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TIME: 8:00 p.m.

MR. SPEAKER, Honourable Peter Fox (Kildonan): Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 30 students, Grade 12 standing, of the Powerview School. They are under the direction of Sister Loutch. This school is located in the constituency of the Honourable Member for Rupertsland.

On behalf of all the honourable members we welcome you here.

BUDGET DEBATE

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I'm honoured to have the presence of those honourable members who are in the House and I am sure that their number will be augmented as the persons who are finishing their late dinner and other refreshments find their way back to the Chamber.

I, Mr. Speaker, intend to deal with the material elements of the Budget only briefly. I think that it is a relatively unsophisticated Budget to discuss. It essentially says that the government, due to both a general economic slow-down and to a economic deflationary policy instituted by the Federal Government, is unable to expand to any great extent its normal programing. It is unable to count on additional revenues by taxation. It doesn't intend to raise additional revenues through taxation and therefore intends to continue its present level of services in the forthcoming year. In doing so, Mr. Speaker, and I acknowledge this to be the case, the relief that has been indicated by virtue of the property tax rebate and by virtue of the increase in the cost-of-living tax credit, is more or less standing pat with the level of service that has already been given and the increases will do nothing much more than to make up for the inflationary increases which have resulted in the past several years.

Having announced that portion of the Budget statement, Mr. Speaker, the Minister also announced, that in view of the fact that the Federal Government is engaged in a deliberate deflationary policy . . . And I don't think that there are any people in this House — since I don't see any Liberals — who would dispute that statement. And given the fact that unemployment, alth. ough low or relatively low in the province of Manitoba, that unemployment is higher than it should be in our province, the Minister announced that there will be an employment creation program of a nature that will last a limited period of time, since that is the only kind of program that can be engaged in at the present time — and I'll deal with my reasons for that in a few moments — to deal with the critical situation facing the people in the province of Manitoba. .

Now that, Mr. Speaker, I think is as brief a summary as one would want to make of the Budget Speech that was delivered by the Minister of Finance, which he regards, and I concur with him, as being a responsible Budget and yet a Budget which will not ignore, as has the Federal Government, the existing problem of unemployment.

It is interesting, Mr. Speaker, to compare this Budget to some of the predictions that were made from some of the members of the opposite bench last year, who suggested that the last year's Budget was hiding a whole bunch of revenue in the hope that this year being the year when it is likely that the province will have an election, that that money would be used to confer all kinds of tax relief and goodie programs to the people of the province of Manitoba. This was a point that was being seriously made by a member of the opposition last year but as has happened in the past, Mr. Speaker, with such predictions, this prediction has turned out to be incorrect. Mr. Speaker, listening to opposition predictions over the years I have noticed that both sides are predicted so that if one predicts both sides one can always pull out of Hansard a prediction which was accurate.

There was a doctor, Mr. Speaker, who . . . This is a story; I don't know if it's true but I am told that it is a true story. That there was a doctor who treated mothers who were going to bear children and the mothers were always interested in knowing what their child would be. And the doctor used to make a prediction. He'd say, "You're going to have a boy" and then he would write down on his card "girl". And after the child was born, if it was a boy the mother would say, "Oh, wonderful, the doctor predicted correctly." If it was a girl the mother would come to the doctor and say, "You told me I was going to have a boy and I have a girl." And he'd say, "Well, just a minute." He went to his card file and brought it out and on the card it said "girl". And he said, "You must be mistaken." And she says, "What do you mean?" and he says, "Well, I have written it down on the card. I write it down every time I make this prediction and therefore you must be mistaken."

Well, Mr. Speaker, this is the kind of prediction that we generally get from members of the opposite side. Mr. Speaker, it's not a serious matter but over the years I note that this is the kind of predictions that we have been getting from the other side and I just want to indicate that there is some method in the madness which they are making their predictions with.

Mr. Speaker, I think that the general tenor of the Leader of the Opposition during this Budget debate has been one of confidence in being the next government of the province of Manitoba. That

has been exuded throughout his address. And I want to indicate, Mr. Speaker, that this is not a new approach. This is not something that been introduced by the present Leader of the Opposition. It was the same approach as was introduced by the Leader of the Opposition in 1973. So honourable members who are counting on merely the approach creating the result should remember that the Member for River Heights, in 1973, made the key-note of his address "Next Year in Government." And, Mr. Speaker, 1974 arrived and indeed the Leader of the Opposition had to wait for another try at "Next Year in Government."

I want to warn the members of the opposite side that they cannot rely on blind faith, that nothing need be done, that government will evolve by itself. I make this point advisedly, Mr. Speaker, because the Conservative Party should know that they have been once bitten. They should be on the federal side. They should be twice shy on the provincial side.

We know, Mr. Speaker, that the Conservative Party elected a leader approximately a year ago, a little over a year ago, and the policy of that man on the national scene was to do nothing except wait until the government fell, and Mr. Speaker, indeed, in the first blush of his publicity, —(Interjection)— well, let's see, I'm almost as anti-Liberal as you are, but I do not see that policy which has been carried on by Mr. Clark as now accruing to the benefit of the Conservative Party; that Mr. Clark decided that all he had to say is that we are going to be the next government of Canada; that I need not announce any policies, that I can merely sit here and ask you Conservatives, in blind faith, to know that we will be the government. Well, I tell the honourable members that blind faith, even to members of the Conservative Party, has been found by them to be not enough, and we have seen, not a cohesive opposition, as has been referred to by the Member for Lakeside, but a corrosive opposition in Ottawa. I warned the Honourable Members of the Conservative Party that the tactics adopted in Ottawa, one of hoping in blind faith, will soon find that blind faith alone does not produce results, Mr. Speaker.

It's rather like the story of the fellow . . . —(Interjection)— Another story climbed to the top of a mountain, Mr. Speaker, and when he got to the top he was on the edge of the mountain and 2,000 feet down a steep precipice was the earth and all of a sudden the snow gave way under him and he started to fall, and as he was falling he grabbed for what was there, Mr. Speaker, and he reached a branch and there he hung on the side of the mountain, hanging onto this branch, looking down 2,000 feet below. So, Mr. Speaker, like anybody who is desperate, he shouted something which really wasn't intelligent. He said, "Is anybody up there?" to the top of the mountain that he has just come from and there was a flash of lightning and a cloud of thunder and a voice came out of the sky, "Yes, my son, I am here." And he looked up, Mr. Speaker, he looked up and he said, "Can you help me?" And the voice thundered back, "Do you have faith my son?" And he said, "Yes, I have faith, I have faith." And the voice said, "Let go." So he looked, Mr. Speaker, to one side and he looked, "Is there anybody else up there?"

And I tell the honourable member that the Conservative Party in Ottawa is looking up and saying, "Is there anybody else up there?" And that the Conservative Party . . . Mr. Speaker, —(Interjection)— There's always somebody else. I agree, Mr. Speaker, and I think that the lesson, the lesson is not merely that there is somebody else, but there has to be something substantial not an act of mere faith, I mean, I don't downgrade faith, it has its place, but in politics, Mr. Speaker, and in commending oneself to the people of the province of Manitoba, I think one has to have more than blind faith. And saying next year in government, as was said in 1973, is not a sufficient program for elective office to the people of the province of Manitoba.

Mr. Speaker, I regret, I regret the observation that has been made, that perhaps the House is not as combative as it has been and, that as a result perhaps, it has been difficult to work up great enthusiasm or great competitiveness in many of the debates that have taken place and my honourable friends over there are perhaps a little disappointed that that has not resulted. But, Mr. Speaker, I think that if that has not been the case, one has to agree that there has been very little to be combative about. The Opposition has come into this session of the legislature and has decided what no previous opposition has ever decided, in a legislative session before an election, they have decided to wipe out the legislative session as a means of attracting votes, and I say, Mr. Speaker, that they have done that. They have done that, Mr. Speaker, because they know that there is no miles being made for them in the Legislature. That every time the points that they make are subject to scrutiny and are subject to active debate, they fall by the wayside.

Mr. Speaker, is it not a fact that in this entire legislative session — let's recount it — the Leader of the Opposition made a reasonably credible position on the Budget Speech Debate, and I think that in answer to that position one was as competitive and as combative as one could be and that occurred. But, Mr. Speaker, from that point on, the Leader of the Opposition and the Opposition itself, the entire Opposition, has not really been heard from. The things that caused competitiveness in this House, for the past seven years, have disappeared. Mr. Speaker, we used to have a thousand outrageous remarks and we answered those thousand outrageous remarks with statements, with statements, Mr. Speaker, with statements to the contrary. What has been the position in this House? Really, they've decided that there will not be a thousand outrageous remarks, there will be one outrageous remark

and that outrageous remark will relate to Hydro and I'm glad Mr. Speaker. And and the outrageous remark, and I put it very seriously although I can't now take it very seriously, when I dealt with it on the Throne Speech Debate I said that I want to know who in this government, and when and where, told the Hydro people that we would not accept their recommendations for a cheaper hydro plan and that we wanted them to introduce a politically, a politically . . . Mr. Speaker. . . —(Interjection)—

MR. SPEAKER: Order please. Order please. Order please.

MR. GREEN: Mr. Speaker, who in this government . . . Mr. Speaker, as I understand it the . . . —(Interjection)—

MR. SPEAKER: Order please.

MR. GREEN: Mr. Cass-Beggs was the Chairman of Manitoba Hydro, he was not a member of this government. I asked which member of this government, or when and why and under what circumstances, Mr. Speaker, and it hasn't been suggested, it hasn't been suggested or hasn't been substantiated, and the Honourable Member for Lakeside is upset about it, by a scintilla of evidence. The only answer to that, Mr. Speaker . . .

MR. SPEAKER: Order please.

MR. GREEN: . . . the only answer to that position is Cass-Beggs. Mr. Speaker, the Honourable Member for Lakeside should know that Mr. Cass-Beggs is a very distinguished, much maligned, much — (Interjection)—

MR. SPEAKER: Order please.

MR. GREEN: Well, Mr. Speaker, if one has to debate on the subject matter that anybody who has ever been associated with the New Democratic Party is therefore unqualified to act' then on those terms, Mr. Speaker, I cannot debate with my honourable friend. I merely say that that is incorrect and I don't go any further.

But, Mr. Speaker, my honourable friend who, I say, has taken the name of Cass-Beggs, a much distinguished, much maligned person who was the Chairman of the Manitoba Hydro, who was the Chairman of Saskatchewan Hydro, who was the Chairman of the B.C. Hydro and when released by a political act of Ross Thatcher, was taken by the Science Council of Canada, Mr. Speaker, into the Science Council of Canada, as one of their distinguished employees on a distinguished basis. The honourable members of the other side say that they have D. L. Campbell who they now enshrine. Mr. Speaker, they forget that they were the ones who threw D. L. Campbell out of office. And you know I say that that was perfectly all right, perfectly legitimate, but is D. L. Campbell a less of a political person than David Cass-Beggs. D. L. Campbell was the Premier of this province, he continued to be a member of the Liberal Party when he was a member of the Hydro Board.

Mr. Speaker, the Honourable Member from Lakeside would have you believe that — (Interjection)—

MR. SPEAKER: Will the Honourable Member for Lakeside state his point of order?

MR. ENNS: Well, on a point of order' I think the First Minister of this province has established that D. L. Campbell is a scurrilous scoundrel. . .

MR. SPEAKER: Order please. The Honourable Member has no point of order. The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, the fact is that the word "scoundrel" was used with regard to the writer of a series of articles in the Winnipeg Free Press. It had nothing to do with the D. L. Campbell.

But the Honourable Member for Lakeside would have you believe that — and I say both honourable persons are to be respected and opinions are to be respected — but the honourable member says that David Cass-Beggs, who had all of these positions, and once ran as a New Democrat is therefore to be disbelieved. Mr. Speaker, D. L. Campbell is to be believed. This brings back an interesting little thing that happened during the Water Commission hearings, and it's really not very much. Mr. Cass-Beggs in talking to the Committee on Hydro said at one time that we will have greater floods, that everybody knows that we will have worse floods and greater droughts than we have ever experienced before in the Province of Manitoba. felt And D. L. Campbell thought that this was an astonishing remark and came to the Water Commission hearings, Mr. Speaker — and I am now paraphrasing him — he said Mr. Cass-Beggs said that we would have greater floods and worse droughts than we have ever had before. And he said everybody knows that. And he said Mr. Chairman, I don't know that. Why don't I know that? How does that Cass-Beggs know that and I don't know that?

And now I am going to quote him. He said, "Mr. Chairman, I recognize you as an authority," talking to Cass Booy, "What I really want to call to the commission's attention was that Mr. Cass-Beggs had forecast, that everybody knows, that we are going to have much higher floods in the future and much greater droughts. I don't know whether the commission knew that or not. I don't know."

Well, Mr. Speaker, it is interesting to note that within four years of these hearings, we had a greater flood in the Province of Manitoba than we had ever known in the past, and we had a greater drought, in terms of length of time without precipitation' than we have ever known in the past. —

(Interjection)— Well, Mr. Speaker, I am merely indicating to you that D. L. Campbell was making fun of Cass-Beggs on the basis of those statements and within four years, Mr. Speaker, — for 80 years it didn't happen, and within four years both of those things took place.

Now, Mr. Speaker, I asked for that information, and what did the Conservatives introduce? They introduced a one-page document by Mr. Spafford which said that if we would have built other installations, we would have spent \$572 million less in ten years, 272 in 20 years — I think those were the periods, but in any event it declined as the periods went down and stopped there. His calculations are based on the fact that there is no Lake Winnipeg Regulation and that that is valueless, and furthermore no way indicates that this scheme that he is suggesting would replace the scheme that has been put in place by Manitoba Hydro. He was suggesting, Mr. Speaker — and I could answer Mr. Spafford on those arguments upon which I am supposed to say that I was politically influenced, and we have Dr. Lansdowne's statements which are much more comprehensive, which says that the Churchill River Diversion is not necessary, much more comprehensive statements from Dr. Lansdowne, who says that the CRD is unnecessary. And the honourable member would ask me to act on those statements.

Well, Mr. Speaker, he talks so plain about what we could have saved if we would have gone ahead with the program, which no one has endorsed and which has never been gone ahead with. And he says if we would have done that, we would have spent \$572 million less, Mr. Speaker. Mr. Speaker, we used to say when I grew up, "If my auntie had wheels, she would be a streetcar." That's about the extent to which we ought to rely on that statement.

Mr. Speaker, what was one of the major thrusts? You know when you deal with hyperbole, the Honourable Member for Roblin says I am skating on thin ice. After his skate in the field of hydro-electric bills, I would think he would take off his skates. All kinds of things are said in debate, Mr. Speaker, and I am not going to make a big point out of it, but, Mr. Speaker, if he doesn't believe me — (Interjections)—

MR. SPEAKER: Order please. Order please. Order please. Order please.

MR. GREEN: People can exaggerate, people can make

MR. SPEAKER: Order please. Order please. I am going to say it for the last time to the Honourable Member for Roblin, or to any other member, otherwise I am going to have to ask him to leave. Every member should have the courtesy to be listened to when he has the floor. The Honourable Minister for Mines.

MR. GREEN: Mr. Speaker, the honourable member committed no sin. He committed an exaggeration about how much our hydro bill has gone up. If he doesn't believe me, then I would suggest that if he would believe his leader who says that in the past three years, the bills have gone up by 108 percent, in the past three year 108 percent, which means if one had a ten-dollar bill it would be 20. I am not asking him to accept those figures. I am asking him to check with his honourable leader.

But Mr. Speaker, the Honourable Member for Roblin who says his bill has gone up from \$10 to \$50, he really has not lost this debate with the Member for St. Johns. The Member for St. Johns believes he has the Member for Roblin trapped. He believes that there is no way that the Member for Roblin is going to be able to bring in a bill for \$10 and a bill for \$50. But I have a secret for the Member for St. Johns. The Member for Roblin is going to win this debate because when the Member for Roblin put himself into into a position that he was trapped, he went home, Mr. Speaker, and he turned on all the electricity. He's got his toaster going 24 hours a day. He has got three cars plugged in, Mr. Speaker, and he is going to keep that electricity going in every place where it could possibly go. He has got power machinery, Mr. Speaker, which is running continually and I tell the Member for St. Johns that he didn't think far enough ahead because the Member for Roblin is going to come in with that bill which will show that his electricity has gone up five times. Mr. Speaker, you could do this — tell the Member for Roblin he could do it very easily. Now he's got it now. — I can tell the Member for Roblin that there is an easier way out. If he has electric heat . . . — (Interjection) —

MR. SPEAKER: Order please. — (Interjection) — Order please.

MR. GREEN: Mr. Speaker, I want to tell the Honourable Member for Roblin that there is an easier way of dealing with this question. If he has electric heat, he can bring in the July bill and the January bill and only my wife will realize the significance of that particular statement.

Now Mr. Speaker, the Member for Roblin's hyperbole is rather a mild one. The hyperbole which is more accurate but just as misleading is one that was made by the Leader of the Opposition, who in attempting to suggest, Mr. Speaker, that small business has a disincentive in the Province of Manitoba, kept referring to the fact that the Manitoba tax is 44 percent higher than the tax in the Province of Ontario — 44 percent higher. Mr. Speaker, beware the person who uses percentages and doesn't show what the actual situation is. What does it mean to say that the corporate income tax is 44 percent higher in the Province of Manitoba? Would the Honourable Member for Roblin, who probably has a small business, or the Member for River Heights, who has a little bigger business, but in the view of some honourable members on the other side, it is a small business — would they have a disincentive for establishing in the Province of Manitoba as a result of the laws in the Province of

Ontario being smaller?

Well, Mr. Speaker, I've have got the actual figures and there are some small businessmen on that side of the House. I want to know which small businessman would disestablish in Manitoba, or not establish in Manitoba if on an income after he paid his salary, which he will do if he is a corporate small businessman, was \$7,200 instead of \$7,600 because that is the difference in the actual tax paid. And someone suggests that is going to determine the location of a small business in Winnipeg as against the small business in Toronto. Mr. Speaker, the parking alone, the parking of the vehicles alone, would cost more than \$400 more in the City of Toronto as against the City of Winnipeg. The Honourable Member for River Heights is going to suggest that he will have a disestablishment to the establishing of a hotel in the City of Winnipeg as against the City of Toronto because, let us assume if his hotel needs \$74,000, if it was \$100,000 earning, that in Ontario, it would have made \$78,000.00. That's \$4,000 on income — this has got nothing to do with expense, this is profit. On a \$100,000 profit, excuse me, you would be left with \$26,000 in Ontario and \$22,000 the taxes would be \$26,000 in Ontario, meaning you would have a profit of \$74,000 after taxes; \$78,000 in the Province of Manitoba. I've got the figures the other way around. The profit would be \$74,000 in Manitoba; \$78,000 in Ontario and I am taking the entire taxes — I am taking the federal and provincial income tax.

Mr. Speaker, let us assume — (Interjection) — well, I've taken the best, I've taken Ontario; Ontario is the lowest tax is it not? Ontario is nine percent. I've taken the widest difference. I want to know whether any small businessman would move from the Province of Manitoba because his income was — on \$100,000 income, that the tax in the one case would be \$26,000 and the other \$22,000.00. I wonder if the Bank Manager from Minnedosa would find a businessman having a problem if he had earned income, after taxes, of \$74,000 as against \$78,000 in a small business. — (Interjection) — Pardon me? Well, Mr. Speaker, the honourable member says he recommends that he would go to Alberta. Then what would happen with the people if he did? What would happen to the people who wanted to stay at a hotel in Winnipeg?

A MEMBER: He'd be out of a job, that's what would happen. He'd be out of a job.

MR. GREEN: Well, Mr. Speaker, the hotels would be filled exactly the same way. They would not be out of a job and the small businesses that exist here, would exist here now. So anybody who wants to deal with the 44 percent should deal with the actual figures and they will find that there is no disincentive for small business in the Province of Manitoba; that there may be a marginally less amount of money after payment of taxes but no disincentive to locate and to do business in the Province of Manitoba.

Now, Mr. Speaker, what is the position then of the Conservative Party *vis a vis* most of these questions? As I have been able to ascertain it, Mr. Speaker, and I am not certain, but as I have been able to ascertain it, there are only two substantial changes that the Conservative Party would suggest if they became the government of the Province of Manitoba. We know that they would change taxation; they would reduce the income tax and charge more premiums or charge higher sales tax or charge another tax which taxes the poor more than it taxes the people with high incomes because that has been their policy throughout eight years of the Legislature. And, Mr. Speaker, they no longer can suggest as it has been suggested in this House by a series of former Conservative Cabinet Ministers — you know, when they talked about the Medicare premiums, they instituted premiums — they said, yes, that was their program and that was a mistake and many of them came into this House — the Member for River Heights said, "I was against the Medicare premiums; it was forced on me by my colleagues." The Member for Riel said, "I was a new Cabinet Minister; I didn't even have much to say; I was against it." The Member for Lakeside said, "Look, I was a little guy; I wasn't a big man in that Cabinet; I was pushed upon by the bureaucrats and the civil servants. Mr. Bateman, he twisted my arm; he made me do these things; he made me do these things. I was against . . ."

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: I have to speak on a point of personal privilege. In 1969, I accepted the best possible engineering advice that I thought I was getting from the engineers with integrity, with a great deal of support, millions of dollars worth of studies behind them. They suggested a certain course of action to me. I wasn't being pushed down as "the other guy." I recognize that as a rancher from Woodlands, I didn't possess all the engineering advice capable of engineering multi-billion dollar hydro-electric developments in the north. I accepted the advice of senior Hydro officials. I accepted the advice of Hydro management . . .

MR. SPEAKER: Order please. Order please. Order please. The honourable member has made his point. He cannot make another debate. Order please. Would the honourable member explain his matter of privilege please?

MR. ENNS: Well, Mr. Speaker, I think the suggestion has been made by a man that I have a great deal of respect for, a former Minister whose office I once occupied was being pushed around by a lot of little bureaucrats. I take violent objection to that suggestion. My advice came from the highest of authority, none other than the person that now heads Manitoba Hydro, Mr. Leonard Bateman.

MR. SPEAKER: Order please. There was no matter of privilege. There was a difference of opinion.

The Honourable Minister for of Mines.

MR. GREEN: Mr. Speaker, I suggest to you that the Honourable Member for Lakeside has come into this House from time to time and said that he had no great role in the levying of Medicare premiums, that this was a matter that was done by his senior colleagues and really he had very little to do with it. And, Mr. Speaker, there has been a line-up of them — there has been a line-up of them — and they were all relatively new Ministers, but, Mr. Speaker, somebody was there. Somebody was there. Somebody had something to do with it. Mr. Speaker, the man who was there is now in that chair. He can't, as the others have done, come in and said that they had no responsibility. He can't say, "I wasn't there," because, Mr. Speaker, he was. —(Interjection)— I'm not talking about the Member for Lakeside.

MR. SPEAKER: Order please. The Honourable Member for Lakeside state his matter of privilege.

MR. ENNS: I will not leave it on the public record that I accepted no responsibility for my actions as a Cabinet Minister, as a Member of the Treasury Bench in 1969, and I would ask that the honourable Honourable Minister withdraw that remark.

MR. GREEN: Mr. Speaker, I indicated what I believe to be the case, that a group of former Cabinet Ministers have marched through this House over the years and said that they had no influence on those decisions, that they were made by people more powerful than themselves and that they really had to go along. And that was said, Mr. Speaker, by the Member for . . .

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: On a point of personal privilege again for the sake of the public record, then let me publicly identify myself being at the moment only one of two other former Cabinet Ministers in this Chamber as being among those Ministers that has never made that statement in this House; and that refutes that statement in the House; that has always been prepared to accept the responsibilities for whatever actions I took during the course of my term in office.

MR. GREEN: Mr. Speaker, I will accept the honourable member's assertion. I suggest to you that he has from time to time indicated that he was a relatively new Cabinet Minister —(Interjection)— well, Mr. Speaker, that's all that I said. That's all that I said.

MR. SPEAKER: Order please.

MR. GREEN: That he was relatively new and that there were . . . Yes, Mr. Speaker, you know, I indicate . . .

MR. SPEAKER: Order please.

MR. GREEN: Well, I think, Mr. Speaker, that we hit on a rather tender point and perhaps we had better move away from it so that the debate can proceed because I am certain, Mr. Speaker, that it is not going to proceed if we stay on the point. I indicate, Mr. Speaker, that in my opinion, other than changing the tax program so that there will be a program that is based on taxing the poor as against taxing on the basis of ability to pay, the only thing that I have been able to discern in the Tory platform are two things. One, Mr. Speaker, that they are going to revert to a program of massive public social financial assistance to free enterprise firms who are sick and cannot make it on their own in the guise of providing a fiction for rugged individualism — and I will deal with that point in a moment — that they are going to go back to the system which says that we need rugged individualism but it isn't individualistic enough so we have to publicly finance it and do it in secret; that that is one step in their program. The other step, Mr. Speaker, is that we are going to make sure that no success will ever be received in the public involvement that has now gone into the resource industry. Because, Mr. Speaker, there isn't any doubt in my mind whatsoever that the present resource policy, given time, will result in the public involving itself in actual development of its mineral resources and thereby a much greater share in the wealth that is produced by those mineral resources. And I suggest to you that the desperation and the panting for power that we see on the part of the Opposition is in an attempt to see to it that this never occurs. Because, Mr. Speaker, there is no doubt in my mind that the public of this province is able to accomplish as much, and much more, than has been accomplished in the resource field through the private sector and given the opportunity to continue its present program, will do so. Mr. Speaker, that program is one which is presently underway, which despite all of the suggestions of members of the Opposition has not resulted in any reduction in the mining activity in the Province of Manitoba. As a matter of fact, I think that there has been now an increase in the actual level of exploration, given both the public exploration and the private exploration. And Mr. Speaker, given time and I am not going to make immediate predictions, because I will not do what the private enterprise penny stockbrokers do in the Province of British Columbia, which all of us had an opportunity of seeing amply displayed by the CBC or the CTV on one of its more recent programs' that I have never tried to gild the lily or to any way be enthusiastic, nor will I be, about any of the activity that is going on until it results in the actual finding of a mine and a decision to develop that mine. But, Mr. Speaker, that is a program which the Conservatives would be desperately trying to halt.

So what has the Leader of the Opposition said with regard to these programs. Mr. Speaker, he

says that they would wind up the government enterprises, and he didn't stop there, Mr. Speaker. He wouldn't wind them up and discontinue them. He would wind them up and turn them over to the private sector to maintain the jobs where the jobs are viable. Now what does that mean, Mr. Speaker? It means going backwards. It means going back to the philosophy under which Churchill Forest Industries was developed. It means going back to the philosophy under which Columbia Forest Products was developed and, Mr. Speaker, it will be done so in secret. And how can I be so certain of that? As I am standing here, in Nova Scotia they are setting up a development corporation in which they are investing \$15 million and \$5 million federally, and they say that in order for that corporation to be successful, its activities must be kept secret so that the public will not know where those funds are going to. And it's that program exactly, Mr. Speaker, which the Honourable Members of the Opposition wish to replace what they call "silly ventures" on the part of the New Democratic Party government.

Well, Mr. Speaker, I am going to read a list of names which most of you will never have heard of before, and these are losses of the Manitoba Development Corporation: Lighting Materials Limited, Prairie Foundry Limited — note, they have heard that name, that's in their literature as one of the losses of the Manitoba Development Corporation — Futronics Limited, Morton Timber Reservations Limited, Brandon Poultry Products Limited, Bakers Narrows Lodge, Dormond Industries Ltd., General Machine and Welding, Drings Laminated, Public Cold Storage Company Ltd., Advance Lighting Limited, Dent's Food Processors Ltd., Frontier Packing Limited, Midwest Expanded, Morris Iron and Welding, Buffalo Cap, J. Kucher, Lampollier Manufacturing Co., Shee Lee (?) Record Company, Manitoba Furniture.

Now, Mr. Speaker, why have these companies never been heard of? I mean, these are losses of the Manitoba Development Corporation, Manitoba Development Fund — that's the difference. All of these things were happening and did happen under the Conservative administration, Mr. Speaker. But the rule was that none of this was to be made public, not even to the members of the Cabinet.

Mr. Speaker, talk about "silly ventures" — talk about "silly ventures" — I want to know how silly this is. The defendant contends — listen to what the defendant in a lawsuit contends — the defendant contends that the MDC was obliged to provide working capital not only at the outset but also when working capital was depleted by operating losses. They say this does not mean that the MDC was obliged from the start to cover all operating losses in perpetuity because there was a provision under which the MDC could fire GMC at any time up to 1972. But the provision which they say gave MDC an out, stipulated that MDC should be able to terminate management only if they had a *bona fide* belief that the defendant was not ably and properly managing the affairs of the company. This is a contention on the part of a person who is being sued — that I was told that I would get working capital as long as I needed it, in whatever amounts, and the only way it could be cut off was if there was a *bona fide* belief that I was not managing the company properly. Unlimited capital provided that they were not doing anything wrong, and the company could continue to have losses year after year. Those "silly venture" is that? It is a "silly venture," Mr. Speaker, of the Manitoba Development Corporation with Columbia Forest Products, Ltd. — (Interjection) — How much money was involved? Five million dollars. — (Interjection) — Pardon me. — (Interjection) — On the whole thing? Is that like a small thing? I tell the honourable member, I wish he was as Mind you, I don't want him to be with as much solicitude as he was for them, but \$5 million at that time would be \$10 million now. Would the honourable member say, if we had a venture in which we put \$10 million and lost now, he would say, "on the whole thing?" Is that what he would say? Because Mr. Speaker, I regard it as a problem. The instructions that have gone out to the Manitoba Development Corporation — which nobody there denies, nobody has found any fault with them in the last four years — have meant, Mr. Speaker, that in any projects which have been started over the last four years, the total loss out of a total of \$130 million which has been lost in that Corporation has been less than \$300,000 in the last four years, because, Mr. Speaker, we have learned that it is a bad public policy to finance failing private enterprise industries. And we are not doing it. But I suggest to you, Mr. Speaker, that that's exactly the policy which is intended to be reverted to by the members opposite and which the public of Manitoba will not let them revert to.

MR. SPEAKER: The honourable member's time is up. Unless we can get unanimous agreement, there is no more time. The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I thank you because I see the Minister has gone over some lengthy . . . and I hoped that you would let me raise a question. I wonder would the Honourable Minister support the long-standing and historical review that Manitoba governments generally defeat themselves.

MR. SPEAKER: The Honourable Minister for Mines.

MR. GREEN: Mr. Speaker, I am half-tempted to now speak for the time that I didn't, but I won't abuse the House in that way. I would say, Mr. Speaker, that the rule that you are talking about does not apply simply to Manitoba governments.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, there is much to cover in 40 minutes, particularly following the Honourable Minister of Mines and Natural Resources. And I am going to have to hurry.

The Honourable Member for Roblin asked the Minister of Mines a question if governments defeat themselves, and I have to suggest that this is the only reason that he can quarrel with the lack of competitiveness or combativeness that he suggests does not exist in this Chamber today, because I think there is a realization that the government is defeating itself. I'm going to try and suggest why in a few moments, and I'm going to try and point out to the Minister of Finance that the reasons are found in his Budget and the approach to the Budget, but I would like to make a few comments about the Minister.

A MEMBER: Which one?

MR. SPIVAK: The Minister of Mines and Natural Resources. The Finance Minister I'll come back to in a few moments. The Minister of Mines and Natural Resources seems to believe that because there were certain references to the fact that certain people did express positions which were at variance with the declared policy, that that somehow or other was a suggestion on the part of the former Ministers that they were not really in support of the policy and therefore did not take responsibility. But I say to him, he stood up and voted for a Lottery bill which he had expressed an opinion against; he said that he spoke against it, that that was the caucus' will and the government's will, and he stood by that. Therefore, I don't believe that he can stand up and in some way suggest to those on the other side, who have expressed a similar position, that they are any different than he is. And he's no different than they are. That's number one.

Two, I don't want to get into arguments about the hotel business because I have to tell the Minister he's going to learn a great deal about the hotel business, because he's running one on Hecla Island. And he's going to find that unlike private enterprise, he has access to the people's money, and he can keep writing cheque, after cheque, after cheque' for every year and every . . . loss, and that's what's going to occur. — (Interjection) — It won't be the taxes that'll knock you out, that's true. It is the waste, mismanagement, and the fact that the taxpayer has so much money being put into the public treasury and he sees that waste and mismanagement, that is going to knock you out.

A MEMBER: If that's the case, they'll have to import a couple in from outside the province.

MR. SPIVAK: Well, now to the Minister . . .

MR. SPEAKER: Order please.

MR. SPIVAK: Now to the Minister of Finance. I should say that I listened to his speech with a feeling of nostalgia. It appears to me that now he has joined the crude growth boys in the support of the TED Report, and I think that having done that, along with the former Minister of Finance who basically kept saying that, "I don't want to deal with these crude growth statistics", but on the other hand, every year when he presented his Finance Budget referred to them in support of the position of how good the economy was, that the references that he made to the TED Report were fairly flattering. The achievements are also very important, and I think that to that extent, the analysis of those achievements, in relation to the total picture in Manitoba, are extremely important.

It would seem to me that in presenting it he should have at least had the discussion with his Minister of Industry and Commerce, who, over the years, has made fun of that Report, has basically said the Report was of no value, and to find that as the basic support really, for the present Budget, and the present state of the economy is, I think, fairly revealing of the position of the government today, and of the turnaround that it really has taken in terms of their approach. — (Interjection) —

The Minister presented what was really a very conservative Budget, a conservative Budget for today. A Budget that really did not take into consideration the problems of today, and I'm going to try and deal with that in three ways, with inflation, with taxation, and with unemployment.

We have not wrestled inflation to the ground in this country. The results indicate that it's still very much with us, and I believe that the increased prices in energy costs, the increased prices in food costs, the devaluation of the dollar, will have an effect of maintaining a high degree of inflation for the coming year. The ability in this country to be able to try and achieve a consensus on the post-control period is a question mark. I'm not sure that it can be achieved, and it's a real problem. But if we do not achieve it, then we may very well be into double digit inflation. Now, if inflation is licked, Mr. Speaker, the governments will take credit. The Federal and Provincial Governments will say, "It is our policies that have been responsible for it." And if inflation goes beyond our control, then they will simply say, well, we have no way in which to control this, this is international in scope, we are really only inheriting part of it.

You know, the Minister of Mines and Natural Resources, and I would hope he would hear this, talked about the fact — I think it was in the Member for St. Matthew's constituency meeting — that we will not have enough election goodies to give this year, in this election. Well, Mr. Speaker, in 1973, the Provincial Government, because of the windfall revenues they received because of inflation, had election goodies to give. Now, because there is no windfall revenues, because in fact, inflation has not achieved the kind of revenues that they thought it would, they're not in a position to give away goodies.

Now, the interesting thing is that in 1973, there was no admission on the part of the government that it was inflation that provided the revenues, they said it was good management, but now, in this election year, when they do not have the election goodies to present, they simply say 'well, it's beyond our control. Not a question of management at all.

The amount of money, Mr. Speaker, spent by the public sector in this country is alarming, and the checks and balance of a legislative system are not sufficient, and I suggest, Mr. Speaker, that the changes that are being made at the Federal Government level with respect to the Provincial Auditor's role, the changes that have to be made on the Provincial level as well, are going to be important. The total method of accounting of Crown corporations will have to come under a different form of scrutiny if we are ever going to be able to try and gain control of the public sector. Mr. Speaker, this means that common sense has to be applied in this respect.

Now, I want to talk about taxation, because I now come to the way in which governments defeat themselves. I agree with the Honourable Minister of Mines and Natural Resources, I think that there has been a reluctance on the part of members opposite to deal in the normal combative way in this Legislature for a very good reason. The government is completely, day by day, achieving self-inflicted wounds with the way in which they carry out their policies. With respect to taxation, there is no better example. Mr. Speaker, who in this province pays the tax load? The wealthy? The corporations? Is that who pays the tax load? Mr. Speaker, is the tax load in this province too onerous for the people of the province? Well, the members opposite think not, and the members on this side think it is.

Has there been waste in the government, Mr. Speaker? Is there a demonstration, Mr. Speaker, that there's been waste on the part of government? Well, I think there has been waste, and I think we're going to be able to cite certain examples. Mr. Speaker, how does taxation relate to the whole question of inflation, and how does it relate to the whole question of unemployment in this province? Mr. Speaker, we have seen a significant increase in this province in the number of taxpayers earning over \$10,000 a year, who now, Mr. Speaker, based on the latest statistics we have — which would be the statistics for 1974 from the Federal Government — pay three-quarters of the total tax collected in this province, 75 percent.

I'm going to try to deal with these statistics because they are very revealing, Mr. Speaker, and they indicate the insensitivity on the part of the members opposite for the taxpayer, and the problem area, the area that required correction, and the area that is not receiving the attention it should have in the Budget that was presented. Mr. Speaker, the statistics that I'm going to present are compiled from the Green Book statistics, and I've taken the years 1972 and the last year which was filed, for 1974. I've used the 1976 edition, which deals with the 1974 tax statements. Of course, these figures will vary and change, but I believe, if anything, Mr. Speaker, there will be an upward trend.

Mr. Speaker, this would indicate that in 1972 approximately 65,000 taxpayers, of 352 filing, paid or had income over \$10,000. In 1974, 140,000 out of 403 taxpayers filing, had income of over \$10,000. Now, Mr. Speaker, 65,000 taxpayers in 1972 represented 19 percent of those who were filing. 140,000 in 1974, represented 34 percent, so we had a jump in those who were paying, whose income was over \$10,000, from approximately 19 percent to 34 percent. I'm trying to back these statistics up and percentages up so the Honourable Minister of Mines and Natural Resources will be able to examine and test the accuracy, and the members of the Department of Finance will be able to do that as well.

Let me talk about the income tax that was paid, the Federal and Provincial tax paid by these taxpayers. Mr. Speaker, the 19 percent, the 65,000 taxpayers in 1972, paid Federal and Provincial tax of \$224 million which represented 50 percent of the tax paid in the province. In 1974, the 140,000 taxpayers, which represented 34 percent, paid \$473 million, and that represented 74 percent of the tax that was paid, and there's the problem for the members opposite. Because you see, Mr. Speaker, with respect to the benefits that have been given by the tax credit program and the cost-of-living reduction program which have been based on an attempt to try and reach those in the lower income brackets, you have forgotten about the middle income poor who are the people who are complaining about government today and that's why the government's in trouble. The problem is, Mr. Speaker, that the taxes that are paid, are paid out of increased earnings which have over the years, as a result of inflation, placed the taxpayer in a higher taxation bracket and which have also given the opportunity for a better quality of life and the dollars that are taken by the tax collector are taken out of moneys that could be better utilized by them.

That's their judgement, because, Mr. Speaker, when they do see money wasted in, when Flyer they do see money wasted in Saunders when they do see money wasted in the 'Economic Development Fund, when they do see money wasted in the whole northern co-op fiasco, when they do see money, Mr. Speaker, wasted on consultants and reports and actions by government on which there is no follow-through, then, Mr. Speaker, they say, "why should the government be dealing with my money when I could use it better myself." Mr. Speaker, that's why the government's in trouble.

The social programs of the members opposite have, in fact, been accepted by the members

opposite here. There's no quarrel, and the Minister of Finance has a perfect right, Mr. Speaker, to take credit for those programs as he did in his Budget. They have in fact been accepted. So the difference today between the members opposite and the members here is the fact that the members opposite have been insensitive to the reality of the taxation picture on the personal level and their programs have really not dealt with the middle income poor, and because of that insensitivity they are in trouble. That has accounted for the lack of action.

Mr. Speaker' that's what the election is going to be fought about, and the Minister of Finance had a capacity, and I suggest still has a capacity depending on whether he's prepared to acknowledge it to try and alter that to be able to meet the need of these people. Because, Mr. Speaker, when we talk about 140,000 taxpayers, we are talking of the main breadwinners in each family, and if we talk about 400,000 families then we're not just talking about 400,000 tax filers. We're talking, Mr. Speaker, about 34 to 35 percent of the main breadwinners in this province whose incomes are over \$10,000 and who, Mr. Speaker, are paying higher rates of taxation than ever before. —(Interjection)—

No, I have no fear, Mr. Speaker. The Minister of Mines and Natural Resources doesn't want to hear this, and I'm happy that the Minister of Finance is here, because I think to him I can address this, and I think he understands this very well. The problem is I don't think his caucus understands this very well and I don't think his First Minister understood this very well, and I don't think his Ministers do at all. We have the problem of inflation. We have the problem of taxation. Let me now deal with the problem of unemployment.

Both the federal and provincial Finance Ministers recognize the problems of unemployment. They have both used the well-known fiscal techniques. The federal Finance Minister keeps his eye on inflation. He provides limited tax incentives to the private sector in a limited job creation program. The Provincial Government Finance Minister sees unemployment as the major evil, and we have a promise of a massive short-term job creation program to be announced after the Budget. Mr. Speaker that's really strange. How can the Minister of Finance come in and present a budget and then tell us that the major thrust of the Budget which is a massive unemployment program will be announced after. How are we to intelligently evaluate his analysis of the state of the economy and his presentation of his Budget. It can be answered on the premise that it's an election gimmick, but in reality it can't be justified. With all due respects there was an obligation and there is an obligation for the Members of the House to be able to debate this as part of the total thrust of the Budget. — (Interjection — Well, it's not. It has to do with the total Budget. It has to do with the state of the economy. It has to do with the whole question of whether the private sector should have been stimulated or the public sector, until we know what those programs are. And I suggest, Mr. Speaker, that in effect it was a deliberate ploy, and it has avoided the kind of arguments that will come later, but it is to no credit of the government that it was presented in this way.

Mr. Speaker, unemployment to the Federal Government is really the post-control period answer for inflation. In effect government has accepted that unemployment will be the regulator to control inflation in the next period of time. There's no question about that. They're applying that theory and in doing that they are insensitive to the problems of the people who are unemployed. Mr. Speaker, it is the Federal Government's insensitivity to the unemployed and the Provincial Government's to the taxpayer that are really in conflict here.

Now years ago when the Unemployment Insurance Commission should have been corrected so that the abuses that were taking place there were capable of being corrected; when the welfare abuses, and there were some, Mr. Speaker, — that's not to condemn those who are on welfare, but there were some — should have been corrected so that the jobs that were available could have been taken and the people did not have the luxury of not having to take the job; because we failed in those areas, Mr. Speaker, we have an increased and a persistent unemployment in this country and in this province. The question then, Mr. Speaker, is how do you stimulate this. And this was the task that the Minister of Finance had to take.

Mr. Speaker, then we come back to the question of taxation, because he has one of two ways of handling it. Either stimulation through the private sector — I'm sorry, three really — stimulation through the private sector, stimulation through the public sector, stimulation through the private and public sector. He has chosen the public sector, but Mr. Speaker, the advice of those who are the experts in this area in the country is that the private sector should be stimulated. I want to quote, Mr. Speaker, if I may the address by the Vice-Chairman of the Economic Council of Canada to the Toronto Society of Financial Analysts on February 22nd, 1977, and I quote the following: "I am inclined to favour a policy of stimulation that is gradual, selective and extended over time. The first priority must be to stimulate demand to ensure a fuller utilization of existing production capacities. This could be accompanied by a lowering of the average tax rate for personal income and reduction of sales and excise taxes.

In general we suggest that the government adopt measures to lighten the tax burden rather than to create new programs of public expenditures. This reference is based on three reasons, all related to the problems of inflation.

First, new programs of public expenditures would inevitably increase the share of the public sector in the economy as a whole. Second, tax reductions resulting in an increase in disposable income for wage earners and after tax profits for corporations. The current net income of manufacturing and non-manufacturing firms and therefore their disposable funds for investment has declined. For this reason we find tax reductions to be more appropriate than new government spending."

Now, Mr. Speaker, the Economic Council of Canada suggested tax cuts, and low and behold so did the Premier of Manitoba. When he went to the Federal Government in November, when he went to the Federal Government in February, what did he say? He stated that both budgetary options of tax cuts and increased expenditures for job creation could and should be exercised. Mr. Speaker, when the Premier left the province, he talked about tax cuts to the Federal Government, but in the province he talks a different game.

Mr. Speaker, if only the Minister of

MR. SPEAKER: The Honourable Minister of Finance. Finance. . . .

HONOURABLE SAUL A. MILLER (Seven Oaks): Mr. Speaker, I wonder if I could ask a question. Mr. Speaker, I wonder if the Member for River Heights would acknowledge the 75,000 people have been stricken from the provincial tax rolls and the fact everyone in Manitoba will be paying somewhat less taxes than in previous years?

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Well, Mr. Speaker, I just want to if I may make one comment on that. Seventy-five thousand taxpayers have been taken off the tax rolls. Mr. Speaker, in 1974 under \$5,000 income, there were 105,000 taxpayers. They paid \$16 million tax, federal and provincial, of \$636 million. So the elimination of 75,000 taxpayers is a very small reduction with respect to the taxes that will be paid and it does not relieve the problem of the middle income poor. — (Interjection)— Oh, no, it does not. You see, Mr. Speaker, because the only answer that the members opposite have to the middle income poor is to say, "We are giving you property tax credit and you're going to realize \$225," but, Mr. Speaker, that's a gimmick because all that is is a payment to the municipalities in the name of the taxpayer to go to real estate taxes that are escalating year by year. So that in effect, all that is is a matter of a reduction of real estate taxation and rather than by way of a straight municipal grant or a straight grant to the cities and municipalities for the school boards, in effect, it has been channelled through the income tax, Mr. Speaker. Mr. Speaker, the option of the tax cut, which was what the Economic Council of Canada suggested for a job formation program and to stimulate demand, was not accepted by the government even though the Premier talked about it and even though he talked to the federal people about it. Now, Mr. Speaker, one wonders why there wasn't communication between them and why the justification for the change.

Well, Mr. Speaker, the government is now going to introduce a massive employment program. I don't know what it contains. The Member for Souris-Killarney presented a number of figures; I don't know whether they are correct or not. I hope the Minister knows; I'm not even sure the members opposite know. — (Interjection) — Well, I'm sure that he does, I'm not sure whether the members opposite know.

But let me talk about the massive unemployment program. To begin with, Mr. Speaker, it appears to be *ad hocery* on the part of the members opposite. Every time there is a crisis, we have an *ad hoc* program. The *ad hoc* program will take care of a short period of time or a longer period of time and then we go to the next crisis situation.

A MEMBER: With or without his opinion.

MR. SPIVAK: Yes. Mr. Speaker, an *ad hoc* program and the whole *ad hocery* of the employment programs that the government offered is really not a very acceptable way in which to deal with the question of unemployment or the problems related to those people who can't find jobs. Mr. Speaker, it smacks of a neurotic behaviour on the part of the government, possibly motivated by the election, and it does not appear to be any kind of vogue program for any long term attack because it does not appear to have really any advance planning nor does it appear to have any integration, Mr. Speaker, with any programs on a municipal level that have been announced or have even been discussed, or on a federal level. But because we do not know about the program and because the Public Works aspect of the program in this massive program that the Minister of Finance will be introducing will be, in fact, the main thrust for employment, let me make a few suggestions to him.

I believe that the problems of unemployment in this province are severe and are going to continue to be severe. I do not accept the principle that the Minister of Industry and Commerce does, that small business will be capable of meeting the goals. I believe that the necessity of both a private sector and a public sector program is necessary and that the stimulus for the economy through tax cuts should have been undertaken and that tax reductions should have taken place and the consumer demand should have been allowed to grow. But, Mr. Speaker, if it is going to be a public program, it has to be not for a short term but for a long period of time, possibly for the next two years. It can only be

achieved by permanent continuing federal, provincial and municipal programs.

Mr. Speaker, the government has lacked and I suggest requires a shelf of capital projects to draw on, both winter and summer. Mr. Speaker, those shelf of projects should have been available, the advance stages of them should have been — it should have been in the advance stage of completion and they should have been in the position of being able to be pulled off the shelf and put into place.

Mr. Speaker, the program and policies of the levels of government — that is municipal, federal and provincial governments — have to be permanently co-ordinated and they cannot be left to haphazard, *ad hoc* and improvised make-shift programs. Investments in socially and economically desirable public facilities such as roads, nursing homes, day care centres, recreation facilities, and the likes, should be used to bring about a return to full employment. While unemployment remains high, the capital costs of such facilities to our society and this province should be seen as zero. The allocations of funds have got to be agreed on with a clear policy for regional considerations and regional balance, and guidelines have to be established, Mr. Speaker, for Manitoba respecting the principle of provincial regional balance. I suggest there is no reason, Mr. Speaker, why the long suffering wage earning tax paying citizen who always has to meet the cost of unemployment should not occasionally benefit directly. I don't believe, Mr. Speaker, that it's only public buildings that are to be built and repaired, but I believe that the time has come for the government to introduce a program that will repair privately owned homes to allow them to be upgraded, to allow the taxpayers at least to get some benefit for the money that has to be poured out for the unemployment programs or the employment programs that will have to be met not just during this short period of time but I suggest for the next few years. And that is going to be our problem in Manitoba.

When I asked the Minister of Industry and Commerce what are his industrial development goals, when I asked him what is the job formation that is required for the province for the next year, his answer is, "I don't know. I have some inner feeling that we're going to have a problem and we're going to have to try and meet it in some way." Mr. Speaker, I suggest that the problems are going to be much more severe than the members opposite are prepared to acknowledge and a short term program is not the answer; long term planning is required and the failure to plan long term is the failure of planning on the part of the government.

Mr. Speaker, OFYU programs and Local Incentive Programs, programs of the Federal Government which may very well be the course of action that the Minister intends to take which do, in some cases, provide community services, are programs designed only as *ad hoc* and short term responses to unemployment. Instead of building new permanent concepts of work in terms of community service, these programs have created only insecure short term filled jobs. Moreover, these programs should be more closely supervised, Mr. Speaker, if these are the programs that are going to be introduced by the members opposite as part of their short term make-work programs because in many cases, those programs were rip-offs to people who were really in the need of securing permanent employment.

Mr. Speaker, there was a lesson in the TED Report that the members opposite did not learn and because the Minister of Finance referred to it, let me deal with it. The lesson in the TED Report was the fact that, although the studies were prepared by professionals, there were, in fact, groups meeting with government, labour, business, the various segments of the industrial sector, each one meeting in the planning of their own area of concern and errors in judgement were made but the reality was that that consultation took place and, Mr. Speaker, that is what is needed in Manitoba today. The Federal Government is attempting to do it now at a top level to deal with the post-control period but there is a need now to learn the lesson of TED because in relation to the employment programs that will have to be developed, that consultation has to take place and the members opposite, if they are going to look to the TED Report, should look to that as one of the very effective ways of trying to develop the long term programs and to be able to meet the requirements for employment in today's society.

Mr. Speaker, if they do that, then they will realize the one thing that the members opposite fail to realize with respect to business. I listened to the Minister of Mines and Natural Resources as he talked about the hotel business. Mr. Speaker, he doesn't know a damn thing about business. I want to tell you, he knows absolutely nothing about business. You know, he talks as if profit and income is just something that is forthcoming. Mr. Speaker, in today's situation, trying to cope today, is a very difficult task. To try and marshal capital, to try and retain earnings, to try and deal with the credit institutions, is almost an impossible situation. Sure, the larger corporations can do it; they are not affected, Mr. Speaker, and they can pay tax but the family businesses, the small businesses, the ones who have to borrow from brothers and sisters and uncles and aunts to be able to find the resources, who have to deal with the Bank Manager to meet a payroll, who have to try and be able to extend credit, to be able to get new supplies or to experiment and to do all the things required, Mr. Speaker, require support from the government — not a government that is antagonistic and not a government that doesn't understand their position. And Mr. Speaker, I say to you that in terms of the tax policies of the present government, with respect to both the personal taxation rates, the corporation tax, the

surtax, the capital tax, the succession duty and gift tax, that you have shown absolutely no understanding for the situation in Manitoba.

Mr. Speaker, Manitoba is not Ontario. It never has been, and never will be. Our experience is entirely different. We have had some successful entrepreneurs. We've had a grain trade who have made a lot of money in this province and never re-invested it back, with very few exceptions, and who look in many respects to Manitoba as being their country club. But the reality is that there have been a tremendous number of people with ingenuity, with skills, with native talent, who have built industry, have applied themselves and have been successful. And Mr. Speaker, their desire would have been to expand it, to have worked, to have achieved in this province, the province where they have spent all of their time, where they have been educated.

But the problem, Mr. Speaker, is that there is a degree of sympathy that is necessary in understanding that the government has never shown. In some cases it's the attack on the Chamber of Commerce, because some of these people were involved in the Chamber of Commerce, in some it is because of the fact that supposedly on this side, we represent their interests. We don't represent their interests, Mr. Speaker, but we represent a reality. The reality is that these are the people that are going to create the jobs and the future for this province. Mr. Speaker, the large corporations are not going to come here, and governments are not going to be able to supply the jobs. God, every time the governments have tried they failed. The Minister of Mines and Natural Resources read failures. I read Saunders and Flyer. They are all failures. But the reality, Mr. Speaker, at this point is that there have been entrepreneurs who were successful. We are in a far more competitive situation that we have ever been, the difficulties of all the things that I have suggested apply now as never before, and the problem is to have a government that will out reach and understand their problems and to be able to try . cope, together with labour, to achieve what is required in this province. And there had been failures, Mr. Speaker.

So we deal with the , the Budget, and I have to conclude Budget fails to recognize this, Mr. Speaker. The Budget's main thrust which deals with an employment program has not been presented to us. And really, this Budget should not be passed until we know what that program is. The advice of others that required and suggested private sector involvement and the necessity of tax cuts has not been even accepted, and the advice of the Premier who, outside of Manitoba has talked about tax cuts, has not been accepted. And the reality, as I've said, Mr. Speaker, is that today 35 percent, 140,000 taxpayers, almost all of them the breadwinners of some 400,000 families, are paying 75 percent of the tax in Manitoba. And the reality is they are overtaxed, the government has been insensitive to them, and that is the reason you are in trouble.

MR. SPEAKER: QUESTION put. The Honourable Member for Flin Flon.

MR. THOMAS BARROW: I move, seconded by the Honourable Member for St. Matthews that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Finance.

MR. MILLER: I beg to move, seconded by the Honourable Member for St. Johns that the House do now adjourn.

MOTION presented and carried, and the House adjourned until 10:00 A.M. tomorrow morning.