

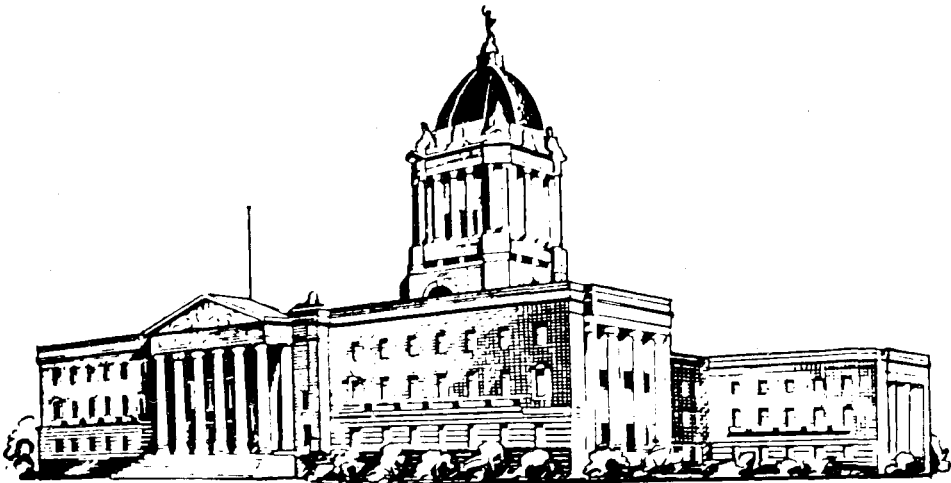


Legislative Assembly of Manitoba

**DEBATES**  
and  
**PROCEEDINGS**

Speaker

The Honourable Peter Fox



Vol. XXII No. 67 2:30 p.m., Wednesday, April 30th, 1975. Second Session, 30th Legislature.

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Electoral Division	Name	Political Affiliation	Address	Postal Code
ARTHUR	J. Douglas Watt	P.C.	Reston, Man.	R0M 1X0
ASSINIBOIA	Steve Patrick	Lib.	10 Red Roblin Pl., Winnipeg	R3J 3L8
BIRTLE-RUSSELL	Harry E. Graham	P.C.	Binscarth, Man.	R0J 0G0
BRANDON EAST	Hon. Leonard S. Evans	NDP	Legislative Bldg., Winnipeg	R3C 0V8
BRANDON WEST	Edward McGill	P.C.	2228 Princess Ave., Brandon	R7B 0H9
BURROWS	Hon. Ben Hanuschak	NDP	Legislative Bldg., Winnipeg	R3C 0V8
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FORT GARRY	L.R. (Bud) Sherman	P.C.	86 Niagara St., Winnipeg	R3N 0T9
FORT ROUGE	Lloyd Axworthy	Lib.	132 Osborne St. S., Winnipeg	R3L 1Y5
GIMLI	John C. Gottfried	NDP	44 - 3rd Ave., Gimli, Man.	R0C 1B0
GLADSTONE	James R. Ferguson	P.C.	Gladstone, Man.	R0J 0T0
INKSTER	Hon. Sidney Green, Q.C.	NDP	Legislative Bldg., Winnipeg	R3C 0V8
KILDONAN	Hon. Peter Fox	NDP	Legislative Bldg., Winnipeg	R3C 0V8
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LAKESIDE	Harry J. Enns	P.C.	Woodlands, Man.	R0C 3H0
LA VERENDRYE	Bob Banman	P.C.	Steinbach, Man.	R0A 2A0
LOGAN	William Jenkins	NDP	1294 Erin St., Winnipeg	R3E 2S6
MINNEDOSA	David Blake	P.C.	Minnedosa, Man.	R0J 1E0
MORRIS	Warner H. Jorgenson	P.C.	Morris, Man.	R0G 1K0
OSBORNE	Hon. Ian Turnbull	NDP	Legislative Bldg., Winnipeg	R3C 0V8
PEMBINA	George Henderson	P.C.	Manitou, Man.	R0G 1G0
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PORTAGE LA PRAIRIE	Gordon E. Johnston	Lib.	26-120 - 6th St., S.E., Portage la Prairie, Man.	R1N 1E8
RADISSON	Harry Shafransky	NDP	4 Maplehurst Rd., Winnipeg	R2J 1W8
RHINELAND	Arnold Brown	P.C.	Winkler, Man.	R0G 2X0
RIEL	Donald W. Craik	P.C.	3 River Lane, Winnipeg	R2M 3Y8
RIVER HEIGHTS	Sidney Spivak, Q.C.	P.C.	Legislative Bldg., Winnipeg	R3C 0V8
ROBLIN	J. Wally McKenzie	P.C.	Inglis, Man.	R0J 0X0
ROCK LAKE	Henry J. Einarson	P.C.	Glenboro, Man.	R0K 0X0
ROSSMERE	Hon. Ed. Schreyer	NDP	Legislative Bldg., Winnipeg	R3C 0V8
RUPERTSLAND	Hon. Harvey Bostrom	NDP	Legislative Bldg., Winnipeg	R3C 0V8
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ST. GEORGE	Hon. Bill Uruski	NDP	10th flr., 330 Portage Ave., Wpg.	R3C 0C4
ST. JAMES	George Minaker	P.C.	318 Ronald St., Winnipeg	R3J 3J8
ST. JOHNS	Saul Cherniack, Q.C.	NDP	333 St. Johns Ave., Winnipeg	R2W 1H2
ST. MATTHEWS	Wally Johannson	NDP	418 Home St., Winnipeg	R3G 1X4
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SELKIRK	Hon. Howard Pawley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SEVEN OAKS	Hon. Saul A. Miller	NDP	Legislative Bldg., Winnipeg	R3C 0V8
SOURIS KILLARNEY	Earl McKellar	P.C.	Nesbitt, Man.	R0K 1P0
SPRINGFIELD	Hon. René E. Toupin	NDP	Legislative Bldg., Winnipeg	R3C 0V8
STURGEON CREEK	J. Frank Johnston	P.C.	310 Overdale St., Winnipeg	R3J 2G3
SWAN RIVER	James H. Bilton	P.C.	Swan River, Man.	R0L 1Z0
THE PAS	Hon. Ron McBryde	NDP	Legislative Bldg., Winnipeg	R3C 0V8
THOMPSON	Ken Dillen	NDP	84 Pintail Cres., Thompson	R8N 1A6
TRANSCONA	Hon. Russell Paulley	NDP	Legislative Bldg., Winnipeg	R3C 0V8
VIRDEN	Morris McGregor	P.C.	Kenton, Man.	R0M 0Z0
WELLINGTON	Philip M. Petursson	NDP	681 Banning St., Winnipeg	R3G 2G3
WINNIPEG CENTRE	Hon. J.R. (Bud) Boyce	NDP	Legislative Bldg., Winnipeg	R3C 0V8
WOLSELEY	Vacant			

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Wednesday, April 30, 1975

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 35 students of Grade 7 to 9 standing from the Flin Flon School. These students are under the direction of Mr. E. Case and Miss Morton. This school is located in the constituency of the Honourable Member for Flin Flon.

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

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 of Urban Affairs)(Seven Oaks): Mr. Speaker, on behalf of the Minister of Education I wish to file the Annual Report of the Public Schools Finance Board.

MR. SPEAKER: Any other Ministerial Statements or Reports? Notices of Motion; Introduction of Bills; Questions; The Honourable Member for Riel.

ORAL QUESTIONS

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I direct a question to the Minister in charge of the MDC. It's in relation to recapitalization of ManFor, or the previous CFI. In the exchange yesterday there was some indication the Government intended to bring in some sort of recapitalization or new capital structure. Since it's not included in either the Budget statement or the Capital Supply, could he indicate what measures the Government intends to take?

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, the matter will be dealt with during the Estimates of Capital Supply when it is brought in by the Premier, which I expect will take place as soon as we get into Supply after the Budget Debate.

MR. CRAIK: A supplementary, Mr. Speaker. Is it intended under the Capital Supply Estimates which we have received to deal with it in the amount contained in the MDC?

MR. GREEN: Mr. Speaker, I'm not from memory able to deal with the ones that the honourable member has received, but if it's not those it would be supplementary Capital Supply, but it will be dealt with during the Capital Supply Estimates.

I've just been handed, Mr. Speaker - and I haven't read it but I'll distribute it - a Flood Forecast Report which apparently is a revision of yesterday's forecast.

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker, I have a question for the Honourable Minister of Mines. I wonder if the Honourable Minister could advise the House if the Manitoba Forest Industries at The Pas has adequate backlog of orders in the house at the present time to assure a continuous operation for the remainder of the year?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: No, Mr. Speaker, I couldn't assure the honourable member that that is the case. The Chairman of the Board will be appearing before Committee within the next several weeks. I'm not sure whether he would consider that kind of information classified to his operation but certainly the honourable member will have an opportunity to ask a question at that time.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): . . . matter of House information. I direct a question to the Honourable the House Leader, note the continuing absence of the Minister of Highways. Has he got any information as to - I say as expression of concern for the health of the Honourable Minister of Highways, but as well he indicated that the department would be next up for consideration of his Estimates. Is there any further information as to when that might occur?

## ORAL QUESTIONS

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Yes, Mr. Speaker, I regret to advise honourable members that the Minister of Highways has been more than moderately ill, he's had some real problems. Now you've had the bad news; the good news apparently is that he is expected back on Monday. It doesn't seriously change the sequence in which his Estimates were going to be introduced, because I really didn't expect that we would be doing much estimates during the Budget Speech Debate. Apparently there has been not as many people anxious to get into the debate as in the past, so if he's back on Monday, which I'm sure all members are hoping for, then concurrently with going into estimates on Monday we would go into the Highways Estimates.

MR. SPEAKER: The Honourable Member for Fort Garry

MR. L. R. (Bud) SHERMAN (Fort Garry): Thank you, Mr. Speaker, my question is to the Honourable Minister of Labour. I would like to ask him whether he can confirm that in its offers to the bargaining unit for the Manitoba Government Employees Association to date that Government has offered higher percentage increases to employees at the higher end of the salary scale than to those at the lower end of the salary scale?

MR. SPEAKER: The Honourable Minister of Labour.

HON. RUSSELL PAULLEY (Minister of Labour)(Transcona): Mr. Speaker, I think I indicated to the House the other day that I had asked to be relieved of my responsibility insofar as negotiations with the MGEA were concerned. I'm sure that my honourable friend the Member for Fort Garry deliberately asked this question in order to embarrass myself.

MR. SHERMAN: Mr. Speaker, I think I would have a legitimate point of privilege on that imputation of motive but I won't raise it. I deliberately asked the question because I would like knowledge for the House of the range in scale of offers made to the MGEA. Perhaps I can then direct the question to the First Minister and ask him, not knowing who it is who has taken the Minister of Labour's place on that team, if he can confirm that among the offers - of the offers made, the indication seems to represent a higher salary increase in a percentage basis to those at the upper end of the scale than to those at the lower end of the wage scale.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, I think that there is an assumption there that's not quite correct. I'll take the question as notice. The matter will have to be resolved one way or another.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, I want to ask a question not to deliberately embarrass anybody but to . . .

MR. SPEAKER: Order please. Question only.

MR. ENNS: . . . perhaps as a matter of concern to many Manitobans, and I direct it to the First Minister. When will he replace the present Minister of Labour with somebody that is prepared to actively concern himself with the responsibilities of that department?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I think that there is a motivation in that question which I would just as soon ignore. Clearly the matter of negotiation has to be carried forward and it will.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I'd like to direct another question to the Honourable First Minister and ask him whether there is a continuing series of offers being made to the MGEA at the present time or whether the final offers forthcoming from the Government have been made?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I don't think that any proposal that's been put forward to date was intended to be taken as a final offer. The negotiations have been in their incipient rather than concluding stages.

MR. SHERMAN: A supplementary, Mr. Speaker, to the First Minister again. Can the First Minister advise whether he has taken over the role of the Minister of Labour on the Government negotiating team in those negotiations?

MR. SPEAKER: Orders of the Day.

ORDERS OF THE DAY - BUDGET DEBATE

MR. SPEAKER: Proposed motion of the Honourable First Minister and the amendment thereto by the Leader of the Opposition and the Honourable Member for Fort Rouge. The Honourable Member for Ste. Rose (Applause) Order please.

MR. A. R. (Pete) ADAM (Ste. Rose): Mr. Speaker, let them eat their little hearts out.

Mr. Speaker, I recall that the Premier opened his remarks in presenting the Government's Budget Address with a quotation from Franklin D. Roosevelt which went as follows, and which I believe is worthy of being repeated over and over and over again. I don't intend to repeat it several times but I would like to at least repeat it one more time for edification of honourable members. It read as follows: "The test of our progress as a society is not whether we add to the abundance of those who already have much, but in whether we provide more for those who have little."

I say, Mr. Speaker, that this quotation should be repeated over and over and over again. I ask you, sir, where could one hope to find a more honourable philosophy? Where could one find a more honourable creed to espouse? Where could one find a better cause to fight for than the cause expressed in Franklin Roosevelt's immortal words? I believe, sir, that this philosophy represents the foundation upon which the New Democratic Party was built. The New Democratic Party since its inception was founded on these noble principles. There are those in our society, sir, in past years and still do so in our time, there are those who look upon these high principles with scorn. And as they try to justify the unjustifiable for which they stand, they do so with hostility and sneers.

I am proud, Mr. Speaker, to be part of a political party that was founded by men of vision far beyond their time. Men with great human compassion. Men who rose to champion the cause of the underprivileged, the downtrodden, the poor. Men who vigorously attacked injustices and attempted to rectify the failures existing in our society. The torches that these great inspired men lit in the hearts of compassionate men throughout our land, and women as well, are still being carried by those who have succeeded them against continuing and ever increasing opposition from those who do not believe in justice and equal opportunity for all. New Democrats over the years have constantly advanced proposals, proposals that would prop up the capitalistic system under which we live, and have made suggestions that would make this system endure over the years. That is what the New Democrats have been working towards. They have endeavoured to make the system work better. They have endeavoured to remove inequities. I would suggest, sir, that if the excessive demands continue to persist upon society such as we have witnessed in the past and more so recently - I can refer, sir to excessive profits that are being reaped by many. Excessive wage demands. Exploitation by man, of man by man. Greed - these demands will have been responsible for our own destruction. Destruction of the society as it now exists. Our own demise. Men of goodwill, men of compassion, men who believe in justice are finding themselves hard-pressed to continue propping up the faltering capitalistic system. The very nature of capitalism is self-destructive. It is a very fragile system because of the excesses and the inequalities, inequities, that exist by its very nature. When we heard some time ago, Mr. Speaker, when Flyer Coach was on strike and we heard the opposition stand up and say, "give them all they want, raise their wages." Fine, I agree that every worker must receive a fair share of the national income. They have a right to live a decent life. But when the opposition gets up and say go ahead, give them all they want, they are supporting the evolution in our society that will eventually destroy us. And the recent doctors demands of between 53 and 70 percent demand for salary increases is only part of the evolution that takes place in a capitalistic system, that that is the ultimate destruction of that society. So I say, sir, that these are the things that are happening in our day and these are the conditions that will hasten, these are the things that will destroy society as we know it today.

I would like to move to the budget speech. In Manitoba I believe we have succeeded doing better economically in Manitoba than in most other jurisdictions over the past few years. And that is beyond questioning, Mr. Speaker. The statistics are there, the data is there. We can even refer to the report - TED report and look therein and we will find that we have reached those targets which they predicted would come about in later years. But while I'm on that, sir, if I might digress.

I notice one item here in the TED report which was commissioned by the previous administration, prior to 1969, the provincial net income target in relation to targets for

## BUDGET DEBATE

(MR. ADAM cont'd) . . . income per farm indicates an opportunity for 20,000 farms in Manitoba by 1980. Mr. Speaker, they were predicting and hoping for a reduction of approximately 50 percent of the farms in rural Manitoba. I'd like to get back to my notes, Mr. Speaker, I believe that we have --(Interjection)-- I will get back to that later, sir. I'll get back to that later, sir.

MR. SPEAKER: Order please.

MR. ADAM: Don't tell men that you're worried already. I'm just starting.

MR. SPEAKER: Order please. The Honourable Member for Lakeside state his point of order.

MR. ENNS: Well, Mr. Speaker, I rise on a point of order that is seldom raised in this Chamber in the last few years but I do so more so in the tradition of the honourable member who occupied this seat for many years, namely the former Member of Lakeside, who points out to you, sir, that it is against our rules for any member other than a Minister reading a statement or declaring a policy position of the government, to read from notes in this Chamber.

MR. SPEAKER: Order please. Order please. The quotation in our rules is to read speeches not to read from notes, so the honourable member hasn't got a point of order on that particular point. Incidentally - order please - it is also a rule that interjections are not allowed. I would ask for the co-operation of all the honourable members. Order please. The Honourable Member for Ste. Rose.

MR. ADAM: Thank you very much, Mr. Speaker. I know the Honourable Member for Lakeside is only trying to be frivolous. I've watched his leader time after time read from written texts that I know he hasn't prepared himself. So, you know, it doesn't bother me at all, Mr. Speaker, if the honourable member wishes to get up and make a point of order. It doesn't ruffle me in the least.

I want to get back to what I was trying to refer to when I was rudely interrupted. I believe that we have made great strides over the past four, five years in housing, with over 12,000 units completed according to the statistics that has been presented in the Budget Address. But despite this, Mr. Speaker, there is still need for a greater effort to provide housing for the citizens of Manitoba. And while I'm on that point, Mr. Speaker, I would like to . . . the Honourable Member for Fort Rouge is not in his seat at the present time but I know, sir, that in the past he has begun a crusade on housing, and I would suggest to him, sir, that he should use his influence and bring pressure to bear on his federal counterparts in Ottawa to release more long term funds for housing instead of funneling finances to pay off election promises. Because this is what's happening, Mr. Speaker. I agree there is a slowdown in housing; the fact is the Federal Government doesn't wish at this time to funnel more funds into housing; they want to pay off their election debts. I expect, Mr. Speaker, that the federal people will try to write off rural Manitoba insofar as public housing is concerned. They will channel funds towards the private sector, which I am sure should make the members opposite very very happy. The farming sector is still being plagued by exploitation.

I would like to quote some of the tables in the Budget Address, I'm sure all members can look for themselves, but I want again for the record to show the average income per taxable return between 1968 and '72. The farmers still continue to be on the bottom rung of the economic ladder which indicates the continuing exploitation of the food producers of this country. In 1968 the farmer's average income was \$4,298; in '69 it was \$2,287, a slight drop; in 1970 it was \$4,294, no growth, no growth at all; in 1971 it was \$5,000, there was a slight growth there, \$5,164; in 1972 \$5,953. The next group were the employees with an average income of \$5,298 in 1968 for an increase to \$7,220 in 1972. Business proprietors, \$5,835 in 1968 to \$8,064 in '72. Let's look at the professionals. There's where you see a radical change.

A MEMBER: Especially doctors.

MR. ADAM: Professionals in 1968 had an average income, taxable return of \$17,569; in 1969 this rose to \$20,698; in 1970 this rose to \$21,670; in 1971 this rose to \$24,469; and in 1972 it stood at \$24,853, and I am very much afraid to look at the tables when they come out for 1975. The disparity is still widening, the gap is still widening, sir. And I say to you, sir, in all sincerity, that what we are witnessing today is evolution, the evolution of our society moving to the brink of one form of dictatorship or another form. That is the eventual result, sir, of this type of happenings in society. If we want this to continue, it is up to us; it

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(MR. ADAM cont'd) . . . is up to us. Everyone seems to be making more demands on our society, we are living beyond our means, and unless we realize what's happening there will be radical change in our society in the years to come - in the not too distant future.

Two years ago, Mr. Speaker, in speaking on the Throne Speech or the Budget Address, I mentioned that the highest priority that the people of Canada should have is the production of food. I said, sir, at that time that that should be the highest of priorities, highest of priorities by a very wide margin over any other priority that we may have. My remarks were probably ignored and dismissed as being not worthy of being taken seriously, sir, but it just so happens that a year later there are millions who are starving all over the world. Millions are starving. We haven't mastered the problem of distribution of the world's supply of food and there is insufficient world production to feed all the people who are on our earth today, who exist on our earth. There isn't sufficient resources there to supply the demands let alone the food that is required.

A year ago, sir, in speaking here in this Assembly, I said that the diminishing resources was something that we must be very concerned about and I suggested a year ago that all export should be phased out as soon as possible. It was six months later that the National Energy Board made those same recommendations, Mr. Speaker. These are the problems that honourable members should be concerned about. We here in Manitoba are doing our level best to equalize the income, to try and decrease disparity by the property tax rebates on property taxes and by the cost-of-living tax credits, which are so strongly opposed by members opposite. They don't like that. I recall that - what is it, two years ago? - every member on that side of the House, not the Liberals I don't think, but every Conservative member in the House rose to oppose the property tax credit, and I intend to let my people know every year for as long as I shall be in this Chamber representing the constituency that I have the honour to represent, the constituency of Ste. Rose, I will let them know every year and I will name every man that's stood up and voted against the Property Tax Credit Plan.

MR. ENNS: Spell my name right when you do it.

MR. PAULLEY: How do you spell it?

MR. ENNS: With a double "n".

MR. ADAMS: But I noticed last year that they made an about-face, sir. They got up and supported the budget. They did an about-face, sir. I'm waiting with anticipation to see what's going to happen this year. They voted against a program that would provide approximately \$40 million in tax assistance to property owners throughout this province, Mr. Speaker. That is what they stand for. They don't like this kind of a thing. They like across-the-board tax concessions, that's what they like. So that in effect helps the higher income groups.

Mr. Speaker, my colleague the Minister of Agriculture, whom I believe is one of the most ablest ministers in Canada, and, sir, who I might say is looked upon by the western provinces for leadership in dealing with Ottawa, and I include Alberta in my comments. He has been constantly looked upon for leadership in dealing with Ottawa, and I am pleased that at last the provinces are co-operating together in dealing with Ottawa, regardless of their political philosophy or political stripe of government such as is in Alberta.

REV. D. MALINOWSKI (Point Douglas): They are more progressive in Alberta.

MR. ADAM: Well, my colleague from Point Douglas says that the Conservatives in Alberta are more progressive than the ones in Manitoba and - well I don't care to make an analysis on that; I happen to like the Premier of Alberta. I think he is a very fine gentleman, Nevertheless, I am very pleased, sir, to see the co-operation that is now existing between the provinces in dealing with Ottawa and at least we can have more or less a united stand particularly on those issues that affect the three Prairie provinces.

There have been many programs for agriculture in Manitoba. I know that the members opposite are not expected to applaud everything. In fact they don't applaud anything as far as I know. If they did it, it would be fine. If they did it, it would be fine. Now, of course, I understand, they're not applauding their leader either but I don't know what they applaud. I listen with regret to the Leader of the Opposition who I still maintain has a monopoly on the ability on that side of the House, and I listen with regret to see the daggers that are flying in his back. I regret this because a good opposition in our society, in our parliamentary system is required. I suggest that they should mend their fences and come up with a strong opposition

## BUDGET DEBATE

(MR. ADAM cont'd) . . . which is what is required in our society

There have been many programs. One of the latest programs that has been very popular, Mr. Speaker, which has been condemned by the way by members opposite - that is the Stocker Program, the cash advance program. You know, you're selling this program short because over 3,000 farmers, 3,085 to be exact, took advantage of this program, cash free advances on livestock to hold them over another year if they so desired. It wasn't compulsory, not at all. It wasn't compulsory in the least. I'm not sure whether the Member for - no, I don't think he would qualify, neither would I, as a rancher. I believe that members of the Legislative Assembly may not qualify under the government program for this cash advance. Certainly had I been eligible to apply for it - and I'm sure the Member for Lakeside would have been very happy to apply for it as well, had he been eligible to. Over \$9 million interest free loans were made available to the farmers of this province. That could amount to a saving of \$900,000, Mr. Speaker, in interest alone over a period of one year.

Under the five month program which closed March 31st the credit corporation offered to purchase calves at \$100 per head to a limit of 50 head per farmer and these advances subsequently extended to cover more than 91,000 calves. So it must have been popular, sir. --(Interjection)-- I would beg to differ with you, sir - he says they're worth 80 today, but I would beg to differ with you. Those calves that were purchased last year are worth more than \$80.00 today. Would you sell yours, sir? The Member for Lakeside says that the calves . . . if he would be willing to sell me his last year calves at \$80.00 maybe we might have a deal. Maybe you might have a deal, sir. If you say they're only worth . . . are you offering them for sale or . . . ? The producer had the option of raising the calves on his own farm, selling them later when they had reached a fairly profitable slaughter weight. That's questionable but nevertheless . . . At that point the farmer could sell the cattle for a higher price and pay the Corporation back only its \$100 advance without interest if repaid within one year. I interpret this to mean, sir, that those who are unable to consummate the deal or repay the loan within the one year period that they may extend the loan but then interest would apply.

The program was also open to farmers desiring to increase their calf herd to 50 head. For example, a farmer already possessing 25 head of calves could receive an interest free one year cash advance to purchase an additional 25 calves. By helping to ensure that a greater number of cattle are finished in Manitoba the program may have prevented up to 3,000 farmers from being compelled to sell their calves at depressed prices that prevailed and thereby assisted in forestalling beef shortages. --(Interjection)-- That's hogwash; that's hogwash. --(Interjection)-- That's hogwash. That's hogwash and you know it. That's hogwash and you know it.

MR. PAULLEY: Pay no attention to him, Pete.

MR. ADAM: Let's talk about 12-1/2 cents dressed cattle in Australia. --(Interjection)-- Top beef. --(Interjection)-- That is what is happening, sir. It's low imports. I'm telling you, sir, that the American producers now are demanding from their government that they close the borders. They let it be known, they let . . . oh, they're asking for it. They're asking for it. They brought enough pressure to bear on their Minister of Agriculture that he had to close the borders. Sure he used the pretext of retaliation but why did he close the Mexican border? Who was he retaliating in Mexico? --(Interjections)-- I'm sure that is what's happening and I do not believe that the producers in our country would have any choice because the American producers are going to demand . . . I'm not afraid of the American imports, because you see how quick it is when they close their borders, their prices have already gone up to about 44 cents a pound on the hoof. It didn't take long when they start controlling imports how fast the price goes up to where they at least make an honest dollar. But what we have to worry about now if the borders are open is not American cattle but New Zealand cattle and Australian cattle which is now selling for about 12-1/2 cents for top grade beef dressed. And if that starts coming in here you're going to hear some loud squealing, not only from producers but from everybody in Manitoba. That certainly will pull the rug from under the producers of this province. So it's time, sir, that we look at this exploitation of farmers by corporations like - I don't like mentioning names but I'll mention one, because Canada Packers happens to have, I believe, finalized a big deal in Australia last year or the year before where they are now one of the big operators as far as processing is concerned. It's not hard for them to move the stock around wherever it's needed to depress prices. Australian farmers have lost over \$900 million on livestock. --(Interjection)-- Is still operating a free enterprise system same as it is in Manitoba and all



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(MR. ADAM cont'd) . . . over Canada, sir.

Getting back to the program, the final days of the program which expired on March 31st, that's the cash advances, 15 percent of the total applications were received in the last few days, which is an indication, sir, that many farmers were using this method as an economical means of obtaining spring financial requirements. And in this sense I believe that the honourable members certainly should be in favour because where can they get this kind of economical financing? In general the program has served its purpose well and that is evidenced by its widespread acceptance. While each applicant I'm sure used the program to serve a variety of individual needs, its fundamental benefit was in maintaining Manitoba's livestock industry through a very difficult cycle. And this injection into the livestock economy is in the long-term interest of the industry and the people of Manitoba as a whole.

Mr. Speaker, I know that the budget speech didn't talk about roads, but I would like to say, sir, that for rural people road construction is a very very big item. I want to say that prior to '69 I don't believe we had - you know a road program is socialism isn't it? That's socialism at work - you build roads all over and everybody pays collectively for the roads that you construct. I want to say that prior to '69 we had a capitalistic road system. We had a real capitalistic road department of --(Interjection)-- well, I'll take you down to Wabowden, that's the town that you're talking about so much all the time, that your leader . . . I'll show you a road there. It's about 75 feet long. --(Interjection)-- How many? Seventy-eight feet long. There's a road in Wabowden I'd be glad to take you there and show it to you. And it was pointed out to us when we were up North. They said there's a Conservative road, seventy-eight feet long - he said that was an election road built in Wabowden. And, sir, I can document your program, about how your program was used to buy votes. --(Interjection)-- I got you beat by 25 anyway, that's 25 percent better than what you are. Thank you very much, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Well, Mr. Speaker, I'm somewhat dismayed here and find it difficult to follow the speaker who just took his seat. But when I looked across the House and noticed the first appearance when I say that . . . as he rose from his seat, that shining white armour that stood in his place to espouse his philosophy representing the government which he is so proud to be a part of.

Mr. Speaker, as I sat here and listened to the Honourable Member from Ste. Rose, my thoughts couldn't help but go back to the second day of the opening of this Legislature when about 400 farmers sat in the gallery that particular afternoon, and I was asked to pose some questions on their behalf to this government, particularly to the Minister of Agriculture. And speaking of the Minister of Agriculture, I have some debating and comments I would like to address to him and hopefully that he might be in his seat shortly, because of what the Member for Ste. Rose indicated. We had some high commendations and praise of our Minister of Agriculture and the reputation he has acquired across this land, and he so justly can make those comments if he feels that way. But, Mr. Speaker, members opposite espouse their philosophy and rightfully so. And you know we've had this government for approximately six years and I can't help but feel, and I've had the experience of where people are starting to wonder and they are asking now - where is this government taking us? And while we have the Budget before us there are those of my colleagues on this side who have mastered the knowledge of using figures and applying those figures very very efficiently and effectively insofar as the budget this government has presented to the people of the Province of Manitoba. But I am, Mr. Speaker, going to dwell on this in some more general terms and deal to a considerable extent with the Department of Agriculture which I feel is an area that is very important, not only - I've said this before - to the farmers of this province but to the people generally in both cities and the country, because the First Minister indicated how our production has increased in dollar value in the past couple of years. And I think, Mr. Speaker, that is very important. But I also feel that unfortunately it could happen that it's not going to be a lasting situation.

But before going any further on that particular situation, Mr. Speaker, the Member for Ste. Rose made some comments and he talked about my colleagues and I being divided on this side of the House with our Leader, and the daggers that we were throwing at our Leader. Mr. Speaker, I don't know what proof he has of that, but I want to say, Mr. Speaker, and I've heard this so often from that side of the House, but I want to say, Mr. Speaker, to the people of this

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(MR. EINARSON cont'd) . . . province, that my Leader and my colleagues are united 100 percent to do battle with the members of this Government to see to it that they are doing the right thing by the people of this province.

Mr. Speaker, I find it almost unbelievable to think that the Member for Ste. Rose would stand and make such a comment after what we have witnessed on that side of the House. The way in which the Ministers in the past few years have not seen fit to agree in Cabinet with their Cabinet colleagues on certain issues and saw fit to resign from their posts, after the storms had blown over and the calm had come back to their Cabinet, then found themselves in a way that they could see fit to come back and take up their Cabinet post. That's the kind of politics honourable gentlemen have been playing for the last several years. I think that I would be much more justified in saying if they want to talk about daggers being thrown around, it's being done over on that side in the Government that we have that is running this province today. I can't help but feel from the things that have been going on in recent days that people must be becoming very concerned as to just where is this Government taking the people of this province, where are we headed, and what in the years to come is going to be the inevitable results of the actions of what this government does for and by the people of this province, because they still have two years to go before they have to go to the people and seek another mandate.

And we talked about our Minister of Labour, but, Mr. Speaker, I want to use another slight vein in this thing. That is, you know, the Minister of Labour while he's had a responsibility in that department, and I don't underestimate it's been a difficult one, but you know, Mr. Speaker, he's also been the Deputy Premier of this province, the Deputy Premier, Mr. Speaker, of this province, and I'm wondering as one of those on this side just exactly where do we and the people of Manitoba stand with a Deputy Premier and the First Minister. . . I can't help but feel, Mr. Speaker, if the Honourable Member for Ste. Rose wants to accuse anyone of throwing daggers then I think he should be looking at his Minister of Labour.

MR. J. WALLY McKENZIE (Roblin): Deputy Premier.

MR. EINARSON: But you know, Mr. Speaker, I can't help but wonder, because I think of a phrase that the First Minister used in the early days of his political career as the First Minister of this province. He said something to the effect, and honourable gentlemen opposite want to check us if our wording isn't absolutely correct, but it goes something like this, the First Minister said, "You know I will foresake principles for power, for power's sake."

A MEMBER: That's right.

MR. EINARSON: And so many times with the way that this government have been conducting themselves I can't help but wonder, and I must relate that particular comment that came from the First Minister, and really wonder if he was really serious when he made that statement. To me, Mr. Speaker, when we talk about dealing \$1.9 billion of taxpayers money, surely the First Minister has got to be more concerned about the principles in which he believes in and how he applies them, rather than the power that he can acquire for himself in discharging those duties as the First Minister. I say, Mr. Speaker, the First Minister has been getting off far too easy on the controversies that have been going on within his Cabinet, not only in recent weeks but in the past few years. I feel, Mr. Speaker, he must take full responsibility, because you know, Mr. Speaker, when we look at the advertisements of the previous elections that this Government have held, it's always "you vote Schreyer, NDP," you vote Schreyer, NDP. And a great big picture, a full page ad of this First Minister and the candidate may be down in the left-hand corner of that particular constituency in which he represents. I've seen it more than once, Mr. Speaker. Well, Mr. Speaker, there are a few matters here that relate to agriculture and our rural people insofar as the Budget's concerned and it was mentioned in the Budget that the government is going to now relinquish their responsibilities insofar as the amusement tax is concerned. They were going to leave that to the municipalities. Well you know, Mr. Speaker, I've been checking with the various municipalities in the country and asked them how they felt about that. You know, Mr. Speaker, they said that it's so insignificant that the cost to collect the amusement tax from those people who are engaged in the amusement field is just not worth it. So here we have one example in the Budget that the Government has presented to the people of Manitoba, really hasn't too much importance.

One other area, Mr. Speaker, the government made mention of, and that was the farmers who owned trucks up to 34,000 pounds. And while I'm not going to be all that critical of that

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(MR. EINARSON cont'd) . . . particular item, Mr. Speaker, I'm wondering whom did the government consult with when they talked about making that change. I want to say to them the change is in the right direction, I want to grant them that constructive criticism. But it was suggested to me, Mr. Speaker, that had they gone instead of 34,000 and made it to 38,000 pounds it would have been more practical because many, many farmers don't own trucks with a dual axle and the maximum weight that would be 34,000. There are more of those farmers who are in the sugar beet business, who are in the potato growing business and who say that it would be much more practical and there's only that much difference, if it went, instead of 34,000 pounds, it was extended to 38,000 pounds. So I'm only throwing, Mr. Speaker, I'm throwing a suggestion to the government. --(Interjection)-- Yes. Semis with a dual axle. That this would be met with much greater approval with those farmers who are involved. They're in difficulty with that 34,000 pound limit because they cannot load their trucks as they should be able to, therefore they could be involved with the law by overweight. And let me tell you, Mr. Speaker, there is a considerable penalty for that.

Mr. Speaker, the government are talking about taxes and they boast about their property credit tax plan and you know my colleague I believe from Sturgeon Creek, I believe I understood him correctly to say that the wording of that particular tax was not just right. That we should be talking about the credit towards our education costs. And I want to say, Mr. Speaker, while the governments realize that the income of farmers has increased considerably last year and 1973, that they should be able to take from them far more than they would many people who are in the towns and cities who are probably earning a comparable income. Because, Mr. Speaker, the tax credit plan as far as a farmer's concerned - and the Member for Ste. Rose should know this - if he owns a section of land that property credit tax only applies to the quarter in which his home resides. He gets nothing for the other three quarters. --(Interjection)-- Well is there a flat rate on every quarter section of land? --(Interjection)-- Yes, but there's a maximum amount of money that you can see out of this?

MR. USKIW: \$300.00.

MR. EINARSON: Mr. Speaker, I'm told that say if a farmer has a section of land, the assessment may be \$6,000 per quarter, and the taxes that he paid the previous year was X number of dollars, the taxes that he is paying this year have increased \$150 per quarter. That's an increase of \$600. In other words, if he does get a maximum as the Minister of Agriculture says, \$300, that's half of what the increase cost is. So, Mr. Speaker, there is an inflationary situation here that we are getting from one year to the next. --(Interjection)-- Well, Mr. Speaker, this is the facts from individual farms, I just quote one example, and that's what's happening.

Well, Mr. Speaker, I want to deal with another situation in regards to our agricultural industry, and I see the Minister of Agriculture is now in his seat. And, Mr. Speaker, I feel that it's a subject that is of great importance, and that's our whole dairy industry. I realize, Mr. Speaker, that there's been a considerable debate on this particular matter, but the Minister when he last spoke made some comments that were not just correct and I want to for the record, because this is an opportunity that I have now. We've dealt with his estimates, we've dealt with the resolution by the Member for Portage in regards to the Crocus Food plant when we were talking about the dairy industry and where we were going - and particularly this Crocus Food plant that has had so much publicity and how it is going to affect the dairy farmers in the future and also the dairy processing plants throughout the province. And this, Mr. Speaker, is a very important subject. And you know, sir, the Minister when he last spoke about this subject . . . The last time, Mr. Speaker, that the Minister spoke on this matter he was answering myself, and I have to quote from Hansard, Page 1376 on April 16, 1975, because I was dealing with the plant, namely the Pilot Mound Cheese plant which I represent and many of my colleagues on this side also represent cheese processing plants, and I must now reply to the Minister and quote what he said first and foremost. And the Minister said, "Mr. Speaker, because the application that members opposite refer to does not involve pollution controlled measures for all the problem in Manitoba" namely relating to our dairy industry and the environmental problems it is having - "It will not solve all of the problems of all the plants in Manitoba. It may solve a problem in particular, or that is with respect to one or two plants, or maybe three, but not all, and therefore we cannot piecemeal this thing out, we cannot license for part of the control measure. If we're going to license we will have to look at the

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(MR. EINARSON cont'd) . . . whole question. But that is something that is yet to be decided."

Mr. Speaker, I want to make a comment in regards to the environmental problem and certainly it is a problem and was a problem a few years ago. But, Mr. Speaker, these individual plants were prepared and some of them have taken up the responsibility of correcting the environmental problem that it was creating; namely, I could say in Pilot Mound where they had a pollution problem in their lagoon and it was considerably costly to rectify that but they did that.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): How? How did they do it?

MR. EINARSON: Instead of the whey going into the lagoon it's costing them roughly \$11,000 a year to have that whey taken out and put on the fields as fertilizer on farmer's fields.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Speaker, would the member not agree that if they were relieved of the cost of \$11,000 that they would not be better off than they are at the present time. Secondly, does he know from an environmental point of view what the indiscriminate use of whey on any amount of acreage, what effect it will have in the long term. Is he able to tell us that?

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Speaker, I don't know the answer to what effect the whey will have on land if whey is being spread over farmland. But you know the Minister of Agriculture. . .

MR. SPEAKER: Order please.

MR. EINARSON: . . . he's the Minister of this province and he has never told us this and we have questioned him on this particular matter. He got \$140,000 from the Manitoba Development Fund and it shows on the Milk Control Board, on the Assets and Liabilities, of \$9,271, and he never gave us one answer to one question that was posed to him.

MR. ENNS: And we're supposed to know. We're supposed to know.

MR. EINARSON: No, Mr. Speaker, I don't think that we're solving anything, because we're not going to solve any more by him rising and interrupting me as we did when we were dealing with his Estimates, Mr. Speaker. --(Interjection)--

A MEMBER: Who's making the speech here.

MR. EINARSON: Mr. Speaker, I want to add one further comment, that the dairy plant in Pilot Mound if they'd been given permission by the Minister or by the Board to put in equipment to process and dry whey it would have been a viable product that could be commercialized and sold back to the farmers in the community. But the Minister wouldn't allow them to do that, sir, and that's what they were prepared to do. You know, Mr. Speaker, while it was costing them \$11,000 to solve the environmental problem, all they needed was permission to put in the equipment at a cost of \$20,000 and their problem would have been solved for all time.

But I want to pursue this thing one step further, Mr. Speaker. I want to quote the Minister again when he says: "One of the things that I want to remind the Member for Rock Lake when he suggests to the House, Mr. Speaker, that we are trying to put his plant at Pilot Mound out of business, I want to remind him that they have been in business and have been out of business, they have been solvent and they have been bankrupt before this point in time. And I don't know how they are doing today but I can tell him and remind him again that they pleaded with me to take over their plant, at public cost. Mr. Speaker, they wanted me to refund to the shareholders of Pilot Mound every penny that they put into that plant because they said it was not viable, that they were facing bankruptcy and they would rather that the people of Manitoba pick up the cost of that bankruptcy rather than themselves. That is the philosophy of my honourable friend. He wants the people of Manitoba to protect the handful of people who rolled the dice, Mr. Speaker, and lost. Who rolled the dice and lost."

Well, Mr. Speaker, the Minister indicated that the management of Pilot Mound plant came to see him late last summer, or during the fall, they brought a lawyer with them and from what he says in Hansard, Mr. Speaker, they came to see him with the idea of selling the plant to the Government. Mr. Speaker, it's not parliamentary for me to say that the Minister is lying but, Mr. Speaker, I would like to tell the Minister that that delegation came to see him, to discuss with him the price that they are allowed to sell their product for. Because, you know, Mr. Speaker, the Minister has taken complete control of this industry. The milk producers are receiving a price that he's taken full charge of. The cost of

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(MR. EINARSON cont'd) . . . transporting that milk is determined by the board at a fixed cost, whether the plants are making any money or not, he gives no regard for that. Also the plant has to rely on the Belleville exchange in Ontario for the price of their cheese and they've got to compete, Mr. Speaker, with the cheese producers in Ontario, with the cheese producers in Saskatchewan because there are cheese producers coming from both ways, and the people from Pilot Mound, Mr. Speaker, came to see the Minister to discuss with him the possibility and possibly the hope that they could get a little better price for the product they are producing. That, Mr. Speaker, was why they came to see the Minister, not to sell the plant to them. Mr. Speaker, then having consultation with the Minister, they found their comments and their proposition was falling on deaf ears, they said, "Well, Mr. Minister, if that is your attitude and you could care less whether we live or die, then, in that event perhaps maybe you might as well take over the industry," Now, that, Mr. Speaker, is a far different situation from what the Minister is trying to make the members in this House believe.

You know, Mr. Speaker, the Honourable Member from Ste. Rose stands up and praises the Minister of Agriculture that we have in the Province of Manitoba. Well, Mr. Speaker, if that is the example that this Minister is establishing, then I say the farmers, not only in the dairy business but of all commodities have got to be concerned as to where this government is going. You know, Mr. Speaker, I want to espouse the philosophy from this side that the individual feels. It's not what the government can do for me, but what I can do for myself. And here, Mr. Speaker, is the division that we have when we talk about basic philosophies. And honourable members from the other side like to say what they believe in and the policies that they've established over the past six years and how it relates to all the money that they're spending, they believe in. They're entitled to that, Mr. Speaker, but I suggest that the people in the Province of Manitoba have now witnessed and seen the results in many ways of what this government has done and what is happening to the way they are governed.

And I just use this one example, Mr. Speaker, with the Minister of Agriculture when he tries to stand in this House and tell us what happened, in this particular case the dairy industry, and since it's happened in my constituency, how do we know but what he isn't treating and why my colleagues in this House who represent dairy plants, dairy processing plants in the province.

You know, Mr. Speaker, I'd like to dwell briefly on another area that the Department of Agriculture is embarking on and have done, and that is the Land Use Committee. You know they had hearings all over the province before the House went into session and I think they got a good cross-section of the feeling of a good number of farmers as to how they felt about the government getting into the business of buying farm land. Well, you know, Mr. Speaker, the Minister is very determined, very persistent, despite the fact that many farmers were opposed to the philosophy that they espoused in this particular program that the Minister would like to get into in his department and on behalf of all the colleagues that he represents. Because you know, Mr. Speaker, it was easy for them when they said they were going to go into the automobile insurance business; all they had to do was come into this House, debate for awhile, and fortunately get the concurrence from some of those who had to jump the traces of the party that they were elected by to get support so they could have sufficient strength in the voting power to make it law.

You know, Mr. Speaker, that's another area when we're talking about the budget, that I would like to mention briefly, and I'll get back to the land use afterwards, but I want to mention this because it relates to the comments I just make. That the three cents - and first we thought it was two cents - I was telling everybody, you know, just prior to coming into the House that the rumours were there was going to be a two cent increase on a gallon of gas, because the government are finding it difficult to operate the Crown corporation, namely Autopac, that the moneys that they're collecting, despite the fact that everybody's premium has risen - and I don't understand why they stand up and debate in this House and compare with other provinces, you know, that it has escalated so much. But they don't tell us that the price of the premiums have gone up in the Province of Manitoba as well, I think comparable to other areas, So that's not a debatable point. But the point is this, that I want to debate, and that's they are charging two cents a gallon on every gallon of gas that everybody's going to burn, and you're going to have to add that to your premium, which in my case, you know, I figured out about 40,000 miles that I would drive a year and 75 percent of that is political miles that relates to my job here in this Legislature. --(Interjection)-- Mr. Speaker, I'm getting allowances, yes, but for while

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(MR. EINARSON cont'd) . . . I'm in Winnipeg. --(Interjection)--

You know, Mr. Speaker, the Minister of Mines and Natural Resources is very capable of interrupting and saying, very capable of trying to twist things, but there's one thing that he's overlooking - and the Member for Logan was debating - I believe it was yesterday - and he talked, you know, he said, he didn't think there was anything wrong with a two cent - he said he'd rather have the whole premium charged to gasoline. You know, I'll use the same philosophy with this honourable member as the Minister of Mines and Resources did with me yesterday. That a city member may have to go to a meeting, he's only got maybe a mile or less than that or a few blocks to attend a meeting, but those of us who are representing a rural constituency, we may have to go 50, may have to go 100 miles to a meeting in one evening, and that's a fantastic difference. And the meeting I go to in my constituency I don't get five cents for it. The Minister he talks about, we got 26 trips - that's to Winnipeg, say, and back, or within our constituency, from our place of our business to the Legislature --(Injection)-- and when in session, Mr. Speaker. But we cannot --(Interjection)-- All right, Mr. Speaker, is the Minister of Mines and Resources saying that if I've got a meeting in my constituency, Pilot Mound, which is roughly a 70-mile round trip, when the House is not in session, I leave my farm say at 7 o'clock in the evening, I go to a meeting that's scheduled for 8 o'clock, I may get back at midnight, that's a 70 mile trip when the House is not in session. Is the Minister of Mines and Resources saying I can put in a claim for ~~that~~ expense?

MR. SPEAKER: The Honourable Minister.

MR. GREEN: . . . is the honourable member not aware that he gets a \$900 constituency allowance which is not vouchered, not put in, no expenses claimed, \$900 constituency allowance.

. . . continued on next page

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MR. SPEAKER: The Honourable Member for Rock Lake.

MR. EINARSON: Well, Mr. Speaker, yes, I can think of so many other expenses. I'm not complaining but when the honourable gentlemen opposite start debating this sort of thing, I think that I have a case here in question as well, and when we compare it. So I'll get back to the two cents a gallon, and we'll leave the other one out for the moment, but the two cents a gallon on gasoline that has to go to take care of the cost of operating Autopac. Mr. Speaker, that two cents a gallon is a subsidy to the Crown corporation that is operating in a deficit position. Mr. Speaker, I've done this before and I'm prepared to challenge the Minister of Autopac to come out to my constituency anywhere, and we'll come on a public platform and I'll debate it with him as to whether or not the people feel that it isn't a subsidization of that program. --(Interjection)-- Well, Mr. Speaker, the Honourable Minister of Mines and Resources, he's been to Pilot Mound before and he knows and, you know, Mr. Speaker, when the Minister of Mines and Resources comes to Pilot Mound, I'll have a flock of blackbirds there about a thousand in number and we'll meet him.

MR. SPEAKER: Order please. Order please.

MR. EINARSON: Mr. Speaker, I want to emphasize, and now we talk about the other cent, and I'm not all that familiar, my colleague from Virden would probably know more about this. But as I understood in the Budget, that that one cent was going to look after the small oil companies that have been operating for a long time but found it very difficult. May I suggest, Mr. Speaker, that possibly some of those oil wells or oil companies that were operating the small wells have now closed up. Why? Because of the way this government has been taxing them, and they're closed up. So is that one cent a gallon really going to do the job, is it really going to do the job that this government are trying to make the people of Manitoba believe that it's going to do?

Well, Mr. Speaker, that is a three cent per gallon that's imposed on all the motoring, travelling public, but it doesn't stop there, Mr. Speaker. Did they stop to think of the impact that that's going to have on our whole economic situation in this province? A person who is a trucker, the farmer who has a "T" licence, I'm told, that is allowed to truck within a very limited mileage from his farm, that extra tax is going to cost him roughly two dollars a day for his business that he is trucking. And of course you can apply this all across the board, you can apply this to the PSV licences, you can apply this to anyone who is in business, who has got to drive a car, anyone who has to burn gas to drive his cars or trucks to run his business, it's going to be an increase in the cost of the production of the goods and service that he is providing to the citizens of this province. --(Interjection)-- Well the Honourable Minister of Mines and Resources, he doesn't know what it is to drive a large truck and the mileage, he wants to figure it out. Well, Mr. Speaker, these are some of the impacts that I would suggest, Mr. Speaker, that the Budget is going to have on the people of the Province of Manitoba.

Mr. Speaker, there's one other matter I want to deal with and get back to the land lease program that this government took around the province, and I thought they had got sufficient evidence that they were satisfied and would know, that no way are the farmers of this province going to accept it. Mind you, there are those who have reached retirement age and will sell if the Minister of Agriculture sends someone out to say that they're interested in buying the farmer's land. This is only natural.

And you know, Mr. Speaker, I was rather surprised to learn that they're still out campaigning, they're still out campaigning, the Minister still has his henchmen out trying to sell his policy in regard to the government buying up farm lands. You know, Mr. Speaker, I want to read a notice, Land Lease Program, April 22, 1975: There will be a meeting of the Land Lease Program in this part of the province in the following towns next week: St. Lazare, in the Knight's of Columbus Hall, Monday, April 28th; Inglis Community Centre, Tuesday, April 29th; Binscarth Memorial Hall, Tuesday, April 29th, and it states that Mr. Hofford, Chairman of the MACC and Mr. John Verzhagain, Assistant to the Minister of Agriculture, will discuss details of the program. I think the Minister should get this, Mr. Speaker. Those interested in learning something about the government's policy of buying land from retired farmers and leasing land to new farmers are strongly urged to attend. Mr. Hofford will attempt to alleviate some of the fears and misconceptions of this new and highly controversial government program. Mr. Hofford. So, Mr. Speaker, the government - and I've heard it said by

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(MR. EINARSON cont'd) . . . . them - that they're not interested in buying farm land but they are trying to offer a choice to the farmers. Mr. Speaker, I want to say to the Minister of Mines and Resources that this is an absolute fallacy, because farmers have been able to rent land from other farmers for years. Mr. Speaker . . .

MR. SPEAKER: Five minutes.

MR. EINARSON: So the Minister of Mines and Resources says "not from the public". After the farmers stating most emphatically that we're not interested in lending land from the --(Interjection)-- There might have been the odd one, Mr. Speaker, said they were.

MR. SPEAKER: Order please. Five minutes.

MR. EINARSON: Well, Mr. Speaker, I want to suggest to honourable gentlemen that there's a motivation, there's a motivation in this program as there is in many others, as there is in many others that they have embarked upon. You know, they take one segment of society, say you know they're - like the automobile insurance industry - they're money grabbers, they're soaking the travelling public, you know. The First Minister said that's a business that should stand on its own two feet and now where are we. What - \$20 million in the red, \$20 million in the red, is that fair enough? I got the Minister of Mines and Resources approval so I think it must be right. You know, that's the first one. Then they've had their problem with the doctors and we see how that's happening, and here if they had proper negotiations from Day One, I don't think they'd be into all the trouble they've had, I don't think they would have. I don't think the Minister of Health has told us the complete story, you know. We've also a situation where the druggists are involved in a program. And the Minister of Urban Affairs I remember indicated in the press that if it hadn't been for the co-operation of the druggists, they probably couldn't have had this program come to realization. You know, I talked to a number of druggists and I asked them, is that correct? They said, no, it's definitely not correct.

You know, this government are operating on false pretences in so many cases and this is what really scares me, Mr. Speaker, but time will tell, after they've had sufficient time to abide and operate their policy, the people of Manitoba will eventually see the results and I know will read the handwriting on the wall and come next time around will know what to do. Thank you.

MR. SPEAKER: The Honourable Minister in charge of the Auto Insurance Corporation.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Thank you, Mr. Speaker. I hadn't intended in speaking in the debate on the Budget but after hearing the remarks of the Member from Rock Lake, I just couldn't hesitate but to get up and reply to some of the remarks he made. And some of the remarks he made, Mr. Speaker, will show how intelligent they were. He made remarks in his speech regarding the impact of the two cent gasoline insurance premium that will be levied in May on motorists to pay for a portion of the insurance premiums that motorists will have to pay and he gave an example, Mr. Speaker, of the farmer who had a T licence. Well, first of all, Mr. Speaker, a farmer if he is a legitimate farmer and operating a farm, there is no need for him to have a T licence. He operates on farm plates and he pays no gasoline or motive fuel taxes. As a matter of fact, Mr. Speaker, the budget this year extended the tax exemption for farmers for diesel trucks up to a gross vehicle weight, I believe, of 44,000 pounds - 44,000 because the two-axle is 34 on the rear and 10 on the front, is 44,000, which will be a tandem truck.

But leaving that aside, I want to use his calculations that he made, and he made a statement to the effect that a farmer . . . I would assume what he is talking about is someone who has either a tandem or a semi-trailer unit that will be hauling gravel as a gravel unit or some other transportation - I assume it's gravel. With a T licence it would have to be sand and gravel hauling, or a farmer doing outside work. Now he made the statement, Mr. Speaker, that it will cost him approximately \$2.00 a day if that motorist is using a heavy unit. Now, Mr. Speaker, the average miles per gallon that a large unit makes is between four to five miles to one gallon of fuel. At three cents a gallon, it would be approximately 70 gallons in one day that that motorist would use to cover the \$2.00 figure - approximately 70 gallons. Now, Mr. Speaker, at approximately five miles to a gallon for 70 gallons, that makes 350 miles in one day. If that trucker is driving eight hours a day and he's driving normally at 50 miles at a steady rate, it's going to take him seven hours of straight driving just to cover that 70 gallons.

MR. ENNS: . . .



## BUDGET DEBATE

MR. URUSKI: Mr. Speaker, if that fellow that is operating on a T plate is driving 350 miles and he has to load and unload, I am certain that . . . Will the Honourable Member from Lakeside, if he wants to speak he can get up and speak, Mr. Speaker, after I'm finished. Then he can speak all he wants if he hasn't partaken in this debate.

Seven hours, Mr. Speaker, it will take approximately seven hours of driving. Now, Mr. Speaker, if that motorist, if that motorist is operating a large unit and is moving on the highway and is driving that many miles, then, Mr. Speaker, his exposure is increased that much more, and his exposure and his possibility or likelihood of being involved in an accident is that much greater than anyone else if he is on the highway.

Mr. Speaker, I gave the honourable members last time I spoke, and I think I have to give them an example of what a trucker would pay on the increased premiums of gasoline in the rural areas, that the honourable member is talking about, and the figures that we have gotten was from the . . . Now let's see. Truckers operating within a 100-mile radius, Mr. Speaker, a tractor-trailer unit, semi-trailer, gross vehicle weight of 74,000 lbs., the basic premium \$50,000 third party, \$500 deductible, and accident benefits on the tractor and the semi-trailer, Mr. Speaker, it's been estimated in Manitoba that a trucker who drives in the neighborhood of 50,000 miles a year would be an average or more than average truck driver. In other words, a fellow who is operating a semi-trailer outfit who is a rural public service vehicle operator, a transfer operator from a rural community, if he operates 50,000 miles a year, he is reaching a fairly high limit on his driving if he's hauling within a 100-mile radius of Winnipeg.

Mr. Speaker, that, at approximately 4.5 miles to a gallon, that would give him an additional premium of roughly \$220, Mr. Speaker, over and above his basic insurance premium fee on that type of a unit within 100 miles, which would include Winnipeg, would run him \$573, which would give him a premium of \$793, Mr. Speaker, which would add to his exposure.

But, Mr. Speaker, you know, the honourable member says, what has happened in the insurance industry in the rest of the country? It should not be debated, but when comparisons are made as to what is happening, what the trucking industry or any other industry pays for insurance in other provinces, I think there is a valid comparison to be made. I have given that comparison, Mr. Speaker, for a truck driver who has one unit and who has not had an accident, let's say, within three years. If he's had an accident within the last year and has no fleet, that still would not affect him. How would that affect him, Mr. Speaker, if he was in Ontario? --(Interjection)-- I'm telling you. I have told you what it would be in Manitoba - \$793. But I will tell you what he is in Ontario and how it affects his running in that province, how it affects the cost of living, how it affects the . . . Mr. Speaker, \$1,754 in Ontario, Mr. Speaker. Double the rate. Double the rate. That's 1974 premiums, Mr. Speaker, compared to our 1975. That hasn't taken into account the 10 percent increase in January and the further 10 percent increase now in April that's been announced, Mr. Speaker. And what really happens in the Province of Alberta, the great Province of Alberta? That same trucker, that same trucker if he's accident-free for two years, Mr. Speaker, pays \$2,590 for that same unit, Mr. Speaker - \$2,590, Mr. Speaker. Three times, Mr. Speaker, three times the premium of the Manitoba trucker who operates a single unit.

Now, Mr. Speaker, I will give them the worst picture. I will give them the worst Manitoba picture, Mr. Speaker. If that motorist has a fleet of five units and he has been involved in accidents in Manitoba, he's been involved in accidents over and above his premium, he would be surcharged in Manitoba, Mr. Speaker, 50 percent on his basic premium. Mr. Speaker, add 50 percent on to his premium of \$573, add another \$300, Mr. Speaker, for the worst driver in Manitoba, to that \$573 and \$220, which is \$793, plus say \$300, Mr. Speaker, the worst picture, which gives you a figure of approximately \$1,100. That's the worst picture. Now I'll give you the worst picture as it relates to Ontario and Alberta.

A MEMBER: Don't forget the Eskimos.

MR. URUSKI: \$2,427 in Ontario, Mr. Speaker, for that same unit on 1974 rates, \$2,427. And, Mr. Speaker, \$3,681 in Alberta, Mr. Speaker. Triple, Mr. Speaker, triple. That's the freedom of choice that the honourable members have said that competition brings in the automobile insurance field.

I want to raise another point, Mr. Speaker, with respect to the remarks that the Leader of the Opposition and the insurance industry has continually berated us about: the deficit

## BUDGET DEBATE

(MR. URUSKI cont'd) . . . . position of this corporation. I want to bring out the remarks of the Leader of the Opposition in the last session that he made, Mr. Speaker, when he got up in this House and he said that yes, the private insurance industry last year had an underwriting deficit of \$150 million or thereabouts, but their investments, Mr. Speaker, reduced the deficit that they really made money; they really didn't lose any money.

Mr. Speaker, if that is the case, and taking the figure - and this year they've indicated that it's \$290 million deficit - and they have not lost any money because their investments have gained them, well, Mr. Speaker, if that is the case and they have recouped their underwriting deficit by increased in premiums, what they have really done is rooked, on an average of \$200 million a year investment they have really fleeced the motoring public in the last five years in excess of one billion dollars, on the basis of the remarks that were made by the Leader of the Opposition and the insurance industry. They have said, "Look. Autopac's deficit, Autopac's deficit takes into account the investment income, but the private industry income doesn't take that into account. Really they made money, Mr. Speaker." Well if they made money, then why have they increased premiums time after time after time? And in the last year, if they made money on their total business, then they have really overcharged the motoring public in the rest of Canada by at least one billion dollars, if that is the case.

Mr. Speaker, they don't like the statements that are made when it really points out what type of freedom, freedom of choice, that motorists in those provinces have. Mr. Speaker, they want the freedom of choice of motorists to buy their insurance. What would really happen if the Public Insurance Corporation was to compete in the open market with the other companies? The same thing would happen as is the case now, that we are paying out, we are putting in money into the Unsatisfied Judgment Fund to pay for claims that the private companies would not insure. The private companies creamed the risks and, frankly, they probably didn't want to carry any less than favourable risks because their underwriting deficits were mounting. Mr. Speaker, every motorist, every motorist is insured in the same manner, and if he is a bad driver and it's based on his convictions, he does pay an additional premium. There's no one that has been refused insurance, not like the case of the facility that is operated in the other provinces today.

Mr. Speaker, the honourable member should go and check in Ontario or in Alberta, what the facility insurance is worth. That is exactly what the public would be left with, Mr. Speaker. That's exactly . . . That would be a subsidy, Mr. Speaker, to the industry. If the public was to take the bad risks and the good ones would go to the private industry, that would be a direct subsidy to the private industry. And it's always been the case. And that happens today in the rest of the country, Mr. Speaker. That happens today in the other provinces, in the competing free enterprise provinces that carry on this outmoded type of system that they have.

A MEMBER: How's B.C. doing?

MR. URUSKI: Yes, Mr. Speaker. I indicated to them that the public purse still has to put in funds to the Unsatisfied Judgment Fund in Manitoba to pay for back claims. This year the treasury put in \$200,000 into the treasury to pay for . . . Mr. Speaker, the Honourable Member from Sturgeon Creek says, what has this got to do with losses in Autopac? Doesn't he read the paper? If he doesn't, I will read to him. I will read to him from the Globe and Mail what is happening to the industry in the rest of Canada, Mr. Speaker. "It is anticipated" - and this is . . . I gave them that. In fact it's not . . . I'm sorry, Mr. Speaker. I said from the Globe and Mail. I am quoting from the insurance magazine, the February 1975, The National Underwriter is the title of the magazine that is put out by the industry itself, where they themselves admit that their deficit this year - "It is anticipated that final results of 1974 financial statements will reveal an overall underwriting loss of \$250 million or more. It is now anticipated at least at \$290 million."

Now, Mr. Speaker, how will they make up their losses? But really, if I go by the way the insurance industry spokesmen in Manitoba have used it - and his leader has said, "Well really, Mr. Speaker, they didn't lose any money. They didn't lose any money because that was made up on their investment income. Their investment income covered off their underwriting loss." Well if that was the case, Mr. Speaker --(Interjection)-- Yes.

MR. DEPUTY SPEAKER: The Honourable Member for Sturgeon Creek.

## BUDGET DEBATE

MR. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, will the Honourable Minister explain to me, or tell me, what a person in Manitoba who pays taxes, does not own a car, that does not own a car, pays toward Autopac? Because every taxpayer in Manitoba pays towards a deficit whether there's a car in the family or not.

MR. URUSKI: Well, Mr. Speaker, there is the true business sense of the Honourable Member from Sturgeon Creek, and I will explain to him, if he doesn't want to understand . . . Well, he won't listen. He says that every person in Manitoba pays toward Autopac. He either can't read a financial statement or he doesn't know how to read it. Mr. Speaker, there is not one penny of tax of general revenue tax dollars going into the Manitoba Public Insurance Corporation, nor has there been. There will be a user tax based on gasoline, effective May 19th, of two cents a gallon. And who . . . Will the motorist who is walking down the street be paying two cents a gallon to walk down the streets into Autopac? What a bunch of nonsense, Mr. Speaker! He's telling the motorists who drive bicycles and walk, will pay into Autopac, Mr. Speaker. I will permit another question.

MR. F. JOHNSTON: Will the person cutting their lawn or in their boat, or the motors being used in industry, be helping pay for Autopac?

MR. URUSKI: Mr. Speaker, I gather the honourable member didn't read the budget, because any revenues that will not be from the motoring public will go the general tax revenues of this province. Either he didn't read the budget . . . If he wants, I will find the budget and I will quote it to him. It's stated right there, and it will be accounted for in the accounting measures of the Department of Finance and transferred into the Public Insurance Corporation. Either he didn't read the budget . . . There, his colleague has the budget on his desk, and if he has the budget on his desk let him read it. But I want to indicate to the honourable gentlemen opposite if they, if they really . . . No, let me finish. Let me finish dealing with the Member from Sturgeon Creek in his questions regarding tax dollars put into the corporation.

Mr. Speaker, time after time the media and the honourable members say, "Well, look. They have started a corporation; they have gone \$6 million into debt, and that is not shown anywhere on the books." Mr. Speaker, let them look at the financial statement. No business today that starts up and puts in a capital investment amortizes it in one year. You tell me, do you in your own plumbing business, when you set up a shop . . . Well, you did have a plumbing business.

MR. F. JOHNSTON: No, I never had.

MR. URUSKI: Oh, I'm sorry. I'm sorry. If you didn't have a plumbing business, let's say you started up a plumbing business and you built a building. Would you then amortize that building and the buildings that you had in one year, or would you amortize it over a period of years? If you say that you would do it in one year then I would say yes, we are not conducting the business in according to your standards. But I can tell the honourable member that the standards . . . If he amortized his business in one year, Mr. Speaker, and paid it off, and my colleague here made a very good remark, that if he was able to amortize it in one year he must have made that money somewhere, he must have overcharged somebody for the product that he was selling.

Mr. Speaker, additionally, it appears that the honourable members don't know how the books of an insurance company operate, whether it be public or private. I don't know whether he does know. He says, "Where did you get the money to pay for your claims when you show a \$20 million deficit? That money is set aside. Every time a file is opened on a claim, whether it is settled or not, a reserve is set up, Mr. Speaker, and that's how an amount of \$20 million is shown as a deficit. There is not one penny has been borrowed or outstanding by the Manitoba Public Insurance Corporation to the Province of Manitoba, to the people of Manitoba. The motorists of Manitoba are going to be paying off the debt for accidents and claims paid out on their behalf through their premiums, through their driver's insurance premium, through their vehicle insurance premium, and through the gasoline insurance premium. Through those three methods, they will be paying off that debt, they will be paying off that debt that has been incurred as a result of the number of claims and the number of dollars paid out on behalf of the motorists of Manitoba, Mr. Speaker. Either the member doesn't understand that or doesn't want to understand that.

MR. HARRY E. GRAHAM (Birtle-Russell): Would the Minister of Autopac permit a question?

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MR. URUSKI: Yes.

MR. GRAHAM: Can the Minister indicate to the House why the expenditures of the Driver Licensing and Vehicle Registration jumped \$2.5 million in one year when Autopac came in? Is that not a subsidy from the Public Treasury?

MR. URUSKI: What was the question? I didn't hear you, I'm sorry.

MR. GRAHAM: Can the Minister indicate why the estimates of the Driver Licensing and Vehicle Registration increased \$2.5 million in one year when Autopac came in?

MR. URUSKI: Mr. Speaker, the estimates that the honourable member is referring to that have increased in the year, that they increased from the Motor Vehicle Branch, is because the Corporation took over those costs and the Motor Vehicle Branch did not have to pay out those costs in that year and then they had to pay them in a subsequent year. Now annually, annually --(Interjection)-- Mr. Speaker, when a number of employees are doing a function, whether it be for the Motor Vehicle Branch or on their behalf and are employed by the Corporation, there is a fee to be paid. If the honourable member doesn't like that, then he should ask the Committee that is made up of the members of the Motor Vehicle Branch, the Provincial Auditor, the Department of Finance, and the Manitoba Public Insurance Corporation. That committee of officials sit down and set out a cost differential as to what the costs are to be paid to Autopac for handling the vehicle registrations, and Autopac in return pays over a sum of money for the handling of the driver's licences that the Motor Vehicle handles on behalf of the Manitoba Public Insurance Corporation. There's a split-off.

MR. GRAHAM: Yet you can never find how much the rip-off is.

MR. URUSKI: Mr. Speaker, the honourable member alleges that he can't find out how much the rip-off is. If he doesn't know how to read a statement, I will tell him exactly how much there is exchange in . . . Mr. Speaker, in 1974 a recovery from the Motor Vehicle Licensing Branch to the Manitoba Public Insurance Corporation was \$1,371,600.

MR. GRAHAM: Out of \$7 million.

MR. URUSKI: Mr. Speaker, I don't know what the member is referring to. He is saying that that money is not accounted for. I am telling him right now that there is an amount of money that is brought back from the Motor Vehicle Branch for the handling of registrations by the Manitoba Public Insurance Corporation.

Now, it seems that the Member from Sturgeon Creek wanted to know what happens to the revenues of the boat owners and the lawnmower owners who pay in - he's left the House, Mr. Speaker. I guess he didn't want to listen to my remarks. Mr. Speaker, I will quote from Page 22 of the Budget, and I will read the entire paragraph, Mr. Speaker: "As has been announced last January, an additional charge of 2 cents per gallon on the gas and motive fuel tax rates will also start May 19th. This amount will be transferred to the Manitoba Public Insurance Corporation in proportion to those revenues derived from the 2 cents adjustment which are attributable to the highway use of motor vehicles. That amount which is related to off-highway consumption will go to Consolidated Revenue of the province, Mr. Speaker."

Either he didn't read or he doesn't want to understand what was stated in the Budget, Mr. Speaker.

There have been remarks, Mr. Speaker, by the members of the Opposition, by the Member from St. James, stating that the motorists of Manitoba, the motorists of Winnipeg, will be subsidizing Autopac, and then we have remarks from the rural municipalities that the Honourable Member from Birtle-Russell and the Honourable Member from Roblin I believe represent, indicating that the rural areas will be subsidizing the Corporation.

A MEMBER: They sure will.

MR. URUSKI: I will answer a question. . . When I'm finished. When I'm finished this remark.

Mr. Speaker, those gentlemen should get together. Either those gentlemen don't realize, and it has been the case for years, that the rural areas have the lowest insurance premiums within the province, and as well the farmers who use their vehicles for farm purposes and have farm plates do not pay any gasoline tax. And if the honourable members are suggesting --(Interjection)-- Mr. Speaker, the Honourable Member from Birtle-Russell shakes his head and he says that's not true. Mr. Speaker, either the honourable member doesn't know what he's talking about, or he's never driven a farm truck, or otherwise he has no vehicles on the road. Now if the honourable member has a passenger vehicle, he should be treated no different way than anyone else.

## BUDGET DEBATE

MR. GRAHAM: I'd like to correct the record, Mr. Speaker. Can I ask the Minister one question?

MR. URUSKI: Yes, you can ask me a question.

MR. GRAHAM: Will a farmer who has a diesel truck be able to burn purple diesel fuel in his truck?

MR. URUSKI: Mr. Speaker, I indicated to the honourable member - what size is the honourable member talking about? For the first time, a year . . .

MR. GRAHAM: A half ton truck.

MR. URUSKI: A half ton truck. If he has a half ton truck and he burns diesel, yes he will be able to. Because if the honourable member doesn't know what was in this budget or previous budgets, up until this year he was able to have a vehicle of a gross vehicle weight of 28,000 pounds in the rear axle - and I think that is larger than the half ton - and this year that's been extended to a dual axle of 34,000 pounds, which will include a tandem truck. Now if the honourable members doesn't know what that means, I will not try to explain to him what that means. If that's not larger than a half ton truck, then I think he should go and take a course in describing vehicles.

Mr. Speaker, either the honourable members haven't read the Budget again, they haven't heard the remarks of the First Minister, or they don't know what the policy with respect to tax-free motive fuel tax or gasoline tax is within the Province of Manitoba. They're in this House, they sit along with legislators as well as myself - and they participate in the debates. The bill came through the House within the last number of years raising the exemption on diesel to 28,000 from nothing, and this year it is going to be up to the 34,000 on a dual axle, which will be a tandem truck. Either he doesn't realize that . . . Ah, he's shaking his head he doesn't realize that. Well I think he will have to check the statutes.

Well, Mr. Speaker, the hullabaloo that has been created about the 2 cents a gallon tax by certain segments, by some of the trucking industry, I just want to ask them, what was the tax on gasoline from October 19, 1964, until July 1, 1974? Mr. Speaker, it was 17 cents - and under whose administration? It was 17 cents from those years until 1974. Mr. Speaker, from October 1964, to July 1, 1974, it was 17 cents a gallon, and it was reduced, Mr. Speaker, last July to 15 cents to take into account the export tax, the revenues that the province would gain.

Mr. Speaker, that was a reduction last year and it has been brought back up to the point where it was, and the one cent addition will be to assist, partially assist, the loss in revenues by the petroleum producers in the Province of Manitoba as a result of the non-deductibility of the royalties that are paid to the Province of Manitoba, Mr. Speaker. That is basically the difference in the two taxes.

But, Mr. Speaker, I wanted to make a point. The honourable members from the other side have indicated that this will be such a burden on the trucking industry and on the rest of the economy. But what happened, Mr. Speaker, in January? What happened in January when we announced the 2-cent-a-gallon tax that would be forthcoming in this Legislature? What happened? We had rumours, Mr. Speaker, and I had calls to my office indicating that the oil companies increased their gasoline by 2 cents at the pumps, and they were saying, "Look what the NDP Government in Manitoba did. They have already increased the price of gasoline by 2 cents." And they blamed it on the government, Mr. Speaker. And that has happened, and the Honourable Member from Virden shakes his head. He knows that that has been the case, Mr. Speaker.

That is the type of selective increases that have occurred. We announced it in January they would be forthcoming, that a bill would have to come into the House that the gasoline prices increased. And we know, Mr. Speaker, that irrespective of what the province does, that the gasoline prices, not only in Manitoba but in this country, in the North American continent, will increase drastically. Today we heard, Mr. Speaker, the likelihood that natural gas prices to the consumers will double in one year, practically double in one year. And the statement that was made by one of the oil executives is that the gasoline prices will follow suit. And the honourable gentlemen have the audacity to say that the province is going to . . . Oh, Mr. Speaker, either the honourable members don't want to realize that there is an insurance principle involved in the gasoline insurance premium as a tax directly attributable to the number of miles driven, directly attributable to the exposure that a motorist has, or if they can't understand that, then they will of course be siding, with their usual stance, that they

## BUDGET DEBATE

(MR. URUSKI cont'd) . . . . agree with the insurance companies but they don't agree with the principle that is enunciated. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Thank you, Mr. Speaker. I wish to make my small contribution on the Budget at this time, and I know the Minister for Mines the other day indicated to the House that there isn't the interest in the Budget this session like it used to be in the other sessions, and perhaps he's quite correct. There just isn't enough meat in the Budget for us on this side to get our teeth into and to really debate it properly unless we want to be completely negative, and that's the reason that I feel maybe there isn't the kind of interest that we usually have in the Budget.

Really, Mr. Speaker, there aren't measures in this Budget to deal with inflation, there are not measures in this Budget to deal with increased living costs, the labour situation and housing. I know the Member for Ste. Rose indicated and he said it's all Ottawa's fault about the housing. And let me indicate to the Member for Ste. Rose, Mr. Speaker, the government will not be able to use the \$46 million that they're getting from Ottawa, 90 percent of that, they will not use it this year. They will not be able, because the programs are not off the ground and they will not be able to use the money that's available to them at the present time.

And the municipal financing - I know there's a formula but, in my opinion, there's still something to be desired, and it goes very little. I was very much interested to hear the Member for Logan the other day. His remarks are well taken when he indicated about the labour situation, the labour costs rising, and this is true. The labour costs are rising in Canada much faster than in the United States. In fact, a report from Ottawa is that the increase in labour costs are the highest, and more labour strikes in this country, it is much higher than any other country in the western world except Italy. So I'm sure that we're all aware, Mr. Speaker, what happens and what kind of costs are involved when there's a work stoppage which the employer must take into account, because there is a loss of revenue from sales, there may be a loss of markets, and there may be a loss of employees themselves to the employer. On the other hand, there's just as great a loss and losses to the employees themselves, perhaps greater, because a loss of income is a serious consequence.

I know that the Budget indicated and the Minister seemed quite satisfied with the growth of the labour population in the Province of Manitoba, and I'd like to indicate to the House that since 1969 through the end of 1974 there was a growth in labour force of 3.3 percent, and this compares to something like almost 10 percent in Ontario, and half, less than 50 percent, of the national average. So really, Mr. Speaker, I don't believe that we're finding all the jobs for our young people, particularly in the age group of, say 18 to 24, and a lot of these people have to leave the province and find employment other places.

Now, how does the government, Mr. Speaker, how does the government deal with the inflation? And I know that the wage earners are aware of the extent to which living costs have soared in the last year, or year and a half, and each dollar of take home pay, Mr. Speaker, I don't have to tell you, buys less and less at the present time, and really, the rise in the cost of living, if there is a rise in the salaries this is wiped away. In my opinion, many of the employees at the present time feel very much cheated when their earnings are sort of whittled away by unpredictable costs. So the damage by inflation, in my opinion, Mr. Speaker, hurts most the ones that are on fixed incomes, and I know that there's many of those in our province. About 50 percent, according to the Budget, make less than \$5,000. So it is a very serious problem.

Besides the ones on low income and fixed income, we've got the pensioner, the unorganized workers, and the families that have to worry, even with rising incomes have to worry about what kind of money they'll have to buy their groceries. So inflation will just not fade away, and according to this budget this is what the government is inclined to believe, that inflation will fade away, and hasn't come to grips too, and very little has been done.

## BUDGET DEBATE

(MR. PATRICK cont'd)

Mr. Speaker, the other area, what about the senior citizens? There's nothing in this budget again for the senior citizens, and I indicated to the House already that even the government's own principle that they established a year ago, the supplement for the senior citizens, and still a year later there's no increase in that supplement for the senior citizens who are on a fixed income. And with no increase, no increase in that supplement, then it shows that the government has very little faith in its own programs, because . . . Sure, there's a tax credit, but I'll come to that in a little while, and if the Honourable Minister will be patient and give me some time, I'll come to the Tax Credit Plan and just see how effective it will be. But really, a program that the government implemented in this House, and a year later that we've had an inflation anywhere from a minimum of 15 percent, and it's still here today, the government has done nothing as far as the senior citizen is concerned or on fixed income. So it hasn't come to grips in that area, Mr. Speaker.

I know that this government, and if you read the budget, in the first many pages of the budget, really the government spent a great deal of time patting itself on the back for all the programs that it's brought in for human betterment. But really, Mr. Speaker, what are the facts? The facts are that in Metropolitan Winnipeg, according to its own government reports that was tabled here a year ago and again at the present time, according to the statistics that we have, Statistics Canada, what's happened? The per capita income in this city alone, the per capita income, Mr. Speaker, has dropped from somewhere in the area in the last several years, it has dropped substantially, and that's Canada Statistics. The personal income in 1969, the total personal income in Manitoba as far as the cities are concerned in Canada, I believe Winnipeg was somewhere in the 52nd position, and today, Mr. Speaker, we have dropped to the 60th position. So really, the government has not come to grips with many of the people in the city. So in 1969 I believe Winnipeg was in the 52nd position and today we're somewhere in the 60th position as far as per capita income is concerned in the city. So really, with all the programs that the government has brought in, and with all the credit they have taken, you know, the gap is still there. The gap is still there for many of the people in the city.

And what has the government done? What has the government done? We know that approximately 16 percent of the families in this city earned somewhere approximately between \$3,000 and \$3,500 annually. These are the statistics, the Barber Report and the social audits that's been done many times, and these people are the socially unfortunate - the social unfortunate. You know, some still lack adequate education, they lack housing and they lack jobs, and let's see what has the government done.

If you go to your Tax Credit Plan, which the government has taken so much credit for in saying that we've solved the problems, and I will not argue - I mean the Cost of Living Tax Credit; that's the one I wish to refer to - and I will not argue with that because I think it has some merit. But what does it do, what does it do to the 16 percent of the families living in the core of Winnipeg that are making \$3,000 a year? What does it do? You know, it's given them an assistance from \$105 to \$126, so that's given them something like \$9.00 or \$8.00 a month when they're making \$3,000. That's some help, Mr. Speaker. That's the great help of . . . On Table 1 of the Budget, Details of Expanded Manitoba Cost of Living Credit Plan - there's no pages in the Budget but that's on Table 1, and the member will see. So again I want to illustrate to the House and indicate to the House, I have no arguments because the plan may have some merit, but really, when we're talking about the large segment of our population in the city - 16 percent - that are in that income bracket who have been unfortunate . . . They were unfortunate six years ago, but six years later what is their lot? What is their lot today? Has it been improved to that extent? That's not so, Mr. Speaker, when we're giving somebody \$9.00 more that's making an income, with a family of two people, making an income of \$3,000. Certainly this is something that I'm sure the backbenchers will agree that they can't be too excited about such a supplement or such an assistance.

Surely we can do better than that, much better, Mr. Speaker, because if that's all that we can do, I think the program leaves something to be desired. In fact, I feel that the government has failed many of these people, because there were great expectations in the province and in the city when the government came into power and when the government announced this program, and I said myself in this House that I thought the program had great merit and was a good program. But when you say to the people that are making \$3,000 or \$3,500, their

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(MR. PATRICK cont'd) . . . . assistance, then you have to say, you know, that's not very much assistance. It doesn't pay their light bill, you know. It doesn't pay their light bill. And if you take into consideration the increase in heating costs and hydro, you know, and inflation, what does it mean? It means very little, Mr. Speaker. So I have a concern about the Tax Credit Plan because it's doing very little for the people that need the program and need it very very much - you know, the necessities of life, and when somebody is making that kind of an income it's not very much of an income.

The other point, for many of these people, they would be much better off to be on welfare, and again I've indicated to this House and I spoke before about supplements for people that are on welfare, Mr. Speaker.

Another point that I would like to mention, Mr. Speaker, is there was considerable amount of debate about housing, and I know the Member for Ste. Rose talked about housing, and we have a serious problem as far as housing is concerned. Let's find out how the government deals in the budget with the priority and the problem of housing that we have at the present time. I know that there's some \$46 million included in the budget, which most of it comes from Ottawa, and there is criticism that, you know, we won't have enough. But the problem is, because of the zoning regulations, because of the shortage of lots, I have very strong doubts, Mr. Speaker, that the government will be able to use the money that it has allotted, because since January until now, the progress that has been made in public housing and private housing, Mr. Speaker, in the City of Winnipeg, and probably it may be the same in other parts of the province, hasn't been much of a progress, Mr. Speaker.

I know I talked about, some time ago in this House, during this session, about those who can work and perhaps they're much better off working, but anyone who claims that people are poor because they're lazy, well this may be in some instances, but in many many instances, despite the people's needs, they're virtually excluded from receiving the kind of income that they would require, and at the same time if we could only find a solution and say, "Okay, we'd like to see people work and we will supplement their income to some extent," this is not, at the present time it's not happening. I know the Minister of Health and Social Development indicated that they will probably take some course of action, but it's not happening to the present time.

And what is the labour policy and the manpower policy of the present government? Mr. Speaker, there is none in existence that I can see, and I know that everyone in this House, I'm sure that it would be safe to say that everyone believes that we are committed to the principle of working people unionize themselves to have strong democratic unions to protect their interest, and I'm sure everyone agrees. But what is the manpower policy of this government? Let's find out.

When we have, in our North, jobs going begging that pay \$10,000 annually or more, and there's many people unemployed, and we can't fill those jobs, where is the policy that the government can fit some of these people into jobs that are available? It appears to me that there is no manpower policy and the government in six years has not addressed itself to this problem. Surely, Mr. Speaker, this is a very very serious and important problem in this province, because there are many jobs that are available. And then on the other hand, we have people unemployed. We know that in the last, say, six years, there's probably at least 8,000 to 10,000 people more on welfare and some of them deserve that welfare because they're either widows without husbands and because of certain circumstances they need assistance and need help . . . But the ones that are able to work, surely if we can match them with the jobs that are available in this province, then this is an area that this government has done nothing, really nothing in this area, Mr. Speaker, and perhaps we should be very critical of the government in this area, and we can be critical. I've listened to the speeches from the backbenchers on the government side and, really, they haven't even touched anything. Again I say that the housing problem, even with the limited money that they have, \$46 million . . . and maybe that's not sufficient and if it's not sufficient I will be just as critical of the Federal Government for not providing more money because we have a housing problem. But I have my doubts that we'll use up the money that's available to us at the present time. So I just want to indicate that to the Member for Ste. Rose constituency.

So, Mr. Speaker, let's get in one other area, and that is municipal financing. So what did we do? We came up with another \$50 increase in the Tax Credit Plan, and we hope that



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(MR. PATRICK cont'd) . . . . this will be the solution, you know, as far as municipal taxation and education taxation is concerned. But it is not a solution, Mr. Speaker. It is not a solution, because I'm sure that you'll agree, if you take an assessment of six or seven thousand dollars and we take the average increase in the mill rate for municipal services and education, it will be somewhere between 18 and 20 mills, and that's somewhere in the neighbourhood of anywhere between 125 to 150, in some cases it will be much more increase in the property tax for one year. So you're looking at getting an extra \$50 rebate but you have your property tax increase of \$100 net, plus the fact that you have all other increases - your Hydro, everything else. So really, with the money that the government had, I think they could have done a much better job, much better job, and the Provincial Budget in my opinion should have addressed itself to the serious problems that we have, and one is the property tax.

When we talk about shortage of housing, Mr. Speaker, the people will come to the conclusion and will be of the opinion that perhaps they just can't afford to get involved in buying a home because of the high property tax. And sure, the Tax Credit Plan has been of some assistance and been of help, and I would say to many senior citizens has been of great assistance. But to a middle income person, which takes somewhere in the neighbourhood of 45 percent of the people that live in this province and probably pay the most of the taxes, what does it mean to him? And he's not a very high income earner when he's receiving, say, \$10,000, and that's a middle income person when his taxes increase by that extent.

Well, in my opinion, Mr. Speaker, really this is not a total solution when your property tax goes up by \$150 or \$200 and you get an increase in rebate this year of \$50 more. So really, that's a very small measure. In my opinion, that's peanuts, Mr. Speaker, because the property tax is too high now as it is, and I think that we should have been coming to grips with the problem and saying how we can reduce the homeowner tax, and we haven't done that. You know, it's a strange thing that for years the municipal governments, the provincial governments and the federal governments have prided themselves that Canadians on the whole, you know, had the highest percentage of homeowners anywhere of any country in the world, and that's quickly fading away. And I blame all these people. I blame the provincial legislators, the municipal and the federal governments for this situation to develop and the serious situation we have at the present time.

So, in my opinion, the budget did not, just did not, you know, come to any kind, or offer any kind of a solution as far as the municipal financing and education tax is concerned. It did very little. --(Interjection)-- Sure, it was a baby step. It made some small measure of assistance. That's something that I'm sure the members on the government side and I'm sure members on the backbenches would agree, that they are not satisfied completely with what small measure that we have in this budget, that we have in the budget to deal with this serious situation. You know, the government took a lot of credit in the budget, the economy and everything else, and really if you checked the statistics and when you start looking at them, really I believe the government's got very very little to be smug about, and in my opinion the budget is very very smug. I mentioned the population growth is very small, less than the national average, perhaps a third what it is in Ontario. The growth in the labour force is the same thing. In 1969, there were 373,000 people in the labour force, and in 1974 we had 424,000, for a 13 percent increase in that period 1969 to 1974, while it was over 21 percent in Ontario and almost 19 percent in the national average. So really, Manitoba is not, you know, growing as much as the other provinces, and I'm including the Province of Saskatchewan as well, Mr. Speaker. So I'm sure that the budget could have at least been, I feel, much more accurate if it had portrayed economic realities in this province, and really, there was an opportunity, in my opinion, there was an opportunity to deal with the problem of housing, with municipal financing, in a much better way.

The other point that I am quite concerned about, Mr. Speaker, is the small businessman, and I know that many of these people feel, small business people, who still are the backbone of the economy in this province feel they are somewhat endangered species, Mr. Speaker, because, in my opinion, you know, they just can't pay the type of property tax. Even if you have a small entrepreneur who's got 800 square feet of an office space, he's got to pay a \$475 business tax, business tax alone. Well, it takes him probably two months to slave just to pay the business tax. And that's just the start before he can open the door. What about his property tax? What about everything else? And his staff. A lot of these people have a hard time.

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(MR. PATRICK cont'd) . . . . You could look at the small grocery stores, you know, the dry cleaning stores, the service stations, and if you drive down the avenue the service stations have almost disappeared. I'm sure that the Minister will, or Mr. Speaker, you will agree, it's not necessarily the total fault of the government. I think the oil companies are to blame to some extent. We have the hardware stores and the drug stores, and just look around and many of these buildings are empty. The small businessman is not around. And still it's the small businessmen that provide the services, the kind the people would like to have. He's the one who provides the competition that's required in our system, in our society, and still, if you look at this budget, there's very little to say that we can help or assist the small businessman so he can survive in our economic system. As I say, he still is the 70 percent or 75 percent of our economic system in this province and is the one that's employing perhaps 75 percent of the people according to my statistics and my information.

So I'm very much disappointed that the budget did not deal with this matter at all, Mr. Speaker. I would like to hear some of the other members and the backbenchers, because, Mr. Speaker, it's still the majority of these businesses, the small businesses, that pay the corporation tax, that pay the revenue that provides the government to expand their services, it doesn't matter what it is. If we want better hospitals, better roads, and better education, this is where much of the revenue comes from, and I don't think that we are on the right course at all if we're just going to eliminate the small entrepreneurs, the small businessmen, and say, well, it's tough luck. He just wasn't able to survive.

I know that much has been said, Mr. Speaker, on the budget to the present time, and I just wanted to sort of relate my remarks exclusively to the matters of inflation, how the budget deals with that; the matter of tax credit, in respect to the living tax credit plan and how it applies to the many unfortunate families in this city and in this province; the housing problem and municipal financing. And again, I'm sure that anyone can take a look at this Table 1 of the Estimated Assistance provided by the Manitoba Cost of Living Tax Credit Plan. The idea may be great and something that we can sort of pat ourselves on the back on the government side and say, "Look what we've done." But what does it mean to an average family that's making the \$3,500 or \$3,000? What does it mean? It hardly pays his light bill, Mr. Speaker. So I do believe that the budget is something that we would have expected much more than really what it is, Mr. Speaker.

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Thank you, Mr. Speaker. I'd like to take this opportunity to participate in our annual budget debate and to make a few observations about the economic situation in general in the province and the country at large, and to make a few observations on some of the remarks and criticisms levelled at the government by my honourable friend opposite.

The Honourable Member from Assiniboia just relayed a number of statistics to us indicating that the economic progress in the province isn't as good as what it could be. Well, Mr. Speaker, I'm sure that one could always perform better; one could always look for a greater degree of economic development, but I would say that given the circumstances about the land, given the economic conditions that are now prevailing in Canada, in North America and generally in the western economy, that by and large, we in this part of Canada are indeed very fortunate and should be very relatively satisfied with the degree of economic progress that we have made in the past year or so. I think there's no doubt that the prairie region as a unit or as an area of Canada is certainly prospering more than any other region in Canada, and we in Manitoba are fortunate to share in that prosperity.

I look at only one set of figures and there are many that you could look at, but one set of figures that are often used and are, I think, very fundamental in any comparison of economic health of an area or a province are the unemployment rates. The fact is that Manitoba, along with its sister prairie provinces, enjoys the lowest rate of unemployment in Canada, and this is not only in the latest month that is available, but also for the past year we have enjoyed a very very low rate of unemployment and I would think that this is something we should all be very satisfied with. I compare that figure, this low figure that we had in March, I believe it was around 4 percent - I compare that with the situation in Newfoundland where according to Statistics Canada the rate of unemployment exceeded 24 percent, exceeded 24 percent, and that to me is an incredible figure. I really don't know how that province - a province

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(MR. EVANS cont'd) . . . . with a good Conservative government I understand - can manage with that level of unemployment. --(Interjection)-- It's all Joey Smallwood's fault. But 24.1 percent of the labour force in Newfoundland was unemployed according to Statistics Canada for the month of March. And then I look at some other provinces, Quebec 10.8 percent; New Brunswick 15.8 percent; Nova Scotia approximately 10 percent, and so on, even Ontario much higher than what we're experiencing in the Prairie region. The information I have is that it was about 7.3 percent. So by and large, Mr. Speaker, I think that we can safely say that we are relatively well off compared to the rest of Canada. Certainly far better off than in the United States at the present time and far better off than in many other countries in the western economic world.

I would say that as far as the year 1974 was concerned, we probably experienced more economic progress in that year than we may have since the time of . . . before the first world war. I think if you take all the figures that are available, and I know you can quote various kinds of figures and maybe make a different type of a case, but I think by and large the year 1974 was probably as good a year as we've ever experienced since before the first world war, that period of time, Mr. Speaker, when the Province of Manitoba experienced a vast increase in population and a vast increase in the matter of two decades of economic activity, when the province really took off with the vast amount of people coming into our province from Europe and Eastern Canada. I would say that 1974 therefore is probably one of the best years in our economic development history.

There's no need for me to repeat some of the statistics that were referred to by the Premier in the budget. The fact that the gross provincial product is now in excess of \$6 billion, the fact that the per capita income of Manitobans after tax, that is after tax, has now exceeded the Canadian national average, the fact that investment is up, the fact that manufacturing is up greater than the Canadian average, for example, the figures that I have for factory shipments indicate that the increase in 1974 in the manufacturing sector was 23.6 percent. In other words, the level of activity in manufacturing in Manitoba increased by 23.6 percent in Manitoba compared with the Canadian average of 21.2 percent. And, well you might say, so what. Well the fact is that this has not always been the case, Mr. Speaker, in our history but it has been the case in the last year. And we could relate to many other figures indeed.

We could look at inflation, and I don't think any of us should be happy with the amount of inflation that we are now experiencing. We have become the victims of double digit inflation, as has other parts of Canada, but when I look at what happened, and again I'm talking about 1974, Winnipeg which is the only city for which Statistics Canada provides information on in this province, Winnipeg experienced inflation at a rate of 10.7 percent. That was for the year 1974, which is less than the 12 percent figure we have for all of Canada. But then when you look at other countries, the United Kingdom 18.4 percent; France 15 percent; Italy 25.8 percent; Japan 23.4 percent, and so on, there are many many other areas of the world where the rate of inflation is far more serious. Well actually I would say generally in Western Europe the rate of inflation has been a lot worse this past year than it has been in previous years. And indeed the rate of inflation has been worse in Winnipeg and in Manitoba in the last few months than it was, you know, in the previous year, and there's no doubt about that.

But the fact is that we have to recognize that the real cause of inflation that we experience in this province, fundamentally arises from beyond our borders, fundamentally arises from beyond our borders, because we do import the bulk of - unfortunately we still import the great bulk of the manufactured goods that we use. When you think of automobiles, electric refrigerators, deep freezes, coloured television sets, or you name it, the bulk of these products are imported into this province. Gas, natural gas is imported into this province, and as we all know this has gone up sharply and as has been announced today, it's going to go up again by a large amount. So --(Interjection)-- binder twine. There are many many other, many many basic items that are rising in price level, that are rising in price levels outside of the Province of Manitoba which we import and which thereby causes the cost of living to increase in this province.

I'm afraid that some honourable members across refuse to recognize that the real cause of inflation in Manitoba has been initiated beyond our borders. And in some ways it's even been initiated beyond the Canadian borders. I would suggest that there are certain pressure points beyond Canada where inflation has been created, and this is in the area of fundamental

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(MR. EVANS cont'd) . . . . commodities. I think of oil from the Middle East for example, or Venezuela. You can even look at sugar. Even though it's a small item on the budget, sugar is another classic example of how commodity prices have risen.

But, Mr. Speaker, I believe it was the Honourable Member from St. James who was talking earlier today, or was it yesterday, about the need to control government spending and that this somehow was going to lessen the degree of inflation that we have in the Province of Manitoba. And I'd like to submit, Mr. Speaker, that a reduction in government spending in the Province of Manitoba will do little, if anything at all, to cope with the problems of inflation. Now that to me is a sound observation, that a reduction in the level of spending in the Province of Manitoba will do nothing to alleviate the problem of inflation in this province. And indeed, Mr. Speaker, in other jurisdictions a reduction in the level of government spending will not necessarily reduce the level of inflation. Because, whenever you have a fair amount of unemployment, whenever you have a fair amount of unemployment it's indicative that there is not a situation of inflation being caused by excess of demands. If there is an excess of demand over supply, you do have excess demand inflation and then the level of government spending, which is part of total demand, could have or would have an impact on this. But the fact is, Mr. Speaker, that in North America, in Canada, we do not have zero unemployment - we do have more unemployment than most of us would like to have - and therefore we do not have what is referred to as excess demand inflation. We do not have so-called excess demand inflation, and therefore to cut back on demand by cutting back on government spending will do nothing whatsoever to cope with inflation. As a matter of fact, what it will do is likely increase unemployment. Now I'm making this as a general observation. It's a general observation that's applicable to any jurisdiction, whether it be Ontario, British Columbia, the United States of America, or anything.

Now I know that there are some members on the other side who are determined and who honestly and sincerely believe that the only way to cope with inflation at this point in time is to cut back on government spending. Now I'm not saying that at all times this would not be a solution. As a matter of fact, it is a solution at some times. But it is not a solution when you have, as they have in the United States, what is it, 7, 8 percent unemployment, it is not a solution to cut back on government spending in the United States. It is not a solution in Ontario to cut back on government spending when they have 6 or 7 percent unemployment, or whatever figure it is. And, you know, I think that sometimes when a group of people get together and pass resolutions they think they've arrived at the ultimate truth. And I know the Conservative Party had a Policy Conference recently and I think one of the resolutions, or one of the matters, discussed was inflation, and I think the view was that one should cut back on government spending in order to cope with this inflation.

It reminds me that, so in numbers perhaps, some people think in numbers, and people agreeing on a certain point of view that this is the way at the truth. It reminds me of a group of citizens who assemble together and solemnly proclaim that the earth is flat, and there may be 500, there may be 1,000, and the fact that they proclaim that the earth is flat, and they'd have some of us over here believe that the earth is flat, and they can pass all the resolutions they like at their policy conferences, they can take all the positions they like on flat earth observations, but, Mr. Speaker, it only takes one Columbus to show the truth, to indicate that the earth is indeed not flat. I think that we on this side understand the Conservative Party decision with regard to inflation and their feeling that there should be a cutback in government spending in order to tackle inflation.

I'm suggesting, Mr. Speaker, that when the Member from St. James gets up and has this embedded in his mind that the only way to really combat inflation is to cut back government spending I think indicates to many of us that his thinking, however sincere he may be, and I certainly don't question his sincerity, that his thinking is antiquated and really irrelevant. He is obviously, Mr. Speaker, a flat earth man, he's a flat earth man with these antiquated ideas, and of course when you get a flat earth man or a flat earth economist, the rest of us can reasonably expect policy suggestions forthcoming from such people who tell us that we should take a certain course of action to prevent us from falling off the edges of the earth, the edges of course that do not exist.

Fortunately there are people that realize that the earth is round and is not flat, they realize that the way to cope with inflation when you have unemployment is not to cut back on

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(MR. EVANS cont'd) . . . . government spending but is to recognize that inflation is introduced by commodity shortages, such as shortages of agriculture products, such as shortages of petroleum, and not long ago, Mr. Speaker, there were shortages of steel and other basic metals.

So we do have inflation, not by excess demand, but we do have inflation induced by commodity shortages, and of course we do have inflation from another source and that is the price-wage spiral that occurs. Once you have an initiation of inflation caused by a shortage of basic commodities it's only natural for the user of these basic commodities - let us take a manufacturer, or a manufacturing plant, who sees his raw materials increasing in price having to increase the price of his finished product in order to survive, and so this price is passed on to the consumer, and of course the consumers are also those who form part of the work force and they are among those who will demand higher wages in order to maintain their relative real income position. So you have a demand for more wages and then of course employers in turn find that they have to raise their prices to recoup their profit losses, and so forth and so on, and so we do have this price-wage spiral. So the employers, I would suggest, are trying to come out ahead of the workers, and the workers have to work very hard in order to keep up with the inflationary situation. So I say, Mr. Speaker, again that budget cutting in a general way in North America at this time will do nothing to stop inflation. As a matter of fact what it will do is cause unemployment.

You know I'd like to take this opportunity to remark on the role of government in our economy and in our society, because I do know the traditional Conservative view is that somehow or other government activity is barren, is perhaps useless, that certainly government spending is somehow or other not as valuable as private spending, or spending in the private sector. At least this is the message that I'm getting from my honourable friends across the way. I would like to suggest, Mr. Speaker, that this observation is also simply wrong. It's again a flat earth idea; it's an antiquated idea to suggest that somehow or other government spending is less productive or less valuable to society than is private spending. I think of the people who work, I think of the people who work in the government service, not only in this province but in all jurisdictions and the type of contribution that they make, and I compare them with the people who work in the private sector and the contribution that they make.

I ask you, Mr. Speaker, whether the person who cleans the floors in this building makes any less of a contribution than the person who cleans the floors in a downtown department store. What is the difference? Yet one comes under public spending and the other comes under private spending. One is in the public sector, the other is in the private sector. Yet I submit, Mr. Speaker, that those people that you see cleaning the floors here in the evening, or in other government buildings around the province, are making as great a contribution to our well-being as the person who cleans Eatons or the Bay or some other building, private building in the city or in the province.

What about the clerk who does his job in the government office compared to a clerk in some private company, or what about the serviceman who works for Manitoba Hydro, is he making any less of a contribution than the serviceman who works for Greater Winnipeg Gas Company, which is a privately owned company. Sorry. --(Interjection)-- I don't get the point.

We have a branch of Vital Statistics, Mr. Speaker. There are statistical clerks, or statisticians, in the Vital Statistics Branch, and they compile statistics on births and deaths and marriages, and so on. Do they make any less of a contribution than the person who collects statistics for a private insurance company? I submit not, Mr. Speaker. I submit that their production of statistics is as valuable as the production of statistics for let us say this hypothetical private insurance company. As a matter of fact, Mr. Speaker, in some cases the value of service provided in the public sector may exceed the value of the service provided in the private sector. I would ask you is the service and performance, let us say, of a conservation resource officer of greater or less value than the door to door brush salesman, you know, and we do have door to door salesmen, there are people who sell brushes from door to door. Who is making the greater contribution to society, the door to door brush salesman or that man out there who is protecting our wildlife, or our natural heritage.

I look at the hospitals that are now in the public sector, and have been indeed for many years both municipal and provincial, the nurse in the hospital, I submit that her service indeed is of far greater value from my point of view, Mr. Speaker, from my set of values,

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(MR. EVANS cont'd) . . . . than the worker in a cigarette factory, the man who works producing cigarettes, not because it's cigarettes but I'm suggesting that necessarily . . . but I'm suggesting cigarettes have a low value, a low social value. I can say this because I've never smoked you see. But I would submit that the nurse in the hospital performs in the public sector a greater value for society than the man who's making cigarettes or cigars in the factory.

What about the librarian in the public library? Does that person make a lesser or greater contribution to society than the advertising copywriter who tells us we should buy brand X of toothpaste rather than brand Y, or that things go better with coke, or God knows what? I would suggest that the librarian in the library, the public library, is probably, for my money at least, may be making a better contribution or a more significant contribution than the advertising copywriter.

But I really throw this out, Mr. Speaker, to get honourable members across the way to think for a moment, because it really is a matter of value judgment, because if you really think that cigarettes are more valuable to you than nursing in a hospital, then I suppose the cigarette worker is performing a greater service. But really I suggest that the services that are provided by the people who are working in the public sector are equally as valuable, and in many many cases are more valuable, than the people working in certain sectors of the private half or the private area of our economy. And I think that our citizens not only in Manitoba but in other jurisdictions are demanding more and more public goods, and these increases in public goods have come about under other parties in this Assembly as well as this particular party.

Mr. Speaker, I'd like to just spend a few moments to talk about the economic outlook for 1975. I would like to suggest, Mr. Speaker, that governments, both provincial and federal, are going to have to play a very critical role in the months ahead and the year ahead in order to maintain economic prosperity in Canada, and particularly in western Canada. Manitoba is still an island of prosperity in a sea of recession, but those seas of recession are lapping at our shores, and there is such a thing as soil erosion, and eventually I submit that if the degree of recession carries on in the United States and carries on in Eastern Canada, that it will eventually adversely affect the Province of Manitoba. However we're hoping that with continued good prices for farm products, with continued demand for some of our other basic resources, and hopefully with a positive federal budgetary policy, with the right kind of Canadian fiscal policies, that we will be able to maintain this prosperity in Manitoba, and that we will not, that we will not be sucked into the recession that is now being experienced in the United States.

I don't know whether members opposite realize but as of the first quarter of 1975, as of the first quarter of this year, the real gross national product, that is after inflation is taken out, the real gross national product in the United States fell by 10.4 percent. And this is the largest single drop in the real national production of the United States since these national account statistics, or records, were ever kept, which goes back to 1947. --(Interjection)-- Oh yes, I'm telling you about Manitoba, but I am suggesting to you that there is a serious problem south of the border that in the long run can eventually have a detrimental effect on our own provincial economy. They've had a decline, as I said, Mr. Speaker, in the first quarter of 1975, and this is the fifth consecutive quarter of decline in real national income in the United States, and that indeed is very sorry and it is very bad for the American people, and I think that we all should regret this. On the other hand there is some signs that possibly they have reached the very bottom of the recession. We hope that they're at the very end of the business cycle and that we would soon see an upturn, and possibly later in 1975, but at the present time their unemployment rate is 8 percent, and that unemployment rate is still rising. Fortunately the American Government is acting in order to offset the amount of unemployment. Their inflation rate has certainly fallen off seriously, it's now only 3.6 percent, annual rate of only 3.6 percent, but they've had to pay a very terrible price in terms of hundreds of thousands of people in loss of jobs.

So therefore, Mr. Speaker, I would say that 1975 for Manitoba should be as good, should be a good year but probably not quite as good as 1974. But I say, Mr. Speaker, though, nevertheless this Budget which the Premier has brought forth, which the Minister of Finance has brought forth will help to ensure the forward thrust of our provincial economy. We must be prepared, the Provincial Government must be prepared in concert with the Federal Government to take up any slack that occurs in the economy, and with economic knowledge, with

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(MR. EVANS cont'd) . . . . understanding of the real economy, and with determination, Mr. Speaker, this government will ensure the continued well-being of our provincial economy. Thank you.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Mr. Chairman, I would like . . .

MR. SPEAKER: I take it as 5:30 . . .

MR. BROWN: I would like to move, seconded by the . . .

MR. SPEAKER: The hour being 5:30 I'm now adjourning the House and the House will stand adjourned until 2:30 tomorrow afternoon. (Thursday)