn't even become apparent to them. When they complain with a modest incrementality of taxation at income levels of \$25,000 and higher, and if they complain about that, I say by definition they are disagreeing with that ideal whether they're willing to face up to it or not. That's the whole guts of it, Mr. Speaker. It is incredible how some people are able to work themselves into a lather in politics about the placing of some incrementality of taxation at income levels which, when it takes place, still leaves very substantial amounts in the way of discretionary disposable income.

The other day the Member for Riel, since he is making reference now, I should say that I have read his statement and his text. When I looked at the first few pages and at the appendix which was attached to his speech I must admit that I was quite impressed. Early in his speech the Member for Riel said that his party a) agreed with our Budget objectives and felt that they were sound and sensible and b) agreed with our decision to increase cost of living tax credit benefits, after voting against it in previous years; agreed with the principle of our tax sharing plan for municipalities and also agreed with our concern about cutbacks in federal financial support for provincial programs. It almost seemed as if we had convinced another member of his party to see the light, just as it appeared we were beginning to do with the Member for River Heights when his ten years as Leader was ended so abruptly.

Then I turned to the appendix attached to the Member for Riel's speech and attached to his text was a chart on income distribution. What's particularly interesting about that, Mr. Speaker, is that the chart is attached. It's a Lorentz Curve as it's known in economics, without really making it clear where the Conservative Party stands relative to income distribution. I mean they make the argument, and you know I will not try to rebut it as being completely invalid, they make the point that income redistribution has not been all that dramatic. Mr. Speaker, I have to admit that the income redistribution is not particularly dramatic but it has been measurable and the very same Lorentz Curve which is attached to my honourable friend's speech does demonstrate the fact that there was significant improvement in income distribution if by improvement you mean a reduction in the discrepancy of disposable income between any given ten percentage group of the population. Anyway the Lorentz Curve, I believe, is also a part of our Budget document papers and I would invite honourable members to take notice of the fact that the Lorentz Curve if

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(MR. SCHREYER cont'd) . . . . plotted for after tax income comparison does show a significant change or improvement over the situation a decade ago and so on.

But it hasn't been dramatic I admit it; one of the reasons being that it is, I would suggest, that progress can be best made on a stable and steady and persistent move towards an objective rather than trying to achieve and grab dramatic results literally in a year or two. I guess what's so intriguing is that the House Leader of the Conservative Party would attach a Lorentz Curve on income distribution to his speech as though implying that they are in favour of greater equality of income distribution and yet I know that that is not true according to the comments of at least half of his colleagues in this House. Or was that Lorentz Curve put in there by accident? I don't dismiss that possibility. Sometimes things get stapled on to documents that aren't intended. I believe that has happened indeed on one or two occasions.

But we shouldn't perhaps be too mystified by that because after a few paragraphs the old familiar pattern became obvious in the Member for Riel's speech whether it's an old familiar pattern or a new familiar pattern, Mr. Speaker and perhaps what I'm getting at, of course, is that the technique, the members of the Conservative Party seem to be learning from their Leader and his advisors.

Now I dislike very much, Mr. Speaker, being unkind but I sometimes feel that there is alas, unfortunately, there is some validity to the old saying that a distortion if it's really, really laid on seems to have more impact than a little white lie. Well now that's an old theory, Mr. Speaker. What I'm getting at is the theory of the utilization of gross exaggeration or distortion on the assumption that it will likely be believed by more folk than if you simply try in a boring and dry way to state the undramatic facts. Well thank goodness from time to time you get an article such as the Globe and Mail with apparently an outside hired tax expert to give them some valid interprovincial comparisons. Even if there is a degree of inaccuracy, what this still will prove is that we are not horrendously out of line. But you see that is the gross exaggeration. They were trying to peddle the nonsense to Manitobans that we were horrendously out of line in our tax policies, the impact of taxes, compared to other provinces. You know if we are out of line then we're out of line, but in the very opposite sense.

I don't want to make too much of this except to knock on the head the suggestion that we are out of line in the sense of disfavoured comparison. I would be quite content if they would at least concede that they don't accept this but they think that this is exaggerated by a few hundred dollars and that we are about the same average as all the other Canadian provinces. They wouldn't even do us that courtesy. They will continue to take this from the South Pole and put it at the North Pole or vice versa. That's what I mean by gross exaggeration.

My colleague, the Member for Inkster, really refers to that technique as the pitch of - what is it? A snake oil salesman from the old patent medicine shows. Of course what he was referring to was I think a very appropriate analogy or example. Exaggeration about taxes, the complete inversion, the complete transposing of the truth. Snake oil. The constant harping about too much public spending, too high a level of taxation, not leaving enough room for private sector consumption. Patent medicine nonsense. The rate of disposable discretionary income today, degree of consumption of material goods and services today, compares favourably with any other time in human history. And to bark in the front of the circus tent otherwise is patent medicine nonsense. Our friends opposite like to pretend that they must have some magic solution which can solve every problem. A magic solution, a magic elixir, snake oil.

But of course we know Medicare premiums; we know who introduced the sales tax. Let them not pretend that when we were in opposition we acted the same way. When I was here in this House in 1961, I got up and, as a member of the opposition, suggested perhaps to some people's embarrassment that the Province of Manitoba had certain important public programs that it should get mounted in order to improve the lot of the majority of Manitobans and their children and that if this required the putting in place of a sales tax that no one could expect that they could do these things and not impose a sales tax. Well I never saw so many startled expressions, including from the Conservative members, because the important thing is not whether you can do great and good

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(MR. SCHREYER cont'd) . . . . things; great in a social sense, good in a humanitarian sense, sensible in an economic sense but whether you can keep taxes down.

Despite the fact that all evidence proves that the rate of consumer spending on material goods and services, the amount of consumption of material goods, private opulence is as great today as it has never been over the pages of time --(Interjection)-- Mr. Speaker, my honourable friend thinks that he has a point there. It is a wonderful thing if there can be --(Interjection)-- but all it demonstrates is that indeed there is this degree of affluence and as long as we can continue to afford it then we really have the best of both worlds. But in the event that one has to say, is there proof that we cannot afford to do some of these important and necessary public programs - can we afford it? Some might say no, we can't afford it, taxes are too high. Yet the proof is - and I will say it again - that the degree of discretionary consumer spending, particularly at the upper income strata on opulence in spending, is as great today as it has ever been. So that's the only reason I make reference to those kinds of habits, because at least that, as long as it continues, is proof that there is no hardship being caused with respect to people in that strata. You can't have it both ways, can you? But of course I suppose even that will probably be probed around for some distortion.

The Member for Riel said that although he didn't have any basic disagreement with the kind of tax measures we introduced in the Budget, he said we shouldn't have introduced any of them. He said we didn't need the money; we should have cut programs instead. The reason we reject that advice is for reasons I have already gone into this afternoon, Mr. Speaker, at the risk of some boring repetition. But I am not apologizing for repeating because if that is what it takes to get a message across, we shall continue to repeat.

Although he suggests we cut programs, we haven't really been given any specific indication as to what programs to cut. The Member for Lakeside did attempt, I thought in a genuine way, to start out to perhaps enumerate what kind of programs could be cut although I think, as he indicated himself, his advice was with respect to the generality of a statement which can be said I suppose at any time. I found evidence of it in Ottawa; I find evidence of it here; I can find evidence I daresay wherever there is government or large corporations and that is that there could be management efficiencies improved upon. But as to specific programmings of a social need or health need or elderly care kind or corrections and rehabilitation type, we had no specific suggestions as to what we should cut from my honourable friends opposite.

You know, Mr. Speaker, a few months ago, the Canadian Chamber of Commerce was giving some gratuitous advice to the Government of Canada as to the importance of cutting federal spending. Whether on invitation or on their own initiative I don't know, they undertook to stage the tabling of a document that would enumerate Federal programs that they would cut. Then when their Board of Directors got together to map out this grand strategy and enumerate those programs it ended up in a debacle. They couldn't agree among themselves what should be cut. Much less then do they have the right to expect a government of 25 million people as to what should be cut. It is always so easy to say that there should be programs cut.

Indeed we've had the cutting of the program "the Company of Young Canadians." Maybe as a priority of public programming it was not the highest but can anyone seriously say that it wasn't desirable, that if we could afford it it would be desirable? But the decision was taken because of Conservative cheap talk pressure which the Federal Government, being only human succumbed to. Got to cut something. Let's make some dramatic example of it, so Company of Young Canadians cut right at the knees. Result: so that there would be less public spending so that there could be more for private opulence and public squalor or inadequacy.

That is the kind of thinking that motivates Conservative thinking. There is no getting away from that. Despite the fact that evidence all around them will demonstrate that consumption on discretionary goods and services is as high as it's ever been - higher which proves to me that we do have the capacity to afford in this society if we are only willing to strike a better balance as between the two great sectors of our economy, private and public. That is really what the end objective or problem is all about.

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(MR. SCHREYER cont'd) . . . . Mr. Speaker, we have not run rampant. We have not been on the rampage in terms of the public purse when you consider that with respect to all of the major taxes in Manitoba, I believe it can be said that we compare very favourably with any Conservative administration in Canada with possibly the one exception of Alberta. Even at the average and lower income we apparently don't seem to compare too badly. I would have to accept that if we were somewhat higher - we do not have \$1,235,000,000 in one fell swoop type of revenue - but I think we do compare. If responsibility is measured by restraint then I would suggest that we compare quite favourably with the administration in Ontario, Conservative I believe, seven percent sales tax there and 384 bucks a year for Medicare. Or the Conservatives in Newfoundland with their 10 percent now, sales tax. Conservative. Or the Social Credit Conservative operation now in British Columbia with seven percent sales tax, \$225 per family Medicare premium. Like us, they have put on, as well, higher user fees; they have increased corporate tax. There's room for that because there's been a federal abatement which should not be so conveniently forgotten about. And so on. To say that we have held the line on our major taxes is more than can be said for the former government in Manitoba. If they want to measure by their standards I guess we can do that, we can measure with them. I would invite them to look back to see what they did on the personal income tax between 1966 and 1962 or what happened to the gasoline tax up to 1964. They complain about too high a level of taxation and the fact of the matter is that our gasoline tax for example is one cent higher than it was twelve years ago, one penny higher.

The Revenue Act in 1964 which they now say, at least some of them have said we should abolish and which by the way originally provided for a land transfer tax and for a tax on home heating. There was a former Member of this Assembly from St. George at that time, good friend Elman Guttormson, who if I ever saw a member sputter, literally sputter in indignation, it was Mr. Guttormson on that occasion when it sunk in on him that they were proposing to tax home heating in our climate, but more important, to tax without differentiation home heating by renewable source of energy as opposed to non-renewable. Perhaps that's too complicated.

The point of the matter is that one tries to avoid taxing necessities. One should try to avoid taxing lower income. I suppose that while we are guilty to some degree that we do not avoid completely the taxing of lower income, the fact of the matter is that in Manitoba despite the fact we are less well endowed with certain natural resources, we tax lower income, less than any other province in Canada. We are extremely proud of that, Sir. We are proud of that, Sir, because that is an indication of resolution to stick to common sense principles of taxation. Because if a government is so concerned about taxing at upper income strata, so concerned about intruding into opulent spending income, then by definition it is going to have to tax more at lower levels and everything is relative.

They would have taxed and indeed did tax more at lower levels. That somehow begins to become reminiscent of the old regime in France before the Revolution when they were so afraid of taxing the nobility that they laid a tax on, not home heating in that case, but on salt. Because salt is such a widespread use item it brought in a tremendous revenue, something like the sales tax. One point of sales tax in 1976 would bring in more revenue than all these items we have talked about put together. But to resort to that, if there are other alternatives within the ability-to-pay and visibly so within the ability-to-pay, would be like taxing salt while not taxing the upper strata at all as was the case decades and centuries ago. Of course, I suppose that is what distinguishes a Conservative. They rather can't help but feel that the good old days of history were better than they are today and that is patent nonsense. Where the great misleading point comes in Mr. Speaker, is that people say, ah, it was so pleasant in 1910 to be in the countryside in England or in Vienna. Pleasant society, no problems of taxation, the state wasn't trying to take so much. Indeed I have to admit, Mr. Speaker, that on the basis of all that I am able to understand about it it was much more pleasant, I guess, for those five percent or so of the population that could afford to hire servants in the way in which they did and pay them the way they did and maintain a high rate of productivity in the factories with the kind of wage rates that they paid in those days. Then

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(MR. SCHREYER cont'd) . . . . . for the other 95 percent of the population? Tough. If they didn't behave they were as like as not to be harassed for even presuming to get together in association. It wasn't until the tradition of certain liberal judges such as Oliver Wendell Holmes and others that mankind began to make some progress on the climb out of those "Good Old Days" that indeed weren't very good at all.

I invite my honourable friends to look at their past practice of incrementality of taxation and where they would have done it different had they the chance to do it differently. The Member for Riel called some of our measures, such as the personal income tax surtax, the registration fee increases for larger automobiles, as being envy-ridden. Now that's interesting. I suppose by their peculiar definition the progressive income tax which was inaugurated with President Woodrow Wilson in 1917 and followed in Canada is envy-ridden. My God, Mr. Speaker, how could any supposedly fair-minded group of people think like that? We might as well go back to pre-1917 now in order to satisfy our Manitoba Conservatives. I don't think the Federal Conservatives are that way, I'm not sure, I haven't followed. I sometimes get the impression our Manitoba Conservatives are somewhere to the right of Barry Goldwater and fleeing rightward more and more every year.

Well, Mr. Speaker, envy has nothing to do with it; common sense has everything to do with it. And it is a matter of elementary common sense that if there are certain justifiable public programs to carry out then the public capacity to pay for it is best measured on ability-to-pay and one basis of ascertaining ability-to-pay has to do with income, with disposable discretionary income, with looking at the world around you and seeing to what extent there is opulence, to what extent there isn't and if one has to choose, better to put the necessary revenue-raising measures on the basis of ability-to-pay rather than on something else.

A MEMBER: Also a tax on the ability-to-produce, and ability-to- create . . .

MR. SCHREYER: The ability-to-produce, Mr. Speaker, the ability-to-produce is of course very much at the heart of this. For those who keep trying to insinuate that the ability-to-produce is somehow dependent on the relatively few number of people, obviously are deliberately staying blind to the fact that the ability-to-produce has to do with the entire labour force of our country. Those who are outside the labour force we must view as a matter of regret - personal regret if they are handicapped and the like - but if they are able-bodied it has to be a matter of never ending challenge to us to find ways and means of having them back into productive employment and there are problems there having to do with welfare. But I, not for a moment, am going to stand idly by and take criticism with respect to problems of welfare as though they are caused by a Social Democrat approach. The number of people on welfare in our province and in our country, the pattern has been consistent years before we were in office in this province, has nothing to do with it.

My honourable friends want to talk about productivity, The ability-to-produce and productivity - of course the Member for Lakeside is right - that lies at the whole heart of our ability-to-pay for some of the very desirable and necessary social programs. That is why we put high emphasis on manpower training. That is why we also do give regard for the notion of a just and fair return on investment capital. That is why we believe that there is need for safety laws in our province because unfortunately the ability-to-produce can become, on the other hand, such an obsession that safety factors are thrown out the window. Now isn't that a fact.

A few years back I heard of an operator whose letourneau upset - one of his drivers was injured. Naturally there was great commotion. They got the person out from where he was pinned, rushed away. He said, all right now. You guys get moving. Let's get production rolling. I suspect that that kind of thinking can be taken by degree just with a little less compassion inch by inch until it gets to the point when the more obvious safety measures are not put down as a matter of mandatory requirement. It's hard to draw the line. It's a matter of judgment. Therefore, Mr. Speaker, I take in good faith criticisms with respect to production but then I also expect it to be taken in good faith when I say that production is a factor that relates to all who are employed in

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(MR. SCHREYER cont'd) . . . . our labour force. Indeed, I suppose that goes more than any other factor in merely proving how great is the interdependence of modern day society.

Those who work in an industrial place of work are dependent to some extent on the ingenuity, efficiency of their supervisory personnel and on the investment capital that goes with it. They would be much worse off if that were not the case. On the other hand no matter how ingenious some entrepreneur may think he is or how much rate of return he feels he is entitled to have on his investment dollar, if he were living in some area that is completely resourceless, without a labour force of any kind to service any resource, his whole entrepreneurship would mean nothing. It would be meaningless. It would be academic with a capital "A". So there it is, Mr. Speaker. It is an interdependent world. The more interdependent the world is the more social it must become, the more socialist it must become. But, Mr. Speaker, there are those who keep thinking about the good old days and they would like to crawl back into the womb of the turn of the century type of society. For my part I say those days have gone, may they never come back. There is all the difference in the world.

We've had some considerable noise made about the level of government spending in Manitoba and I don't want to spend much more time than I already have on that subject. But I think it demands being put more systematically on the record that if you are going to compare increases in provincial budgets, that you do so on any basis you like as long as it is done in a manner that is consistent for all provinces.

The other week, unfortunately, a reporter with the Financial Times who has otherwise got a good reputation I believe, made the error of doing nine provinces on a print-to-print basis and did Manitoba's numbers on a, not print-to-print, but - I'm sorry, I've got it transposed. Did the comparison on a print-to-revised and in Manitoba's case did the comparison on a print-to-print basis, one year to the previous year. Of course doing it that way did leave the chart showing Manitoba as having the greatest percentage increase in provincial spending although not significantly higher even on that rather inconsistent basis of comparison. But then to his credit, on his own initiative, he called when he found out about the matter and simply wanted to acknowledge the fact that he had made that one error. So then on a consistent basis for all provinces, print-to-print, then on that basis Manitoba's success in trying to restrain in the context of an anti-inflation program compares rather well. We have in that context, the print-to-print, an increase of about 13.8 - say 14 percent - and there isn't really that much to choose as between the other provinces. In other words we do not feel ourselves out of line, on the wrong side of the point of balance.

We are now forecasting about nine percent growth for Manitoba, not eighteen percent as the Leader of the Opposition would have people believe. The basis upon which we calculate the nine percent would compare with about 11 3/4 percent in Ontario; 16 percent at the federal level.

What about our so-called share of gross provincial product? The Member for Riel says governments in general are taking too large a share. There it is again, the same old story. Too large a share. He didn't single us out so it's not as though we're being picked on. It's a genuine fundamental disagreement. Maybe it's just as well. Then he says this is Canada's biggest problem. Well I would be the first to agree that the economy can't continue to support the kinds of increases which have been experienced in some sectors, government and private, in recent years. At the same time I think far too much can be made of simplistic references to the size of government relative to the GNP or GPP.

The Member for Fort Rouge made the point perhaps better, at least in this context better, when he emphasized that an increasing portion of government's budgets are transfer payments and that it is meaningless to compare them to GPP over time. Even more meaningless, Mr. Speaker, is the comparison I've seen made by some - I think the Member for St. James - incredible, the kind of misleading inferences that could be drawn when he said government spending was so and so much five years ago. The percentage of that Budget that went to municipal government was so and so much. Now today the percentage going to municipal government is smaller. Smaller because the

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(MR. SCHREYER cont'd) . . . . size of the government budget has increased, and in percentage proportion the amount to municipalities is apparently somewhat smaller. Now you follow that reasoning and you end up having to conclude that when government introduces a denticare program or when government chooses to keep, to restrain the increase in university tuition fees or put money into the financing of elderly people staying in nursing homes, that somehow that should predetermine what the grants to municipal governments should be. Do you see, Mr. Speaker, now what the classic definition of a non sequitur is? That is a non sequitur. The Member for St. James should have a medalion with the words "non sequitur" so that when he wakes up in the morning he will remind himself of how classically he portrayed that in his speech the other day.

I've only given a few examples of what makes that a non sequitur. --(Interjection)-- The Member for Lakeside - I enjoy his humour - I would have liked to have heard that, but I didn't.

A MEMBER: He just wanted to know what the meaning was.

MR. SCHREYER: Well, Mr. Speaker, much has been said about the extent to which we are helping municipal government. The Member for Riel was very critical of our government's assistance to local governments and school divisions, forgetting of course that by comparison the assistance his party provided when they were in power was in comparison little short of "peanuts." Underline peanuts.

In 1968 I believe that their per capita grant of unconditional financing to municipalities stood at the grand total of \$3.00 per capita. I believe that that was what it was four or five years previous to that. They would like to say that in 1969 they increased it to \$8.00. What they try to avoid saying is that when they did so it was in an election year and they never even got it passed. We had to do the paper work for them some few months later. Mr. Speaker, the fact is it was at \$3.00 per capita as long as they were in office. Since then it has been increased by a formula which is sort of untied to election strategy timing and the formula has to do with growth of points of yield in income tax and in the corporation tax. In addition to that we have supplemented that with additional funds to make provision for those municipalities that have had an increase in population of a significant kind since the last census. In addition to that we have supplemented it with \$1.00 or \$2.00 per capita extra on top of the \$15.00 now for police and urban services costs. All of this, Mr. Speaker, is taking this now to a level of about \$18 million in the municipal unconditional grants alone as compared to \$3 million when they were in office. On top of all that yet, on top of it yet, we have greatly increased the specific conditional grants to municipalities for certain services. --(Interjection)--

Mr. Speaker, of course the Member for Swan River, as sometimes is the case, he is right. The province has more funds to do it with and one of the reasons we do is because we have been willing to take the responsibility to levy taxes for public purposes. They would like to do it in a way that they would like to have it both ways. It's not possible. But that's what they would like to continue to pretend. He says taxing the people too much and I keep saying to him that in terms of disposable income there is as much affluence today as there has ever been. Is he trying to say there was more affluence in terms of private spending capability in 1961 or 1962 as compared to today? --(Interjection)-- He can't pull that on me, Mr. Speaker, because I lived in this province in 1961 and 1962 and 1963 and the level of disposable personal income in terms of both farmers and those working in industry was less than today. But of course human memory is short. Maybe it is merciful that it is short but it is also greatly frustrating to have to continually repeat so that the lessons of the past and the facts of the past are not forgotten.

The Member for Sturgeon Creek keeps - and one has to give him "A" for persistence. He keeps rubbing home the contention that it is because of Unicity that we have higher taxes in Winnipeg, that it is because of Unicity that we have certain inefficiencies and increments and increases in costs, because of Unicity. Mr. Speaker, I would invite the Member for Sturgeon Creek, not because I agree with very much of what he says but because I believe there is an essential integrity to what he believes he is saying, that he will please look at the municipal - those long rectangular documents known



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(MR. SCHREYER cont'd) . . . . as the Municipal Statistical Summary document, published once a year - and if he takes the 1966 cost figures and tax levy figures for Winnipeg, in 1968, '71, '73, '75 and compares them with Edmonton, Calgary, Vancouver, Toronto, he will find that there is nothing undue about the pattern of Winnipeg's total Budget and their tax levy in relation to the other cities and in historical perspective. Now, Mr. Speaker, I have here a Wood-Gundy document if I can find it, yes here it is, and the Wood-Gundy document shows - ah, but you know, Sir, there's a hooker to this. What the honourable members like to do is they take Winnipeg for 1966 and 1968 and 1971 and it looks so much lower than Edmonton. Now Winnipeg is higher than Edmonton. Ah ha it's Unicity. What they don't do is add up the tax levies in the aggregate for all of the suburban member municipalities that are now in Unicity. When you do that you find that Unicity or no Unicity in the good old days of Metro - which nobody seemed to defend very much by the way - that the total tax load in Winnipeg as compared to Edmonton or Calgary bears about the same relationship today as it did in 1966. Now how's that for applies?

But you know they ignore because they want to ignore the fact that when you compare Winnipeg from 1966 and 1968 you have to add in the tax levies of the Town of Tuxedo, St. James, North Kildonan, East Kildonan, Fort Garry, St. Vital, etc., etc., not to mention St. Boniface. But they don't want to do that. It's so convenient to prove a wrong point. Not only that, Mr. Speaker, not only is there about the same relationship of tax levy, total tax levy, when you add in all the suburbs that are now part of Unicity and compare it to Edmonton and Calgary, Vancouver, then and compare it to today, it's in the same proportion.

But not only that. They say that a city of a certain size is by definition more expensive to govern. I tend to agree with that but I would, on the other hand, say this; don't pretend that there is some dramatic saving in being smaller. It depends on what kind of services you are providing. The mill rate in the City of Winnipeg last year was in the order of 60 mills on general municipal levy. Does anybody know what the mill rate for Brandon was last year or Portage la Prairie? 60.1 mills and 60.6 mills, just about bang on for all three cities despite the difference in size. Now what does that prove? I don't know except that it does seem to indicate that if there is some sin to be associated with Unicity, that those who never had anything to do with Unicity are more or less in the same proportionality, namely Vancouver, Calgary, Edmonton, Brandon and Portage la Prairie. What is their argument?

Then I say too, Mr. Speaker, that you cannot, you cannot, Mr. Speaker, talk about the financial problems of Winnipeg without also putting on the record for those with honest eyes to perceive what is the relationship of net debt per capita between the major cities of our country. We cannot be hammered for giving inadequate financial support to Winnipeg which if we did they would be hammering us in some rural towns because we are, I suppose.

A MEMBER: We would.

MR. SCHREYER: Yes you would, I agree, you would. But at the same time what about the relative net debt per capita position? For honourable members, and I know that some honourable members are genuinely curious, I would say that the Wood-Gundy document which is here, August 1975, the last, most recent available for another month or two, shows a net debt per capita for Winnipeg of \$145.91 as compared to Calgary of - and there they have, why don't they get more support? Calgary, \$264.00; Vancouver \$235.00; Edmonton, --(Interjection)-- well then let's hear Edmonton, here we have Edmonton \$515.00; Kitchener, Ontario \$265.00; London, Ontario \$268.00; North Bay, Ontario, a city of 100,000, am I far out? \$281.00.

A MEMBER: Let's hear it for Waterloo eh?

MR. SCHREYER: Mr. Speaker, all this proves is that the City of Winnipeg is in the same relative position in respect to other cities in the quarter million population class or larger as it has been historically. Unicity has not been the kind of curse that some honourable members opposite would like. Furthermore the net debt position of Winnipeg gives it far more room for maneuver, more scope for financial capital development than other cities in Canada. Now it is to me completely unfair, so unfair that I

## BUDGET

(MR. SCHREYER cont'd) . . . . regard it as disgusting, that they would hammer us because of inadequate assistance to Winnipeg while at the same time they, it can be proven - is proven that Winnipeg has on its own faith and credit the lowest, practically the lowest per capita net debt position of all Canadian cities over 100,000 in Canada. I mean where is the essential fairness in that kind of stupid position? There we have, Mr. Speaker, if a province that is wealthy beyond imagination in oil revenues cannot help municipalities greater than to that extent how in the world is there justification for a province which has not even one percent of the kind of revenue from oil as is being realized there.

I want to say in conclusion that with respect to perhaps the one area of criticism - and that I think came from the Member for Portage - that you know had the kind of tough validity to it that it simply deserved further consideration and refinement, I wish to indicate that there will be some revision in the schedule of graduation on the motor vehicle registration so that, to put it in just as few words as possible, the registration on the vehicle will drop ten percent per year of age until it plateaus out at a level that is approximately where it would be at on a wheel base weight, adjusted 20 percent or thereabouts. We feel that that is a recognition of the fact that people who have bought these older, these larger cars as trade-ins really ought to be given the benefit of the doubt. It is I believe equitable. But from this point on we make no apologies for it, Mr. Speaker, that we cannot feel justified in ignoring the revenue source that comes from, yes, opulent spending and unnecessary non-renewable energy consumption. To leave that alone and tax those who are of lower income we would regard as being unconscionable.

It is for that reason we recommend this measure along with all the other measures in this Budget in order to provide for those things that are being provided in the way of public sector, public programming with revenues being derived as close as humanly possible in relation to the ability-to-pay. On that basis we ask for renewed confidence for our budgetary measures.

MR. SPEAKER: Subject to our Rule 23 Section 4 I must now place all the amendments and a motion before the House.

QUESTION put on the amendment to the amendment, MOTION declared lost.

MR. GORDON E. JOHNSTON (Portage la Prairie): Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the Members.

A STANDING VOTE was taken, the result being as follows:

YEAS

Messrs.	Axworthy	McGill
	Banman	McGregor
	Bilton	McKenzie
	Brown	Minaker
	Craik	Moug
	Einarson	Patrick
	Enns	Sherman
	Ferguson	Spivak
	Graham	Steen
	Henderson	Watt
	Johnston (Stur Cr)	Wilson
	Jorgenson	

NAYS

Messrs. Adam	Johannson
Barrow	McBryde
Bostrom	Malinowski
Boyce	Miller
Burtniak	Osland
Cherniack	Pawley
Derewianchuk	Petursson
Dillen	Schreyer
Doern	Shafransky
Evans	Toupin
Gottfried	Turnbull
Hanuschak	Uruski
Jenkins	Uskiw
	Walding

MR. CLERK: Yeas 23; Nays 27.

MR. SPEAKER: In my opinion the nays have it. I declare the amendment lost. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Speaker, I was paired with the Honourable Minister of Labour. Had I voted I would have voted for the amendment.

MR. SPEAKER: Thank you.

The amendment. All those in favour of the amendment please rise. The Honourable Member for Morris.

MR. JORGENSEN: I wonder if it would be agreeable to the government to have the same division on the amendment.

MR. SPEAKER: Is that agreed? (Agreed)

The amendment therefore is lost and will be so recorded.

The Main Motion. All those in favour of the motion please rise. --(Interjection)-- Same division? Can't have the same division --(Interjection)-- Order please.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Member for Logan.

We are going into the Ways and Means Committee. That's the motion.

COMMITTEE OF WAYS AND MEANS

MR. CHAIRMAN: There being nothing before the Committee at this time, Committee rise and report. Call in the Speaker.

IN SESSION

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

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for Thompson, that the report of the committee be received.

MOTION presented and carried.

ORDERS FOR RETURN

MR. SPEAKER: I'll follow the agenda Orders. Orders for Return. The Honourable Member for Wolseley.

MR. ROBERT G. WILSON (Wolseley): Mr. Speaker, I move, seconded by the Member for Charleswood, THAT an Order of the House do issue for a Return showing:

With respect to the amount of \$1,783,100.95 shown in the Public Accounts for the year ending March 31, 1975, as cash payments for the Public Sector Advertising and Production, the names of the firms to which these payments were paid and the amounts paid to each.

MOTION presented.

MR. SPEAKER: The Honourable Minister of Agriculture. .

MR. USKIW: Mr. Speaker, we have no objection to that Order.

QUESTION put, MOTION carried.

SECOND READING - GOVERNMENT BILLS

MR. SPEAKER: Carry on with second readings? The Honourable Minister.

MR. USKIW: I wonder if you would call Bill 23.

BILL NO. 23 - THE PESTICIDES AND FERTILIZERS CONTROL ACT

MR. SPEAKER: Thank you. Bill 23, proposed by the Honourable Minister of Agriculture. The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Mr. Speaker, I have read over Bill 23 and have also studied the remarks that other gentlemen have made.

I believe that we do possibly need something different in the way of controlling the use of pesticides and possibly fertilizers but my main concern about it is that we don't bring in some type of legislation that is of a real nuisance value to farm people in particular. Because I know that many farm people they're just not cut out at being good at keeping books and the more regulations they get - why there's unemployment insurance or workmens compensation or anything like this they resent it. They just don't like keeping books. If it's going to mean that they're going to have to get more licences again to do any custom spraying or anything like this, it's something that I know they'll object to and I don't think in many cases it should be necessary.

I hope that when the Minister explains this bill that he does come out and say who all will really need to have this. If they're having more boards, who will be getting paid and who you'll have to be licenced through. I know that this could be another expense and I think if we're trying to cut things down, I'd just like to see it handled through some other group and see if we can get away from some of this expense all the time because it just seems that we're getting more licences, more boards, more fees to pay and it's bogging the people down that don't like it.

I hope that when this bill comes in that it isn't the type that will restrict one farmer from spraying for another or even fertilizing. In particular if they do have to be licenced - and I know there's a lot of people doing aerial spraying and custom work that maybe might need to be licenced but let's hope that somebody can be doing this and there isn't more fees charged all the time because it always looks as if the government's charging more for every different type of a licence now so they can have more in the pocket to dish out to, shall we say, almost amongst their own political friends. I would hope that this is not the case here and that it's a very reasonable bill.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I beg to move, seconded by the Honourable Member for Riel, that debate on this bill be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, I would suggest that we call all of the following Bills on Page 3.

MR. SPEAKER: Call all of the . . .

MR. USKIW: Well in that order.

MR. SPEAKER: Very well. Bill 30, proposed by the Honourable Minister of Mines. The Honourable Member for Morris.

MR. JORGENSEN: Stand. (Agreed)

BILL NO. 39 - AN ACT TO AMEND THE FATAL ACCIDENTS ACT  
AND THE LIMITATION OF ACTIONS ACT

MR. SPEAKER: Bill 39, proposed by the Honourable Attorney-General. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker.

Mr. Speaker, whenever I see a bill of this nature I become a little concerned because really what this bill is saying is that we have a lot of perhaps slipshod legal actions taking place in the province and we need more time for the lawyers to bring their actions into court.

Now if the Attorney-General would have told us when he brought the bill in for second reading that the actions in the court made the activities of the court so loaded that they couldn't proceed with things in a time frame that was set down by legislation, I would have maybe understood it. But he didn't say that.

What he's saying is that now, in the case of a fatality that you can have two years instead of one year to start your actions. I talked to the Minister privately before this and he told me that in some cases in the limitations we do have two years and in some cases there's one year and I know in some cases, in other types of actions, there's six years and some places there's seven years so that our whole limitations is a very hodge podge affair.

But in the case of the fatal accidents, we're now going to move it from one year to two. There's one thing about that, Mr. Speaker, I notice in the bill. It is not going to be a retroactive type of thing. If we go for a two-year period it will take effect on the 1st of July of this coming year and it will only apply to cases that have occurred after the 1st of July of 1975.

Mr. Speaker, I noticed not too long ago in the Manitoba Gazette where we had a private individual Praying for a Petition in the case of an accident, I believe, which occurred on August 2nd, 1974. So we will, in all likelihood, before this session is out, have a private bill coming forward praying for the relief of a certain individual. So I would suggest that if the Attorney-General is not going to make any arrangements here and is only going to have it effective the 1st of July, 1975, then I would also suggest that a private bill coming forward probably at some future date should not be considered by the House.

I don't know whether the Attorney-General has taken full cognizance of what has been in the Gazette or not but I say to him that I'm not opposed to a one-year statute of limitations. In fact I wouldn't be opposed to leaving it at a one-year statute of limitations although I can see a merit in having a two-year period because it does give our legal people a longer period of time. If anybody has sat in a lawyer's office they know that you need a long period of time to even get to see a member of the legal profession.

I know from my own experience in the past several weeks, I have on several occasions tried to get in contact with the President of the Law Society of Manitoba and I don't know whether he doesn't want to talk to me or whether he is so busy that he hasn't got time to see people that want to talk to him.

MR. SHERMAN: The Attorney-General has put the word out on you.

MR. GRAHAM: So it may be that you need more than one year in a statute of limitations because it is difficult to see lawyers at this time and I'm sure that lawyers may also have trouble seeing other members of their profession. So it could be possible that you need more than one year to start an action. I'm not a lawyer. The Attorney-General is supposed to be a lawyer and perhaps he can tell me when he closes debate whether it is really necessary to have a two-year statute of limitations. That is only as far as the fatal accidents part is concerned.

Now when it comes to the other part, dealing with the limitations of action, where it comes to the collection of goods and chattels, here we see a recommendation

## BILL 39

(MR. GRAHAM cont'd) . . . . that we go from a two-year period to a six-year period. Of course we don't know what kind of goods and chattels they would be but I would suggest that after six years there may not be goods and chattels that would be worth very much in the commercial market. They may have sentimental value to the individual.

I'm not in my own mind convinced that we have to move in this direction but if the Attorney-General can assure me that it is indeed necessary then I'm prepared to see this thing go to committee and perhaps we can talk about it a little further then. Maybe the Attorney-General would like to give us some of his reasoning when he is closing debate on this bill. So, Mr. Speaker, I'll say no more about this at this time but I wait to hear what the Attorney-General has to say.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I beg to move, seconded by the Honourable Member for Assiniboia, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: I wonder whether it wouldn't be advisable to call it 5:30?

MR. SPEAKER: Right. I shall do that. I shall be returning to the Chair at 8:00 p.m.