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Legislative Assembly of Manitoba

DEBATES  
and  
PROCEEDINGS

Speaker

The Honourable Peter Fox



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## THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 p.m., Thursday, April 22, 1976

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 25 students, Grade 9 standing of the St. Johns Junior High School. These students are under the direction of Mr. Bochinski. This school is located in the constituency of the Honourable Member for Inkster, the Minister of Mines, Resources and Environmental Management.

We also have 45 students, Grade 4 standing of the Bannatyne School under the direction of Miss Nicholson. This school is located in the constituency of the Honourable Member for Sturgeon Creek.

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; Notices of Motion; Introduction of Bills; Questions. The Honourable Leader of the Opposition.

ORAL QUESTIONS

MR. DONALD W. CRAIK (Leader of the Official Opposition)(Riel): Mr. Speaker, I direct a question to the First Minister. It's in reference to his statement regarding new guidelines limiting upper salaries to two and a half times the minimum wage at an upper limit of 20 odd thousand dollars. I wonder if the First Minister could indicate whether it's the intention of the government to reduce the present salary levels of Cabinet Ministers to conform with this upper limit.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, that affords me an opportunity to make two points. The first point is that the Cabinet Ministers of the Province of Manitoba are, I believe, the lowest paid of all Cabinet Ministers in Canada. That's point number one. Therefore, Mr. Speaker, I would think that in that context the question is academic.

MR. SPEAKER: Order please.

MR. SCHREYER: Point number two, Sir, is that I do not recognize any reference to \$20,000 or whatever. I don't recognize where that comes from.

MR. CRAIK: Well, Mr. Speaker, I know it's not in order to offer any assistance but I think it comes out from two and a half times something else. But, Mr. Speaker . . .

MR. SCHREYER: That's quite different than some reference to \$20,000 which I don't recognize. I don't know where that comes from. The reference to 2.5 to 1 as being a ratio, that has already been arrived at in terms of take-home pay as between the top and bottom of the salaries and wages in Scandinavian countries and Israel. That is what I put forward as a level of ratio which has already been arrived at in some of the more advanced countries of the world and it is, in my humble personal opinion, an ideal towards which to strive.

MR. CRAIK: Well, Mr. Speaker, I ask the First Minister whether or not the government is going to ignore the productivity factor that goes into the equation of determining income levels as far as Manitobans are concerned?

MR. SCHREYER: Mr. Speaker, I did indeed recognize that as a problem on which I spent some considerable time in the context of my remarks last evening. And among other factors, for example, is the problem that it is difficult to measure the relative productivity of a steel worker who works until the sweat causes his shirt to stick to his back and a person who is in a professional or executive capacity who is also working equally hard. That is a problem admittedly and therefore it seems to me to cause all the more questioning as to the relative ratios of take-home pay which has historically obtained.

MR. CRAIK: Mr. Speaker, I would like to ask the First Minister whether or

## ORAL QUESTIONS

(MR. CRAIK cont'd) . . . . not what he is proposing is casual speculative thinking or whether the government intends to bring in some measures to see that these sort of guidelines are established in Manitoba.

MR. SCHREYER: Mr. Speaker, it is far from casual speculative thinking, it has to do with the ultimate in civilized relationships.

MR. SPEAKER: The Honourable Member from Morris.

MR. WARNER H. JORGENSEN (Morris): . . . the First Minister would try out this hair-brained scheme of his as a pilot project on the Cabinet.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: In the light of experience in the Scandanavian countries and Israel, which are in social terms at least as civilized and advanced as we are, it is not considered hair-brained. It has worked for a decade or more. The Honourable Member for Morris would be well advised to rethink some fundamental attitudes as to what constitutes "hairbrainedness."

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Thank you, Mr. Speaker. Mr. Speaker, I direct a question to the Honourable the Minister of Mines and Natural Resources. I appreciate the fact that he has given us nigh on daily flood reports but the situation on the Assiniboine is perhaps right at this moment critical on an hourly basis. Can he give us an up-to-date summation of what is happening on the Assiniboine at this moment?

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN Q.C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, I can't be more definitive than is quite obvious to everybody already knowledgeable of the fact that the Assiniboine is flowing rates which will probably exceed any recorded rate in history; that there are precarious situations along the dikes; that super-human effort is being given, particularly by the armed forces, with regard to trying to watch for difficult situations, and I can give the Honourable member some satisfaction by saying that the Portage Floodway, although not able to deal with all of the problems that we are incurring because of the record flow, is probably assured the fact that the total city of Portage la Prairie would have been flooded and numerous farms between Portage and Winnipeg, if it were not for the placement of that facility which the honourable member well knows was done by the previous administration.

MR. ENNS: Well I thank the Honourable Minister for that acknowledgment. I have a further question to the Honourable Minister or perhaps to the First Minister. The situation on the Whitemud River is again very serious. My question is, will the Minister or will the government extend its declaration of designated areas that would be in a position for receiving similar help to include the general area of the flooding that's now occurring on the Whitemud River?

MR. GREEN: Mr. Speaker, without giving a definite commitment, I can assure the honourable member that it's intended to provide the normal Flood Compensation Program to areas which received general flood inundation.

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

MR. GEORGE MINAKER (St. James): Thank you, Mr. Speaker. My question is to the Honourable Minister of Mines and Environment. I wonder if the Minister can advise the House what action his department has taken with regard to the 7,000 gallons of oil that has been spilled into Truro Creek?

MR. GREEN: Mr. Speaker, I will have to take the question as notice.

MR. MINAKER: Mr. Speaker, a supplementary question that I would like to raise to the Minister if he is going to take it as notice. Would the Minister also check to see what safeguards have been taken to curtail the damage that has been done, and also to make sure that claims can be taken against the guilty parties. Because this Creek, as the Minister may not realize, goes through both Bruce Park and Truro Park, which are very important parks in our area.

MR. GREEN: Well, Mr. Speaker, there certainly would be common law remedies available, which I in another capacity would be advising the honourable member of. But certainly those remedies would be available and we would look to see what other remedies are available with regard to any damages that are caused. But I'll have to take

## ORAL QUESTIONS

(MR. GREEN cont'd) . . . . the question more fully as notice, until I get further information.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I direct my question to the Minister in charge of the Manitoba Telephone System and would ask the Minister if he could confirm that the Manitoba Telephone System has issued a directive to its employees stating that all fleet gasoline purchases must be made at designated Shell Oil Company self-serve stations?

MR. SPEAKER: The Honourable Member of Consumer Affairs.

HONOURABLE IAN TURNBULL (Minister of Consumer, Corporate and Internal Services)(Osborne): Mr. Speaker. I cannot confirm or deny that at the moment, but certainly I'll have it checked. That's the kind of administrative detail that I don't normally get involved in with the Telephone System.

MR. BANMAN: I would then direct a further question to the First Minister, in his capacity as being in charge of the Manitoba Hydro, and would ask if the Hydro is contemplating a similar move.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I am not aware personally if the Manitoba Hydro is contemplating such a move. But if they are, presumably it would be based on having shopped around in the marketplace, and if they got an offer which in dollars and pennies was better from Shell than Imperial, that they should not therefore be spiteful.

MR. BANMAN: Thank you, Mr. Speaker. A further question to the First Minister. I wonder if the First Minister would confirm that this move will strengthen the hold that the large oil companies have on the retail gas business and make it difficult for the small retailers.

MR. SCHREYER: Mr. Speaker, I always suspected that there was a latent kind of basic socialist thinking in the Steinbach area and I think the question proves that.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the First Minister. In respect to the announcement he made yesterday about the land purchase, can the Minister indicate whether that purchase was done under a cost-sharing arrangement with the Federal Government.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I'll have to take that question as notice. As far as I am aware we have proceeded under the general ambit of the Resources for tomorrow Program, but in any case I will check and make sure.

MR. AXWORTHY: A supplementary, Mr. Speaker. In the same set of remarks, the Minister indicated that the province was intending to put some of its own land into the marketplace in order to break the back of speculation. Can he indicate what he intends to do in this area? Does he intend to put provincial owned land into the marketplace in the forthcoming building year?

MR. SCHREYER: Mr. Speaker, the honourable member uses rather colorful and descriptive language when he says, "Break the back of a speculation." I believe it would be more correct to say that I indicated that it was government policy to proceed by degree to put some of the land already acquired into the market, either by way of housing development or jointly with the City, or even to put service lots in the not too distant future into the market. That policy is the only prudent one we can follow. That by itself would not quote "break the back of speculation." To do that would require a massive intervention of the state, which some honourable members opposite may not welcome.

MR. AXWORTHY: A supplementary, Mr. Speaker. The reference to break the back was in the Premier's own words. I'm wondering if the Minister could indicate whether that prudent management by degree will involve in fact putting provincial owned land in the land banking system into the market in this year to affect this year's building market?

MR. SPEAKER: The Honourable Minister of Urban Affairs.

HON. SAUL A. MILLER (Minister for Urban Affairs)(Seven Oaks): Mr. Speaker, this has been discussed before. MHRC, and I assume that's the land that is being talked

## ORAL QUESTIONS

(MR. MILLER cont'd) . . . . about, owns land within the City of Winnipeg. The amount of land that is serviceable, not serviced, but serviceable is a very small fraction of the land owned. There is no land which can be put on the market today which could be used today because it isn't serviced.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, my question is to the Attorney-General. I believe the Deputy Mayor of Ilford has written him in connection with bootlegging of liquor and beer in the area of Ilford. I wonder if he's in a position to furnish any information to the House or indicate whether any action has been taken by his department.

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General)(Selkirk): Mr. Speaker, I'm afraid the Honourable Member from River Heights must have received a copy of the letter prior to my receiving the original.

MR. SPIVAK: Then I wonder if the Attorney-General can indicate whether he has received any letters at all from Adam Dick, the Deputy Mayor of Ilford.

MR. PAWLEY: Mr. Speaker, it has not arrived on my desk. It may be in process.

MR. SPIVAK: I wonder if the Attorney-General is in a position to indicate whether his department recently has had any cause to investigate liquor being brought in to remote areas by air transportation and being sold illegally, liquor and beer in the north.

MR. PAWLEY: Yes, Mr. Speaker, there have been instances when we have requested the Royal Canadian Mounted Police to investigate allegations that liquor is being brought into reserves that have voted themselves dry, illegally and/or bootlegging.

MR. SPIVAK: Well is the Attorney-General in a position to indicate that that practice has stopped to the best of the department's satisfaction?

MR. PAWLEY: Mr. Speaker, I wish very much that I could say to the honourable member that the practice has stopped but ever since the days of, prior to and during and since, prohibition we have been faced with problems involving those that sell liquor contrary to the provisions of the Liquor Control Act. I expect difficulties to continue. All that we can do is attempt to wrestle as effectively as we can with the program.

MR. SPIVAK: A supplementary question then. I wonder if the Attorney-General can indicate whether at the present time there is any investigation being conducted by his department in connection with these matters in the north.

MR. PAWLEY: Mr. Speaker, there are many different ongoing investigations of the sale of illicit liquor in various parts of Manitoba by the RCMP - Winnipeg, rural Manitoba and northern Manitoba. And as soon as we receive indications, certainly in our department, of the sale of such liquor in an illicit fashion, then that matter is referred to the RCMP for investigation and hopefully charges and later convictions.

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): I direct this question to the Minister of Tourism, Mr. Speaker. The Provincial Park in the Village of Cranberry Portage: is it true it's about to be closed down by the Provincial Government?

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): No, Mr. Speaker, not for the time being. The park itself has been abused by some vandalism caused over the last few months. The well, as an example, was filled with rocks, buildings were partially destroyed and are having to be reconstructed. I can indicate to the honourable member that if this happens again we will have no choice but to close it.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct my question to the First Minister. I wonder if the First Minister can indicate to the House how he intends to accomplish the 2-1/2 to 1 ratio of take-homepay. Would he raise . . .

## ORAL QUESTIONS

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

MR. PATRICK: Let me rephrase.

MR. SPEAKER: Thank you.

MR. PATRICK: Can the First Minister indicate to the House, would he raise the income for those people at the bottom of the scale or would he reduce the income of those who are at the top of the scale?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I thank the honourable member for his interest in what I believe to be a fundamental social and economic consideration. I would suggest that his interest in the concrete means by which this ideal might be achieved could best be understood by his making enquiries of the embassies of the Scandinavian countries and Israel. They'll be pleased to send him all relevant information.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. His reference now to the Scandinavian countries and Israel with respect to the statement he made, I wonder if he could indicate whether it's his desire or his intention, or his government's intention to raise the tax level to the level of Scandinavia and Israel?

MR. SCHREYER: Mr. Speaker, taxation is only understood properly in the context of remaining disposable income, and disposable income as weighed as between those enjoying higher and those enjoying lower income, and the end object of all civil government is to try and avoid extreme positions in all things.

MR. SPEAKER: Orders of the day. The Honourable Member for Portage la Prairie. The Honourable First Minister.

MR. SCHREYER: The Honourable Member for Portage is going onto a new order of business.

MR. SPEAKER: No. Question period.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, before the orders are called I would like to remind the First Minister that he took as notice some days ago my question, and I'll repeat the question. Has he or any of his officials estimated the loss and resale value of the so-called heavier cars in private hands, due of course to the announced tax on heavy cars contained in the budget?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I will be dealing with that when I speak later in this Budget Debate. I should acknowledge in response to the Honourable Member from Portage that the fault is mine in that I did not elaborate enough in the Budget text itself. Provision is made in the computerizing of this so that there is graduation based on age, and, yes, based on the age of the vehicle and so the formula does have some refinement to it. I hope to be able to provide that in some detail Friday or Monday.

ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day. Proposed motion of the Honourable First Minister and the two amendments. The Honourable First Minister.

MR. SCHREYER: If I may, Mr. Speaker, subject to your guidance on procedure, I have here two instruments, one is a message from His Honour, which is required in order to provide for the tabling for honourable member's information of the Estimates of Capital Supply required. So if it's in order at this stage I would forward to you, Sir, this note which indicates that we have a message from His Honour.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I move, seconded by the Honourable the Minister of Mines, that the said message, together with the Estimates accompanying same be referred to the Committee of Supply.

MOTION presented and carried.

MR. SCHREYER: . . . allow for distribution of the said Estimates then we can proceed to Budget consideration.

## BUDGET DEBATE

MR. SPEAKER: Order please. We shall resume the debate on the proposed motion of the Honourable First Minister and the two amendments thereto.

The Honourable Member from St. James has 12 minutes.

MR. MINAKER: Thank you, Mr. Speaker. The other evening when I was speaking before adjourning the House, we were trying to point out to the government that they were not in our opinion living up to their objectives of former Budget Speech statements such as we heard the Honourable Member from St. Johns state back in 1974 with regard to a new kind of government to Manitoba, a government fully committed to working for real political, social and economic equality for the average wage earner. And other statements that we've heard the First Minister deliver in this year's Budget Speech "To make certain that people of Manitoba are served by a government that places their interests first above all and is committed to seeing that their requirements are met."

Well, Mr. Speaker, when one compares the budgets that this government has brought down since 1969 and look at what they brought down in 1976, it's obvious that this government's interest is to collect taxes. It's very obvious. And, Mr. Speaker, the surprising thing is that the revenue that this government seeks from the taxpayers of Manitoba has increased something like 268 percent in that period of time yet our population has only increased 4-1/2 percent and our working force, the labour force has only increased 15 percent. So that it's obvious that this government wants to collect taxes.

Mr. Speaker, the other night the Honourable Minister of Mines and Resources I don't think was his usual self because he made a statement that I could not believe he would make if he was his usual self. And that was, Mr. Speaker, that governments do not benefit by inflation. That has to be one of the most ridiculous statements I have ever heard the Honourable Minister make because we look at their track record as a government and what do we find out? Mr. Speaker, the population of our working force has only increased 15 percent since this government took over, yet when you look at the personal income tax that's being raised this year, it has increased something like 390 percent, almost four times, yet the working force has only increased 15 percent. So obviously if the income tax is not increased then obviously they gain by the overall growth of inflation due to higher wages and so forth.

Mr. Speaker, the other area that would be contradictory to what the Honourable Minister stated was that with regard to the sales tax. Our population has only grown four percent since they've come into power and in 1969 with a five percent sales tax they were able to raise \$60 million. And what are they trying to raise this year with the sales tax? I believe it's somewhere in the order of \$189 million. So that they haven't raised the sales tax; the population hasn't grown to any great leaps and bounds, about four percent, yet the sales tax has what? It's tripled, more than tripled. The revenue from the sales tax has more than tripled and yet this Honourable Minister says governments do not benefit by inflation. I could not believe my ears when I heard the Honourable Minister make that statement the other night. I don't know whether he still believes that or not but I would ask him to go back and look at some of these figures and I'm sure that he will realize that the government very well benefits by inflation.

The irony of this government, Mr. Speaker, is that it even benefits by its mistakes. And what I suggest, Mr. Speaker, is that the mistakes that they have made in northern Manitoba with the hydro development which has resulted in this continual increase in hydro rates, they get five percent on those increases. If they're using it for light they get five percent. So they even benefit by the mistakes they're making in the north on hydro development. These costly mistakes that you and I are paying for, Mr. Speaker. But this is how lucky this government is, they can benefit by their mistakes because of the method they have set up for their taxation.

Mr. Speaker, I also pointed out that the sources of revenue have continued to grow in certain areas. And if we look at the pie-shaped sector that we have this year on this year's Budget of expected current revenues, that in 1969 when we looked at the same type of diagram, the income tax portion represented 28 percent that year. Today it represents 35.7 percent. So it's obvious that this government wants to continue to increase the revenue from income tax in its overall sources of revenue. There's one other



## BUDGET DEBATE

(MR. MINAKER cont'd) . . . . very interesting thing that comes to light as well. In the 1969 Budget, natural resources, the source of revenue from natural resources was two percent. In today's Budget it's 2.7 percent. So after all of the efforts that this government has gone into to try and gain more revenue from its natural resources, in the overall revenue coming in for this year they've only been able to increase it by .7 percent in the years that they've been government.

Mr. Speaker, they have indicated through their efforts they were going to get more revenue from natural resources but what has happened? The mining people are frightened to come in here and expand. They're frightened because this government is in competition with them with their own exploration department, and I understand now they have something like 48 geologists working for them. They have the powers of expropriation, they have the powers to go in and look at the books. So why would mining people want to try and develop under these particular circumstances? Yet with all their efforts they've only been able to increase the revenue from natural resources by .7 percent in the Budget on a per year basis. That's what they've been able to do.

Mr. Speaker, what is the individual, the average wage earner looking at with this government? Well we saw that the average hourly wages in the period of time that this government has been in power has doubled in the construction industry but in the remaining industries it's less than 80 percent increase. Yet the provincial income tax the average worker has to pay has gone up something like 390 percent in that period of time.

A MEMBER: That's garbage.

MR. MINAKER: That's not garbage, Mr. Speaker. There's 427,000 workers in Manitoba and if you go to the provincial income tax that's being raised, they'll end up with an average worker paying \$678 this year. What was it in 1969? It was \$173.

And, Mr. Speaker, talking about shared growth taxes that have grown. This government is now going to get \$333 million from the Federal Government this year in the various shared taxes that it has. And what did it get in '69? \$104 million. Now, Mr. Speaker, what is it giving the municipalities this year? What are the grants it's giving the municipalities this year? Well I would suggest in 1969 when you total the unconditional grants and the highway subsidies that they had in the Budget they were going to get . . . they gave the municipal governments \$25.8 million. What are they getting this year out of their proportional tax, both from corporation and income, and along with the highways maintenance subsidy? They're getting \$34.7 million. Yet when you compare that to the overall expenditures in your Budget, in 1969 it was 6.6 percent, today it's 3.3, and that's comparing it to when you take the \$110.5 million right out of there. Don't even count that you're taking it, because you keep saying you're giving it back. And it represents 3.3 percent so that now they have in proportion what they used to give to municipalities in these shared costs or taxes.

The same thing applies to youth and education. In 1969 their expenditures that year represented 37-1/2 percent of the Budget. What does it represent today? Again taking the \$110.5 million out of the revenue - assume that you didn't collect it, you're giving it back - it represents 29 percent of the Budget. So that when you compare the two they've actually cut back their education subsidies, if you want to call it that, to the taxpayers by 30 percent. You compare the 37-1/2 to the 29 percent, you've reduced it in your percentage of expenditures that you're prepared to spend this year by 30 percent. Again hitting that property owner. --(Interjection)--

Well, Mr. Speaker, all I can say is I talk to the people I represent and all I know is they're getting more and more taxes taken off them and they do not have the money that they want to keep to spend on what they would like to spend it on, not what the government wants to spend it on. But I thank you very much, Mr. Speaker, for your time.

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

MR. D. JAMES WALDING (St. Vital): Thank you, Mr. Speaker. I'm particularly pleased to be able to follow the Honourable Member for St. James, and I note with some satisfaction the number of members who have spoken in the debate so far, who have dealt with the Budget itself. I'm sure that we all welcome as wide a debate as possible on the debate for this year and the new tax proposals and changes in the

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(MR. WAIDING cont'd) . . . . . province's credit schemes.

As I remember the Budget Debate from last year, it was somewhat disappointing that members seemed somewhat reluctant or uncertain to actually get down to discussing the province's financial or economic situation, probably due to the rather uncertain conditions prevailing in the province and on the continent at that time. Members were rightly concerned about the rate of inflation prevailing at that time. But there was the concern that recessionary trends were occurring in eastern Canada and that our neighbour to the south was experiencing high unemployment and a recessionary period. I believe both the government in presenting the Budget and members opposite were uncertain as to the direction that the province should be going, recognizing the fact that Manitoba is affected by nation-wide conditions and it is affected probably even more by continent-wide conditions. The debate therefore last year tended to be somewhat lackluster and I did sense an uncertainty and a reluctance on the part of most members to deal with the issue that was before us at that time.

However there is a change this year and I was very pleased a few days ago to listen to the Honourable Member for Sturgeon Creek when he made his remarks and the Honourable Member for St. James. I hope in my remarks to follow-up from what they said, to expand on the figures and the examples that they gave, and hopefully to come to a different conclusion.

Although Hansard is not available for the remarks of those two honourable members, Mr. Speaker, I must rely on my memory, but it's my distinct impression that the Honourable Member for Sturgeon Creek made the point in his normal forceful manner that it was the income groups of \$5,000 to \$15,000 a year that were paying large amounts of taxes, provincial taxes, and it was the average man in the street, the ordinary working man, or the working stiff I believe was an expression used, who were really getting hit by these new tax measures that the government has proposed. If I'm quoting the honourable member wrongly, I'm sure he'll correct me.

The Honourable Member for St. James continued along the same line of reasoning, bringing forward a great many statistics which I did not write down, and again I'm just going from memory as to what he said. But the point of the Honourable Member for St. James was that average incomes in the province had less than doubled in the years from '69 to '76 and that this government had been piling taxes upon taxes upon taxes, that the burden being borne by the average taxpayer was becoming so overwhelming that no money was being left in the average taxpayer's pocket and rather than a portion of his income going to taxes, a portion of his income was remaining in his pocket.

I would like to attempt to refine those average figures that he gave and as I mentioned before come to a slightly different conclusion. The Honourable Member for St. James mentioned, following his remark about incomes less than doubling, that other taxes had increased by amounts of two and a half times, three times, four times, five times. Now I would like to suggest to the Honourable Member for Sturgeon Creek and the Honourable Member for St. James that if he wishes to really examine the effect of the taxes that he should consider the position of an average Manitoba taxpayer.

And I would like further to suggest to those two honourable members, although I don't really have much information, much evidence to back it up, that most of my constituents in St. Vital would constitute an average working Manitoban. And I say that judging by the personal experience of canvassing in three elections, from a visual inspection of the constituency of the type of housing that is available there - recognizing that certainly some of my constituents are quite affluent, others could only be described as being in the very lowest income group, but on the whole that the average working man in St. Vital is typical of the average Manitoba working man. I say that further from speaking to many St. Vital Constituents whose concerns tend to be those of Manitobans generally, also from an examination of the voters list in St. Vital, also from the results of a questionnaire that has been sent out most years. But perhaps more than anything, from the voting patterns of St. Vital as a constituency. And I offer this piece of political intelligence free and without charge to members of the opposition to use with as they wish, and to consider, Mr. Speaker, that through the years of the previous administration

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(MR. WALDING cont'd) . . . . when the government had a fairly comfortable majority in the Legislature, the St. Vital constituents consistently returned to this House a member of the government side.

In 1969 when by the smallest margin the New Democratic Party failed to gain a majority in the House, that St. Vital failed by 23 votes to return a member to the government side. But since that time, in '71, in '73, that St. Vital has voted in favour of the government of the day with increasing share of the vote, closely tied to the provincial party vote. So I suggest to honourable members opposite and without a detailed statistical analysis, I can offer no more proof than that other than it is a visceral feeling that an average constituent of mine would be an average Manitoban worker.

I would move now to how that average voter in St. Vital constituent of mine would view the Budget and the new taxation proposals, as proposed in the 1976 Budget. To begin with he would look at the surcharges, both personal and corporate, that have been proposed. And they affect him not one whit, because as an earner of possibly \$10,000 a year, he is not going to be one of the three percent who pay a surcharge on his personal income tax. In fact, my average constituent, Mr. Speaker, rather welcomes those surcharges.

Because, although he was quite concerned with the inflation rate and the state of the economy last year, he was intelligent enough to view with some suspicion when the Federal Government brought in its proposals to control wages and supposedly prices and other incomes. He was suspicious, Mr. Speaker, because he knew his income as a wage earner could and would be controlled, quite easily.

But he was very suspicious that the cost of housing would not be controlled, and the cost of transportation would not be controlled, and the price of food would not be controlled.

And he was also suspicious that any checks on incomes of company directors, or professionals, or of companies, would only be reviewed and possibly changed maybe a year or two years down the road.

My constituent in St. Vital therefore felt that the ledger was being weighted against him as far as controls on income were concerned. He therefore looked to his Provincial Government to give him whatever protection was possible; to put up whatever defence it could in his best interest against the moves that the Federal Government made.

And that's why he was quite pleased to see that the Provincial Government had included its employees and the employees of Crown Corporations within the same guidelines, so as not to provide two different classes of wage earners in the province.

He was also quite pleased to see that the Provincial Government moved to stabilize rent increases in Manitoba. That that was one small area where the Provincial Government could act to balance to some small way the ledger.

So when the Provincial Government further moves to balance up the ledger somewhat, my constituent views with approval that those families of over \$25,000 income should be subject to a surcharge, starting at \$1.00 and going upwards from there.

By the same token he also approves of the two points of corporate surtax put on as a temporary measure. On those, large companies in Manitoba which have taxable profits of over \$100,000, he recognizes of course that that will take in only some 20 percent of the corporations in this province, and will probably not affect many small businesses including the famous corner store. If it should be passed on by those companies that pay it, and they will be the larger ones, he considers that they will be companies who would normally benefit from the economies of scale and from the ability to afford a superior type of management in any case. And if this measure should give the small business, the small Manitoba business, at least a little bit of an edge, then he approves of that measure.

When it comes to the new tax on capital, which he views as being in line with Ontario and Quebec, and one other province - I believe it's British Columbia - he recognizes again that this will affect only the larger companies in the province to the amount of one-fifth of one cent. And again, that his local corner store and co-operatives and

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(MR. WALDING cont'd) . . . . credit unions will be exempt from the tax in any case.

When he looks at the measure to increase the taxation on aviation fuel, this really doesn't concern him very much at all because he believes, quite rightly, that most of the airlines are nation-wide and even world-wide and that this very small amount of the fuel used when flying over Manitoba, when spread out over the total revenues of large airline companies will be marginal and probably insignificant.

The same thing goes for the removal of sales tax exemption on railway rolling stock. Because my average constituent in St. Vital really doesn't buy very much railway rolling stock.

As far as fuel oil for commercial heating is concerned, my constituent has a sense of equity, Mr. Speaker, and he feels that the amount of tax paid on different types of heating fuel should be fair between all of them, not necessarily equal, but at least fair. So he has no objection whatsoever to an increase in the cost of fuel oil when it is used for heating commercial premises, especially when he remembers at all times that oil is a non-renewable and depleting resource.

My constituent also looks at the measure that proposes that slide-in camper units should be subject to registration the same as trailable camper units are. Now this doesn't affect my constituent, Mr. Speaker, because he happens not to own a slide-in unit but he does own a very small camper unit or a tent unit, in which he takes his family for the odd weekend in the summer, or goes away for a week or two on holiday, and on which he has to pay a registration fee. Now he looks at his neighbour, who happens to own one of these slide-in camper units, which is of equivalent size and does exactly the same job of providing accommodation on vacations, and his neighbour with a slide-in camper unit does not pay a registration fee while with his towable camper unit for the equivalent item he has to pay a fee. So it does not offend his sense of equity in any way that two camper units both used for the same purposes should be treated equally as far as registration fees are concerned. It so happens that my constituent does not own the truck on which one of these camper units is put anyway.

Now, we come next to the proposal to increase the registration on trucks by 10 percent. Now this does not affect my average taxpayer directly because he is not a truck-owner, but it has been pointed out to him that registration fees are part of the overall trucking operation and that those amounts will pass through the operation and will be finally reflected on the amounts that he purchases. However, the amount is something like one percent per year since 1965 when the rate was last adjusted. And my average taxpayer considers that ten percent will be a small dollar figure compared with a total registration, which is in itself a very small percentage of the total operation, the total operating costs of running a truck or a trucking line. So again as with the capital tax he considers, Mr. Speaker, that any increase in prices in the stores will be minimal and probably insignificant.

We then come to the two items in the Budget which will affect my constituents, Mr. Speaker. And I have attempted to get some figures from the Minister of MPIC as to what the car registration can be expected to increase by under the new proposals. Now my average constituent owns an average Chevy, which is an average age of possibly three or four years old. And the most accurate figures that I can obtain from the Minister of MPIC is that it will cost him somewhere in the neighbourhood of \$10.00 extra per year. Although that may be modified in view of the Finance Minister's remarks this afternoon. And it could well be, that it would be of an amount less than \$10.00. However, we will use the figure of \$10.00 just for the sake of argument.

Now as far as the taxes on tobacco and liquor is concerned, again I must make an assumption in this case. Some figures are available, taking the crude figures from the report of the Liquor Control Commission and other figures from Statistics Canada, which when brought down to an individual basis seemed to be too high. However, I will make the assumption that my constituent is a smoker and that he smokes one pack of 25 cigarettes a day - although I have seen other figures to indicate that there are now more non-smokers than there are smokers. Let us assume that my average constituent smokes a packet of 25 cigarettes a day, and it will then cost him, with the new increase,

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(MR. WALDING cont'd) . . . . \$18.25 more per year than before. Which will indicate at a rate of \$1.00 a pack that he will be spending \$365 a year on tobacco.

My average constituent is also a beer drinker, Mr. Speaker. I will assume that he will buy a dozen bottles a week, which over 52 weeks will cost him an extra \$7.80. He will at that time be spending \$208 on beer in a year.

When it comes to spirits, I'm also making the assumption that my average constituent would buy one bottle of rye or spirits per month, for the year as well as a dozen bottles of beer a week. And again, I've obtained some figures from the Minister in charge of the Liquor Control Commission who indicates to me that the price of an average 26 ounce bottle of Canadian spirits will increase somewhere from 30 to 45 cents per bottle. Taking a figure of 40 cents per bottle and multiplying it by 12 for the year, we come up with a figure of \$4.80. Incidentally indicating that at \$7.00 a bottle, that he will be spending around \$84.00 for liquor, added to the \$208 for beer, would indicate that he's paying \$292 a year in alcoholic beverages. And if you add to that the \$365 that he would pay in tobacco, it comes to a grand total of \$657 for those two particular vices that he enjoys.

However, the total of those three tax measures, \$10.00 additional car registration, \$18.00 for cigarettes, \$7.80 extra for beer, and \$4.80 for liquor, the new tax measures will cost my average constituent an additional \$40.85 for one whole year. --(Interjection)-- The Honourable Member for Sturgeon Creek asked me, why? Had he been in the House, Mr. Speaker, he would know why when I made the explanation of the calculations. So my average constituent is facing an additional expenditure because of these tax measures of \$40.85.

However, the budget has indicated that there will be an increase in the amount of tax credit, of a minimum of \$25.00 and a maximum of \$50.00. Now it is difficult to make any projections for the 1976 year without knowing what the Federal Government budgetary proposals will be, and without making an estimation of what the income of an average person will be in '76 over '75, so I would prefer then to leave the figures as a minimum of \$25.00 and a maximum of \$50.00 that he will gain as opposed to an amount of \$40.85 extra that he would spend. He will then be in a net position anywhere from the measures costing him \$15.00 in a year to gaining \$10.00 in a year. So it sounds very much like six of one and half of a dozen of the other that he may stand to gain a little and he may stand to lose a little.

However, when my average constituent looks at the tax measures in other provinces where he sees the amounts that sales tax have been increased and that medicare --(Interjection)-- I'm being informed that I am breaking Conservative Rule No. 2, Mr. Speaker. But however, my average constituent considers himself lucky when he is in such a, sort of a break-even position as compared with the tax increases in some other provinces.

Now, I would like to get back to what the Honourable Member for St. James was saying when he was giving us some figures. They tended to be rather crude gross global figures. He came up with the conclusion that the average Manitoba taxpayer was simply being snowed under with an ever-burgeoning amount of taxes. Now I will use the same figure that the Honourable Member for St. James used when he quoted the industrial composite wage for the last available month, which I believe is September . . .

MR. SPEAKER: Order please.

MR. WALDING: . . . of 1975, which indicates that the average weekly income at that time was \$190.00. Multiplying that to get a yearly total, we come up to a figure of just under \$10,000 - it's rounded off to \$10,000. So we might well assume, Mr. Speaker, from those figures that our average constituent, the average working Manitoban earning the average industrial composite wage, would be receiving, or would have received for 1975 an income of \$10,000. It might be a worthwhile exercise to work through that average taxpayers' income tax form to see just what effect that might have had in 1975. We might also compare that with a previous year. In order to do that I went back to 1973 because that was the earliest income tax form that I had in my file that I could compare it with. And in working out the taxes at \$10,000 for 1975, I will compare it

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(MR. WALDING cont'd) . . . . with a figure for 1973, but not \$10,000 for 1973, I will compare it with the industrial composite average wage for 1973, which at the rate of \$144.75 a week comes to just over \$7,500 for 1973. So if our average taxpayer was earning \$7,527 in 1973 he would earn slightly under \$10,000 in 1975.

I prepared a few figures for my honourable friends for their information. I invite them to follow through with me on them. His \$10,000 income would be reduced, and I am assuming here that our average taxpayer is a married man with two children under 16 and would be eligible for the usual deductions. The first deduction that he is eligible for is the \$150 in employment expense, he then adds in \$530 for his taxable allowances, he then deducts \$260 for his Canada Pension and Unemployment Insurance contribution, and he ends up with a net income of \$10,120, I have not included in the calculation any amounts for a company pension or a registered retirement pension plan, nor for any union dues nor for any investment income or any other deductions. --(Interjection)-- No tax dividend credits either. Also my average constituent in St. Vital did not - shame on him - make any contribution to a federal political party in 1975. However, his standard deductions total \$4,326 which when deducted from his net income leave a taxable income of \$5,794. Of this amount he would pay a provincial income tax of \$465; however, he would be entitled to claim on both provincial credit plans and he would claim \$69.00 on his cost of living and \$242 on his property tax credit for \$311. From his \$10,000 income he would then pay a net provincial tax in 1975 of \$154, that is the net amount.

Now how did our average taxpayer do in 1973? The same man in that year earned \$7,527, and that is arrived at at the rate of \$144.75 per week. Now of that income he would have deducted \$150 employment expense, \$165 for pension and unemployment insurance for a net income of \$7,212. The standard deductions for that year for that man were \$3,700, which gives him a taxable income in 1973 of \$3,512 as opposed to his taxable income of '75 of \$5,794. His provincial income tax in 1973 was less than that in 1975 for \$282, and since there was only one credit scheme at that time his property tax credit was \$175 for a net amount of \$117. Thus our average working taxpayer, my constituent, paid \$117 net in provincial tax in 1973 and \$154 in 1975, which is of course an increase. However, is that in fact an ever-growing increase or an unjustifiable increase as alleged by the Honourable Member for St. James.

It works out Mr. Speaker, that in 1973 the amount of taxes that our average taxpayer paid was 1.55 percent of his income for that year. In 1975, two years later, he paid an amount of 1.54 of his total income. So as a percentage the slice of the pie that went from his income to provincial taxes remained virtually the same or declined by one-hundredth percent.

I would like now to move a slightly different topic, still discussing the Manitoba Credit Plans, the two of them, and also to consider for a moment the matter of income taxes, and while it might be breaking Conservative Rule No. 3, I would like to consider what has been said by members opposite and what we might expect from the Conservative Party if it should ever form again the government of this province. And we will go back to statements that have been made by members opposite when speaking against the Manitoba Credit Plans where they have said to us in no uncertain terms that you are simply taking the money out of one pocket and putting it back into the other.

Members on the opposite side, Conservatives generally in Manitoba and anti-government persons in the province too, take an absolute delight in telling people that Manitoba's tax rate of 42.5 percent is absolutely the highest in the country - they really delight in it. We have been told repeatedly by members opposite that they do not like Manitoba's two credit plans, and that it's further borne out by the fact that the opposition stood up and voted in a block against these credit plans when they were proposed to the House. So we might reasonably expect, Mr. Speaker, that should the Conservative Party form a government --(Interjection)-- It's a long shot, but it's a possibility, and I'm prepared to consider it, especially since they have a new leader, who is quite sensitive where taxes are concerned; in fact he tends to prefer the premium type of tax rather than an income tax. We might expect, Mr. Speaker, that should these members opposite form the government that they would abolish our two credit schemes and by an equivalent amount

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(MR. WALDING cont'd) . . . . increase, or decrease the tax rate in Manitoba - and I would like to tell them for their benefit in case they've not done their arithmetic just what the effect would be.

Now if members would examine the budgetary figures that were given for the 1975-76 year, they will notice that the estimate on the amount of revenue to be derived from the personal income tax at 42-1/2 percent was \$242 million, therefore, each one point of personal income tax would raise \$5.7 million. The total amounts for the two credit schemes for the 1975 year was \$100 million, and if a Conservative government were to scrap that they would then have to raise not \$242 million for 1975 year, but \$142 million. They could do that at the rate of one percentage point being equal to \$5.7 million, with a provincial income tax rate of 25 percent. So in one fell swoop a Conservative government could change this province from being highest income tax rated province to the lowest, because it's even lower than Alberta's 26 percent. Friends opposite would then be able to tell all of their friends and all of the people of Manitoba that by electing a Conservative government they had gone from the highest taxes in the country to the lowest taxes in the country.

However, again those are crude figures and what would the effect on our average taxpayer be. I mentioned before, earlier on in my remarks, that my average constituent earning \$10,000 for the year would have paid in 1975, \$154 net after taking advantage of his credits. If a Conservative government should have levied in Manitoba an income tax rate of 25 percent with no credits my average taxpayer would have paid \$273. In other words by paying 25 percent instead of 42 percent, it would have cost him \$119, \$119 and that is for the average Manitoba worker.

Now it would have a slightly different effect as far as pensioners are concerned - and I have a number of old age pensioners in my constituency, many of whom do not make, it it's a couple, do not make the \$4,800 to bring them into a taxable class. Now what would a tax rate of 25 percent do for my pensioners? Well it would enable them to pay tax at the rate of 25 percent on nothing instead of 42 percent of nothing. At the same time it would cost them up to \$400. So with such a scheme in effect my old age pensioners would be able to write to their children and their grandchildren in other provinces and say, this brand new Conservative government has given me a tax cut from 42-1/2 to 25 percent and it has saved me nothing and it has cost me \$400.00. Now that is what I would call a Conservative bargain.

However, although it costs the pensioners more, there are some who would benefit from such a program. At an income of \$25,000 for 1975 our same married man with two children would have a taxable income of \$20,794 on which he would pay a net provincial tax, after his credits, of \$2,157. At a Conservative tax rate of 25 percent he would pay only \$1,372. Thus the Conservative government with a tax rate of 25 percent would give as a gift to a man earning \$25,000 a gift of \$785. Mr. Speaker, that is truly Robin Hood in reverse, where it is taking from the poor, the pensioners, and giving to the rich. And if my honourable friends opposite would like to go to the people in the next election on that sort of platform, on that offer to reduce the provincial tax rate to the lowest in the country, we would welcome that, Mr. Speaker. We would welcome that.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Speaker, I think the words that describe the Budget and the feeling that many people have is summed up very aptly in a game put out by the Home Ec Department of the Department of Health and Social Development, it's namely, "Budget, Budget, Who's got the Budget?" It seems, Mr. Speaker, that most Ministers on the other side, whether it be the Minister of Agriculture, who likes the Grasslands Game, or now the Minister of Health who's got this game out "Budget, Budget, Who's got the Budget?" or he's got another one out here now, it's called the "Money Jungle." But I think what is happening is that people are finding out this government, this NDP government is not doing the things that the people thought they would do for them, but instead is starting to play games with them, and I think it is quite evident by the type of stuff we are getting put in front of us now.

I would like to deal with several different areas of concern in my riding as well

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(MR. BANMAN cont'd) . . . . as I think many parts of the province. I would like to deal specifically with some of the things that are found in the Budget, and I would also like to make some statements as to how I think some of the costs that we are presently incurring could be curtailed.

First of all let me say that I was happy to see that the Honourable Attorney-General put some money in the Budget for local municipal police, for the policing of our municipalities. It's becoming an ever increasing burden and I'm sure the Minister is aware of it and has probably had many words and correspondence with the municipalities involved. But the costs are really, really starting to skyrocket and they are putting a heavy burden on the property taxpayers in the province, so I'm happy to see that the budget does include - it's a small amount I realize but it's a step I think in the right direction to alleviate some of these costs that are being borne by these people.

The Member from St. Vital here mentioned that, started quoting figures, and I won't get into figures, but every time we get the figures thrown at us he compares '73 to '76, but the thing he always leaves out is the fact that he doesn't add the municipal taxes on there. It doesn't matter if you own a home or you rent a home, the municipal tax is a cost factor in your rent or in your daily operation of your home. The taxes have gone up substantially from 1973 as I mentioned - I won't be quoting figures - but you can't use the property tax credit on your income tax and then not figure your property tax in there, and this is what the members on this side have been trying to tell the other members, and I don't know why they're finding it so difficult to do that simple arithmetic, but for some reason they can't seem to manage that particular thing.

The Throne Speech mentions that this government would like to give the municipal authorities some of the taxes that they could possibly collect, for instance five percent tax on liquor purchases, hotel accommodation, and that type of thing. They also say that they, and they are, according to the bookkeeping, giving the municipalities the two percentage points on the income tax and one percent on corporation tax, however, therefore dropping the unconditional grant which they were giving before. If this is the type of bookkeeping that's in store for us I would suggest to the residents of Manitoba that very soon we could maybe be having an income tax rate of maybe about ten percentage points, because you could break the whole thing down and say 15 percentage points for hospitals, so and so many percentage points for municipalities, and so and so many percentage points for another program. So you're coming down to a fact where they could say, well, we're charging hardly any income tax because it's all going for different services. So if the government feels that it can pull the wool over the taxpayers' eyes by doing a little a little bit of juggling in that respect, I don't think the people of Manitoba will buy that particular juggling.

The property tax of course is a concern which will be a mounting concern I think when the tax bills finally come out, and I believe that a lot of people who want to own their own home and are interested in buying a home, when they see that they're going to be paying 60, 70, \$80.00 a month just in property taxes before they pay any principal or interest on their home, they find out that they might just not be able to afford their own home. And as a result the government is being encouraged from different directions to go into building more houses. Well I suggest by possibly alleviating some of the tax burdens as far as the education tax is concerned, we could probably keep more people in their houses and not be involved in massive funding of public housing.

The other problem that we face and I mentioned that before, is with regard to serviced lots. That's adding a big big cost to our housing. Even in a small town like Steinbach we're looking at paying \$10,000 for serviced lots now. The cost of curbing has really jumped, the cost of sewer and water installation has really jumped. In this particular town and most of the smaller towns in Manitoba, these services are carried out, or the construction is carried out by the municipality itself so there isn't any developer involved in reaping the benefits from this particular thing. But the cost of these lots are causing problems and, as a result what is happening, it's putting pressure on the rural municipalities in that somebody can buy and pay \$1,000 an acre for a piece of land and buy ten acres for the same price he can buy a 70 or a 65-foot lot in a town.



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(MR. BANMAN cont'd) . . . . So you've got the problem of people moving out into farming areas. There are certain areas, I would agree with certain councillors, that are designed or which have sort of marginal land which could be used for this type of development. But it is putting pressure because very many of these councils didn't have an adequate planning scheme, didn't have an adequate type of building permit set up so that they cannot control the growth where it's supposed to go and it's causing the municipalities a lot of problems.

The other thing is the assessment, and I appreciate the way the assessment people are handling the assessment of different homes, whether they be in rural Manitoba or in the urban centres. What is happening is that the sale value of a home, for instance, on a ten-acre site ten years ago probably wasn't worth - or the resale value wasn't that what it was in town, and what has happened now is that the resale value is coming very very close. However, the assessment on these houses is about half I would say what they are in the urban areas. This again creates certain problems as far as the assessment being paid by a town and a municipality within a certain school division.

The other thing is with regard to the property tax credit. We've got many people who by getting the property tax credit don't pay any taxes at all, and this I think is unfair. I think the property tax credit should be applied to the education tax. It's a property tax that should be applied to the education part of it, and I think that the municipalities should be able to collect the additional municipal tax that's involved because they are providing certain services. And as one lady put it to me, she didn't even think she was a ratepayer in the area because she wasn't asked to contribute at all to the running of the municipal government.

Another area of concern of many people, and I'm sure the government is constantly toying with it, is the increased cost of the health care delivery system in the province. I appreciate that certain guidelines were set for many hospitals to adhere to, but here again some of the negotiations that have taken place of course have forced the hospitals to ask the province for more money. I'm wondering if the Minister of Health has done any investigation with regards to possibly charging a fee of about \$2.00 or \$2.50 for an initial visit to a doctor. I know it's a deterrent fee, it's a controversial type of thing. Now the argument that the people who are against that type of thing say, well, it's going to cost just as much to collect a deterrent fee as we're going to receive. The only thing is that, I am wondering--(Interjection)--When I'm finished. What I'm trying to ask - and I wonder if the Minister of Health has done a study on it because he's got to be conscious of health costs in the province - how many people would wait that one extra day when they have the flu and not go see the doctor? And I don't have to look very far. I know when one of my little children get sick or something, my wife doesn't hesitate to call the doctor at all and I think very often she does it too soon, she could wait one or two days, and I think that \$2.00 or \$2.50 wouldn't deter anybody from seeing a doctor and it might just reduce the caseload of these doctors and save the province a lot of money.

Another area of concern of course is the education system where we're facing a declining enrollment, and, as many people have pointed out, in order to make sure that we keep the number of students in the system we've lowered a certain amount of standards and this has been admitted by most of the educators. We're lowering our standards to make sure that we keep more people in our schools. And I would ask the government if we are intending to increase our education costs. The way we're going at a rate right now, if you look four years down the line, we're going to have increased them by 100 per cent. And of course when we look at the break-up of the pie in the back of the Budget Speech we see that education has already taken 26 percent of the total Budget and we all know that it's not going to stop there. So I would like to find out, and we'll probably find out during the Education Estimates where I have some more questions what the government is trying to do to cut back on the cost of education and try and maybe hold the line on that particular issue.

The Budget also deals with certain increases with regards to smoking, liquor tax, and I have before me a little article right now which says that Transair because of the increased fuel costs is going to hike the prices of fares going into the north. And I

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(MR. BANMAN cont'd) . . . . think this is one of the problems that the members opposite have, in that when they tack on a cost, whether it be a tax on any particular industry or a group of individuals, very often that cost is passed on. For instance the 10 percent increase in truckers' rates will definitely mean that freight service into rural Manitoba as well as within the metropolitan Winnipeg area will definitely have to be increased because we're looking at an increase in truck fees.

Also, under the guise, Mr. Speaker, of social justice, what has happened is - let's have a look at the licence fee as far as large cars are concerned. Now take for instance . . . the Minister mentioned the Lincoln Mark IV, and we heard some clapping and a lot of cheering. Under this guise of social justice he manages to sweep in all those people, and it's been mentioned in other speeches, that own a Ford, let's say just a plain Ford station wagon. A Mark IV with air-conditioning and everything on it weighs 5,200 pounds, a Ford wagon without air-conditioning weighs 4,900 pounds. A Mark IV costs \$16,000 and a Ford wagon costs \$8,000. But what has happened? The registrations - and I haven't checked them - but I'm sure the registration for a Ford wagon versus a Mark IV is about 20 to one. So what happens is, somebody can buy a straight Ford station wagon, the next guy can buy a Marquis Brougham which is much more expensive but weighs less than a Ford station wagon. So where's the social justice in this? There isn't any, because you've only got a few people driving the Mark IVs and yet you've got a lot of people driving wagons which is basically a family car and it's a car used for pleasure and also for getting around buying groceries and doing all kinds of other things. Now what many countries have done is they've done it on . . . if you're talking about conserving energy why don't you go to your cubic inch displacement? Rate your taxation on that. But under this guise of grabbing the guy that's driving the Mark IV you pull in all these other guys who are basically going to be paying the majority of that increase.

Now as I mentioned, the northern people will be paying a little more for transportation, the people in rural Manitoba will be paying a little more for transportation, and as we look around people are starting to ask the questions: You know my hydro rates have gone up, my gas rates are going up, my registration is going up, everything is going up, and it's jumping by much more than 10 percent, how come the government isn't controlling or being controlled by AIB? And that's a question I think that's legitimately being asked by most of the people in Manitoba. I've got to stick to my 10, 12 percent, we get the steel workers having that rollback up at Thompson and yet our increased costs are coming right down. Now, in July we're going to be probably hit by an oil increase. We're going to be hit by an oil increase, another inflationary increase. The governments I think have also seen, the Federal Government as well as the Alberta Government have seen an opportunity of grabbing more taxes and they're doing their fair share to try and get them to try and help their particular spending proposals.

So, Mr. Speaker, in the final analysis, the Budget is inflationary, it's the average person again that's going to be paying the burden of these taxes. And as the Budget Speech points out, the surtax is only going to affect about three percent of the population, when you look at the Estimates and you look at retail sales tax increasing by 25 million. All I have to do is look at my own business. I know I'm selling fewer cars than I did five years ago and yet the tax being collected by the province as far as the retail sales tax is concerned has almost doubled, yet my volume is down. That's benefiting from inflation.

You've got personal income taxes up 48 million. The government, Mr. Speaker, I submit is benefiting from inflation, and since we don't have that many rich people in the province, it's the average person paying for these increased costs. The burden of taxation is with the average person and I think the average person is beginning to realize that something should be done with regards to the increased expenditures.

So, Mr. Speaker, with those few words I would like to reiterate that the people of Manitoba will be paying more through taxation because of the new Budget, it's the average person that will be paying it, and there doesn't seem to be any relief in sight for the property owners, for the people that are renting or for most of the people in the Province of Manitoba.

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MR. SPEAKER: The Honourable Member for St. Matthews have a question?

MR. WALLY JOHANNSON (St. Matthews): Yes. The honourable member mentioned a deterrent fee within the medical system. Is this a policy now of the Conservative Party? Would he mind telling us?

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BANMAN: Mr. Speaker, if the member will check back into Hansard, I was asking if the Minister of Health had done a study on this. We over here, we've got one research person and we can't initiate that type of study, he's got a whole battery of people doing planning and checking into that particular portfolio. He's taking one third of the provincial Budget this year and I think it's time that these different avenues were explored and I would like to know if the Minister has done a study along that line.

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MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I must say that the debate that has been conducted to date by the members of the opposition remind me of a story about a senior lawyer who was addressing his junior lawyer in the firm, giving him some advice as to how to conduct cases. And he pointed out to his junior lawyer, if you appear in court and if you're strong in law but weak in evidence then stress the evidence and play down the facts. On the other hand, Mr. Speaker, if you're strong in facts but weak in law, then play up the facts in your case and play down the law. But the senior lawyer pointed out to the junior lawyer, if you're weak in both fact and law, then ignore both fact and law, pound your fists on your counsel table and shout and rave. Well, Mr. Speaker, in the same way the opposition in their criticism of the budgetary proposals which we have before us have conducted a campaign of negative thinking and much less than accurate fact in their analysis of the details of the Budget before them, and their logic certainly is much to be wanted.

The first item of criticism that the opposition repeatedly referred to in this debate as in earlier debates, is spending. An effort to - as the Honourable Minister for Mines and Resources pointed out the other night - to sell snake oil, misrepresentation to the people of the Province of Manitoba, that in some way this government spends more than prior governments or governments in other provinces in Canada. Now, Mr. Speaker, in 1959 through to 1969 the information at hand shows that the increase in government expenditure by the Roblin regime and then later the Weir regime increased from \$80 million to \$350 million, an increase of approximately 400 percent. During the period, Mr. Speaker, from 1969 to the present, spending has increased by this government from the \$350 million figure to a little over \$1 billion figure, approximately 300 percent. So the increase in spending has been pretty well identical insofar as the prior government was concerned compared to the present government, despite the fact, Mr. Speaker, we have more inflation to contend with than they ever had to contend with during the decade that they were in power in the Province of Manitoba. And also, Mr. Speaker, it's interesting that they very deliberately ignore spending by other Tory governments throughout Canada. The fact is, Mr. Speaker, that the spending per person in the Province of Manitoba is the second lowest in Canada. And do you know, Mr. Speaker, that every Tory province in Canada spends more per person than the government of the Province of Manitoba, so that, Mr. Speaker, if we're spending wildly as suggested by the members of the opposition, then other Tory provinces in Canada are spending money like drunken sailors.

The fact also remains, Mr. Speaker, when the opposition talk about taxation, who, Mr. Speaker, introduced the five percent sales tax, who, Mr. Speaker, introduced the 204-dollar medicare premium tax in the Province of Manitoba? It was the Conservative Party as government, good old days, Tory government in the period from 1966 to 1969, a little less than three years, they increased taxes in the most hideous and regressive way that the people of the Province of Manitoba have ever suffered from.

Mr. Speaker, I want to also mention that if we were to follow the lead of the Conservative Government in the Province of Ontario and were to increase taxes in Manitoba in the same manner, in the same manner as the Conservatives in Ontario have seen fit to increase taxes, then we would in fact be doing this. We would be increasing the sales tax in Manitoba from five percent to seven percent. We would be realizing, Mr. Speaker, from the increase of sales tax in Manitoba, included in our Budget, we'd be increasing the revenues received from taxation in Manitoba from families and from single persons by some \$142 million. Also, Mr. Speaker, if we were to add to that the Ontario increase in medicare taxation, we would be adding further revenues to the Province of Manitoba from families in Manitoba, so that between the increase in sales tax and the increase in medicare premiums we would be realizing an extra \$200 million this year in the Province of Manitoba - if we followed the practice and conduct of their friends, their political colleagues, their associates in that wealthy Province of Ontario just to the east of us.

Then, Mr. Speaker, there is much discussion about the fact that we have seen fit to selectively increase taxes, provincial taxes, and that is true. That is true, we have selectively increased taxes. We have not, as has the pseudo-Conservative government in the Province of B.C. going under the label of Social Credit amalgamation of all

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(MR. PAWLEY cont'd) . . . . sorts of Conservative groups in that province, negative groups, we have not followed their lead. We have not followed the lead, Mr. Speaker, of the Conservatives, as I mentioned, in the Province of Ontario, no not for a moment. We have not increased the lead of the Conservatives in the Province of Newfoundland that increased the sales tax to ten percent. We have not followed the lead of the Conservatives in the Province of New Brunswick that have seen fit to proceed, again ten percent sales tax in that province, no. What we have chosen is selective tax increases, and we make no apology for that, so those that are best able to pay taxes according to the ability to pay will do so. We make no apology whatsoever for having done so, Mr. Speaker, - ten percent in Newfoundland, ten percent in the province of New Brunswick.

Now what would Conservatives do in the Province of Manitoba? They are suggesting that they would follow a different course of action. I can only assume therefore, Mr. Speaker, because as certainly the other Conservative governments all across Canada have seen fit to increase different types of taxes, that they would do something somewhat similar, and if they did, then we could assume I think a number of different things would occur in Manitoba. First, it's obvious from their statements they would get rid of the property tax rebate program. I've seen them stand one by one across the way in this House, standing in opposition to the property tax credit program, and I think they to this day are opposed to the property tax rebate program. They have said on the other hand that they would provide more financial assistance to the municipalities in the Province of Manitoba, so they would be scrapping the property tax rebate program, I think that's clear from evidence before us, and they would be instituting a program of grants to municipalities in place of the property tax rebate program. What would the effect of that be? The effect would be beneficial to those with money, to those with the higher salaries, and detrimental to those with lower incomes and middle incomes in the Province of Manitoba, to the extent, Mr. Speaker, that - some examples: Those that are earning from \$5,000 to \$8,000 income in Manitoba with the average gross property taxes of \$320 would find that because of Conservative policy followed to its ultimate, if you switched the moneys that we are now paying in the property tax credit program to straight carte blanche across-the-board grants to municipalities, they would find, because there would be less money going to residential homeowners, we would find that the average 1974 tax credit received by people in that income group of \$187 would rather be \$96 under that system. Therefore, Mr. Speaker, we had those in the income groups of \$8,000 to \$12,000 with their average gross property taxes \$403 benefitting now by \$178, would find that they would benefit only by \$121 by carte blanche across-the-board grants in place of the property tax rebate program in Manitoba. So again, less for those of lower and middle income brackets. Who would benefit? Those earning \$20,000 and more would benefit, Mr. Speaker. So that those with \$20,000 and over with an average gross property tax of \$742 would receive an average 1974 tax credit, as they do now, of only \$149, would instead receive as a benefit from Tory policies \$223 rather than \$149, so they would in effect be some \$74 on the average better off under Conservative policy than under New Democratic Party policy in the Province of Manitoba. Mr. Speaker, the figures are all here. If you're going to use that money that is now paid out by property tax rebate program, pay it out to municipalities without selecting it, channeling it through to the residential owner, spreading it out to the entire tax base, there isn't of course the same amount of money that can be channeled through to the property holder because the commercial and the industrial owner receive benefits from that money that he does not receive now, so that Eatons and the Bay, and large companies and concerns would benefit as well if there is less money to go around, less to benefit the residential land owner.

Mention has been made about the Budget as not providing assistance to municipalities, and I appreciate the comments by the Honourable Member for La Verendrye when he acknowledged that the Budget did go part of the way, a good start in attempting to do something in assistance to the urban centres in Manitoba insofar as policing and urban assistance is concerned. Because we are faced with a problem now of negotiations with the Federal Government, eight of the Attorneys-General across Canada are involved in these negotiations with the Federal Government, in which they are attempting to relieve

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(MR. PAWLEY cont'd) . . . . themselves of some of their cost-sharing responsibility with municipalities for RCMP costing. The effect that this will be, if they do withdraw from some of their cost-sharing, will be that the urban centres will be heavier affected by policing costs than the RMs who now receive their policing costs totally free, and the communities 500 to 1,500 that receive some policing assistance. The Provincial Government has seen fit in this Budget to provide some beginning of police assistance to the large communities, so that, for instance the City of Winnipeg will receive \$1.1 million in assistance this year that they didn't receive last year for policing costs. And it amazes me, Mr. Speaker, that I hear a councillor in the City of Winnipeg the very morning after the Budget criticize the Budget, totally ignore the positive points that benefitted he as Finance Chairman, Alderman Gee of the City of Winnipeg, totally ignore the fact that the City of Winnipeg in this one area alone was receiving an extra \$1.1 million for the city coffers, totally ignoring that point.

There is another area where there has been additional assistance provided by the proposals in this Budget that have gone so far unnoticed, and that is assistance to those communities this year that have faced rapid population increases. Up until now the unconditional grants have been based upon the census figures of 1971 and those figures have been applied in the providing of unconditional grants each year since 1971. It's unequitable insofar as some communities are concerned: for instance, Leaf Rapids, population some 175 people, population now 2,500 and some still receiving grants based upon the population figure of 1971; The Pas population now some 2,000, higher now than it was back in 1971, but up until now still receiving grants based upon the 1971 provision. We have adjusted that, Mr. Speaker, to provide that there will be adjustments made in the interim in those communities which have suffered the greatest population increases in any one year to the extent that any community that's increased its population two percent or more will receive an increase in the adjustments in respect to unconditional grants. And it's benefitted the small urbans again, the communities in Manitoba that need the greatest degree of assistance because of rising mill rates based upon rising populations. I include among those communities The Pas, Brandon, Dauphin, Selkirk, Portage, and I believe Steinbach and a number of other communities, and the City of Winnipeg, have been affected by rapid population increases, but their payment of grants still committed to the 1971 census figure. We're basing the amount of pay-out on Manitoba Health Services Commission totals, which may not be totally accurate, it's the closest that we can come to at this point of arriving at the amount of moneys to pay to municipalities.

Also I would like to mention another point that I find rather interesting insofar as Conservative policy is concerned, and that is that the Conservatives have indicated in Manitoba as through their leader Mr. Lyon that they're not happy with universal social programs, and in a recent interview in Brandon the Leader of the Conservative Party used Medicare as an example, suggested there are people who don't care to buy medical insurance, so why force them? It concerns me, Mr. Speaker, that we would now in the year 1976 have reached a point when we would again be looking at the Medicare dispute, battle, of the 1966-1977 period. I thought that all Manitobans were proud of the fact that we have universal Medicare in Manitoba, and yet we have here hidden hints that if the Tories were ever returned to the Province of Manitoba, Medicare not so hidden, not hints, but Medicare would be dismantled as we know it today in the Province of Manitoba. Mr. Speaker, --(Interjection)-- Mr. Speaker, I saw no retraction, no correction in the Brandon Sun to this statement by the Leader of your party, so I can only assume that that statement represents Conservative Party policy in the Province of Manitoba today.

Mr. Speaker, also during the leadership campaign, Mr. Lyon is quoted in the Free Press in the height of that campaign when asked about public automobile insurance, indicated he'd return Public Automobile Insurance to competition, and refused of course to point out - in fact, Mr. Speaker, interestingly, he didn't stop with Autopac, he didn't only pertain himself to the specific issue of Autopac, but said as quoted in the Winnipeg Free Press, he said: "If I had a choice between a private and a public monopoly I'd take the private one because it's more efficient." So I would call upon the Leader of the Conservative Party, Province of Manitoba, to indicate if he has his choice as to whether

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(MR. PAWLEY cont'd) . . . . Manitoba Telephone, Manitoba Hydro remains a public monopoly or a private monopoly, if he would change it to a private monopoly in the Province of Manitoba. Very clear, he spoke not about Autopac here, but he spoke about all those institutions that he regarded as public monopolies in the Province of Manitoba. And let me say insofar as Manitoba Public Insurance Corporation is concerned, that if the Leader of the Opposition and the Conservative Party had their way, then what has happened in the Province of British Columbia with the advent of pseudo-Conservatives under the leadership of a son of a former Conservative, later become a Social Creditor for opportunistic purposes, that we would see the same steep increase in automobile insurance rates in Manitoba, deliberately connived, deliberately connived in an effort to discredit the public automobile insurance system. We would also find, Mr. Speaker, that those - and I think it should be pointed out very clearly, because there's no way that they can return to the competitive automobile insurance system without having this damaging effect - they would also ensure that those drivers 16 years of age to 30 years of age would find sharp increases in rates that would vary from double to triple to quadruple from what they are paying now, and even some more than that in the Province of Manitoba. And I would think, Mr. Speaker, that no driver, no driver in the Province of Manitoba would want to pay . . . the game of Russian Roulette, or the slot machine, to take chances with a Conservative Government that would end up costing him so much so that he could drive a car on Manitoba roads and know that he has proper financial responsibility in order to protect him from lawsuits involving injury or death. I would think that no-one would take that chance. The experience in B.C., the plain facts and analysis as to what it would particularly do with the driver 16 to 30, and the plain fact that the dismantling of the public automobile insurance system as we know it in the Province of Manitoba would mean again, no other way you could avoid it, that we would have thousands of uninsured motorists again driving the roads in the Province of Manitoba. That's what their policy would introduce to Manitoba.

MR. ENNS: Garbage. Garbage.

MR. PAWLEY: Mr. Speaker, if I am wrong then I wish they would tell me where I am wrong.

MR. ENNS: We'll tell you.

MR. PAWLEY: Instead of, as they have been doing, dealing in cliches and generalities and vague statements, that in some strange way, in some strange way, the private monopoly is preferable to a public monopoly and that's what they have said, Mr. Speaker.

So the plain facts are this: That the New Democratic Party Government in Manitoba, a party of social democratic philosophy, a party which is dedicated to attempting to bring about improvement in the human condition, in benefitting as many as possible through its social and economic policies, rather than a party that is the preserve of the few; has brought in a Budget which I think clearly reflects those positions. I have heard so many times leaders of the opposition attempt to inject scare campaigns in the House by referring to New Democrats as though they are dangerous, Marxist, on the road to communism. I think that at some point it should be pointed out to the leaders of the opposition that where authoritarian governments have come to power throughout the world, they haven't come to power following social democratic government. They have come to power because of conservative right wing regimes wherever they have occurred. One can take one country in the world after the other. And let me point out to honourable members that last year in Portugal, after 40 years of conservative ideology in Portugal, the Communists nearly came to power in Portugal, just about a thread's, just a thread from coming to power in Portugal. And what political party prevented the Communists from coming to power in Portugal? Was it the Conservative Party, was it the Democratic Center in Portugal? It was the Socialist Party in Portugal that prevented the Communist Party from coming to power. And country after country throughout the world, the lesson ought to be clear, that authoritarian government is --(Interjection)-- Yes. There's a comment, what about India? Do you know, Mr. Speaker, there are probably more socialists in jail in India today than any other country in the world. --(Interjection)-- If

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(MR. PAWLEY cont'd) . . . . we have problems in Africa, Latin American and Asia, it's not because of strong Social Democratic Parties, but it's because of the absence of strong and powerful Social Democratic Parties in those countries, that the alternatives are either of the right or of the left, one or the other.

Mr. Speaker, I don't like to exaggerate my comments, but I have watched and observed the Conservative Party and the policies that they present to this House, their criticisms of budgets, and I can only assume that the Conservative Party is dominated and controlled by the business and legal offices of Portage and Main. I can only conclude that. And I have no less authority than the former Leader of the Conservative Party during the last leadership contest in the Province of Manitoba, when he said very clearly that it was his concern that the Conservative Party was becoming the party of the business and legal offices of Portage and Main. Mr. Speaker, I say to the former Leader of the Conservative Party he need not have concerned himself about the fact that it was becoming the party of the business and legal offices of Portage and Main, it already is and always has been.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. JAMES R. FERGUSON (Gladstone): Well, thank you, Mr. Speaker. I listened with interest to the speeches this afternoon, both from our side and from the government side. And it seemed that we here are living in a heaven on earth. Some of us apparently haven't grasped the fact yet, or haven't learned to appreciate it, but we do have to take a look at the Budget and see what's going on. --(Interjection)-- Okay well, thank you, Mr. Premier. But looking at our expenditures for the year, I find that we're spending in the area of two billion dollars with the capital expenditures, plus a build-up of cash flow with the autopac, telephone, hydro, etc. So we're looking at a budget of well over the two billion dollars, the government control of this flow of money, and our gross provincial product is approaching about \$7 billion I guess. So it would appear that the government is going to control well over a third of the total cash flow of the Province of Manitoba, which in my estimation is a pretty good chunk of the action, and possibly just a bit more than they should be doing.

The Budget also claims that it's taxing the rich, and that the three percent surcharge will be removed. I don't think the tax, I've never seen one yet being removed once it's been imposed. And I don't think that this particular "soaking the rich" bit is just what it packs up to be either. I think that all the income groups, 10,000 to 15,000 are paying well along the way towards financing this free-spending government that we have. We find that we have a 40 million increase in taxes, whether or not they were needed, or whether or not they were justified. Again we have the socialist theory that if there's some money around let's devise some new way of taking it from the people, and we'll use it, we'll invest it for you wisely. This is their philosophy, this is their thoughts, and we of course on this side of the House do not believe in this. We believe that some of the money should be left in the hands of the individuals, that it should be used for capital expenditures to promote industry, to create employment, and put a little bit of incentive back into our people.

The Honourable Member for St. Johns always intrigues me. He stands up and says, "Where would you cut taxes?" Well, there are many ways that taxes could be cut. You people are the government. But he seems to feel that once something has been imposed and is operating, that there is no way you can cut back on it. As an individual or as a business, I think that at this time when our whole nation is striving to show some restraint in our spending, that we're falling as short as anyone in the Province of Manitoba. Our income is about 14 percent, our increase rather is about 14 percent without supplementary estimates, which of course will add to it, we have no indication of what they will be. And by the Premier's statement last night out in Riel Constituency that incomes are going to be divided up after they hit the two and a half percent or two and a half times the take-home pay of a person earning the minimum wage, well if we're going to be bound by a formula along this line, why I think that we may as well just go along and see what comes of this. It's another indication of this government of trying to kill the incentive, trying to neutralize the middle class, and I think they're doing a pretty fair job of it.



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(MR. FERGUSON cont'd)

I don't think they would have to go too far to just kind of solidify their plans. They can take a look at Britain now and see the position that they're in, a nation that survived two world wars. They have arrived at the stage whereby through strikes, through a loss of incentives, through excessive taxation, they have more or less neutralized their middle class. This year they're finding for the first time in many years that possibly some of the money should be left in the hands of the people. Possibly it could get some of the incentive back into the working people, that they might be able to produce. And Canada, unfortunately, federally finds themselves in the same position. Their balance of payments is worse than it's ever been, practically for the same reasons. Now in the Province of Manitoba, in 1969 we had 10 percent of our gross provincial product being taken by government. Today we have 18 percent. We've had an increase of 50 percent in civil servants. So consequently, with all of the talk on the other side about the economies and what they're doing for the people, to me it's starting to sound like too much spending and too much government. We are getting some of the projections of what we can possibly expect. I believe that our corporate income tax is down \$10 million dollars. I think this was a statement made here a while ago. I think that we're going to find a severe drop in our farm incomes this year. The inventory of grain is down drastically. And we have had, I think possibly in the last two years, two of the best years in farming. But that again has been neutralized by the fact that our cost of production has more than doubled in two years, right from equipment, right through fertilizer, labour, the whole bundle, pretty near down to our taxes.

Another thing to do would be to look at where the preference of tax spending is between a socialist government and a free enterprise government. I think we could look over to our liberal friends and say that their accomplishment in their years of office probably would be electrification of the province, along with possibly many other benefits. But they were spending \$50 million, I understand, in Mr. Campbell's last Budget. Conservatives in their period of tenure had a bit more to show for it and they had a few more dollars. Floodways, I think that Mr. Roblin's ditch, or Duff's Folly it was called which cost \$90 million; and the Portage Diversion, the heaviest flow in history going down the Assiniboine River, if the Red and Assiniboine had both met in Winnipeg without the benefits of the Floodway, I think it would have been well in excess of \$90 million in damage - plus the fact that we do have a little bit of satisfaction in knowing that we're not being faced by a flood every year.

Our road system developed by a Conservative Government was coming along, I would say possibly as well as any road system in the Dominion of Canada. Today we can't say that. Our PTH roads --(interjection)-- I can't hear the Honourable Member for Ste. Rose, but if he's talking about --(Interjection)-- Well, I was going to come to that, Mr. Premier. I was going to say that I would certainly like to compare my mileage of paved road against his since the NDP Government came into power in 1969.--(Interjection)-- I think there is one little piece of road even going north of, not Rorkton, but Toutes Aides or somewhere out there that --(Interjection)-- it leads to nowhere I guess, it's going out to somebody's cow pasture, maybe it's his, I don't know.

Our educational system, developed again under the Tory regime, was a good program, along the lines of many programs introduced by government. It maybe moved a little too fast. Boards were elected that didn't have the architectural skills, and I believe a lot of money was spent wastefully here, that each school had to have a different architectural plan. It added greatly to the costs, and I feel we could have gone a little softer here.

But now we can start looking at this government that are spending well in excess of a billion dollars, just in current revenues and expenditures. And where's their money going? What's their legacy going to be? I suppose they could say that their hydro development is going to be their big thing. But by the same token it's been mentioned here many times by our hydro critics of what is going on here - I'm certainly not an expert on the fact - but when you find all of the top executives leaving a corporation, or most of the top executives, when you find things that have been said since 1969 in this

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(MR. FERGUSON cont'd) . . . . House now coming true. There's only one way you find out, and that is when your hydro bills start coming in, when they start coming into the community halls and into the skating rinks and the curling rinks that aren't being used in the summer. They're still being charged. When you start dropping off the discount payments, all the little insidious ways of raising revenue without really trying to rile people up but still trying to take a bigger slice of the pie, and when we look at the fact that over a five-year period our hydro rates are going to go up almost 100 percent, I don't think this government can be very proud of their record.

Sure, we've seen a lot of money spent on social welfare schemes, we've seen a lot of money going into government businesses. Well what's the outcome of our social welfare schemes? I'm not critical of the people that require them, but I certainly am critical of drone society that we're creating, of people who have no intention of going to work. Our Federal Government now is talking about imposing restrictions on the unemployment insurance, saving the people a quarter of a billion dollars, in one fell swoop. Well why was the thing instituted in the first place? Their plan, something went wrong, or were they just buying votes. Much along the same lines as our present government here is doing.

We can take a look at our Autopac record and we can criticize the private companies. But by the same token, some of the settlements that we are receiving now, and I have one that I've had considerable amount of experience with since 1972, the settlement was made about 10 days ago. To me, it's a complete disaster. One of the injured persons, as far as I'm concerned, has been taken for a ride. There is no recourse, certainly they have the right of appeal, but it's already gone through the courts, and appeal again here would just require a further mortgage on their farm to carry it out. The only beneficiary would be the lawyers that would be involved.

Looking at other government expenditures, you saw them - there's McKenzie Seeds, supposedly operating freely in the province. McKenzie Seeds of course has the backup support of the government, telling all the Ag Reps etc. that any seed that is to be moved through their departments will have to be bought by McKenzie Seeds, no buying from Lindenberg's, no buying from any of the free enterprisers.

The general insurance, much along the same lines. It's competitive, except that all the government buildings have to be insured through the government. It doesn't come up for a competitive bid, it's just a matter of fact that this will happen.

Getting on to what is going to happen in agriculture with this Budget. The increase in truck registration is certainly going to have not too big an effect I suppose, but a 10 percent increase at any time has to be looked at. Something that nobody seems to be covering and the government seems to be soft-peddling quietly is the fact that there's going to be a five-cent increase on diesel fuel. Not a direct tax but a lesser refund, from 16 to 11 cents, which of course means that it's strictly a five-cent increase on diesel fuel. I would like to know what prompted the government to bring this measure in, because I don't feel that the agricultural industry along with the other costs that they have had to absorb are in a position to take this. It's strictly a matter of government again trying to get revenues which they possibly don't need, and the end result is going to be that the cost of production has got to go up.

And the Honourable Attorney-General a few moments ago gave quite a speech about the hydro rates, etc. and telephone, what the Conservative Government would do. Well all through the period of time since these utilities were formed, they were governed and managed by non-political boards free of government interference, and this is something that can no longer be said. Government now are definitely interfering in hydro, they have been for years; telephone to a lesser degree because there's not as much money involved. I was a little disappointed that the government didn't see fit to expand the rate on succession duties and estate taxes. I know that my honourable friends across the way feel that a lot of money is involved in a \$250,000 exemption. But when you start paying \$50,000 for a tractor, up to \$50,000 for a quarter section of land, why it doesn't take very long to get an estate that goes over that. In many cases of course there's a lot of money owed, mortgages, etc., but this is something that we just can't handle. Here

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(MR. FERGUSON cont'd) . . . . again I think that, as adopted in other provinces, at least a \$500,000 thing would encourage the small businesses, encourage the farmers to keep their units, they have been the backbone of our economy and of our agricultural industry.

We have a government there also that is committed to the supply-management theory. The latest of course is our Minister of Agriculture's attempt to buy the cattle producers' vote. They certainly were in a desperate position, they did require some assistance. But again this is possibly brought on by government interference in the first place and consequently I think that it's with us to stay. It's something that our friends across the way are going to be springing a vote on the public and the livestock producers to see if they would like a marketing board, it's in the report that we have. And the Federal Minister is also talking the same way, he feels that we should have supply-management in the livestock industry. If they do have, it will be a tie-in with what is going on in the egg industry, it will be a tie-in with what's going on in the dairy industry, two things that have shown even on a federal scale that if it works anywhere it certainly will not work, especially on a perishable product like beef or any of the rest of the agricultural products.

Now I would like to just say a few words about our Land Lease Program. I'm certainly not going to dwell on that, we have given it a considerable amount of discussion in this House. But I would like to touch very lightly on the fact that even when a Private Member's resolution is introduced into this House, which was done by the Honourable Member from Portage, saying that in one year that the farmer should be able to buy this land back providing he had a windfall and had the budget to do it, I took great satisfaction in seeing the fellows across the way who stood up so many times and spoke about the fact that they were doing something for the young farmer and he was going to get an opportunity to buy that land, and away they went. But I also saw them the other day when every one of them stood up and voted against even letting them buy that land in one year. They wanted to hang onto it for five years. They had nothing involved in it. They had an opportunity to get their money, they had an opportunity to get their interest, but they had one thing in mind, and that was control right from the ground up. We certainly know what the thoughts of our Minister of Agriculture are in every segment of the agricultural industry. We're going to have no surprises from him and we're not going to have any surprises from that government.

Again I'd like to say a few words about the flood situation in my area.

MR. ENNS: And they're responsible for that situation.

MR. FERGUSON: Quite likely Harry. But it seems to me that this is an area that has been overlooked in the province. The Assiniboine has been the major problem along with the Souris River, but I think that here's an area that's pretty deeply involved too, it represents right now a lake about 30 miles long and about seven miles wide. All of the water has to move through a small railway bridge at the Village of Woodside and I feel that this is something that will have to be looked into. I think there's only three choices. One would be to buy the land and leave the water in there; the second would be to cut a channel through the ridge to Lake Manitoba, and the third I guess would be compensation. Now I asked the Minister the other day about compensation. He said he didn't feel that the area was big enough. I realize that there are not that many people involved, but there is an awful lot of farmland involved and I would hope that . . . During the Question Period today he did indicate that they would consider the . . . if the area was large enough. Well I think now the area definitely is large enough. And we've, as I said, had a flash flood in the Town of Gladstone the other day whereby about 25 houses were damaged. About three or four of them quite seriously, the basements were washed out and this sort of thing. So I would hope that the Minister does reconsider and that this area will be taken into consideration for compensation along with the rest. The people in this particular area that we're talking about - it's not only my constituency, but the Member for Ste. Rose has probably got more land and more water involved in this than I have - but these people went through quite a trying period last fall and this is weighing very heavily on them. So again I would hope that the government will look into this.

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(MR. FERGUSON cont'd)

Now I don't think that I have a great deal more to say on this, Mr. Speaker. I certainly appreciate the rapt attention that my friends across the way have shown, and with those few words, thank you.

MR. SPEAKER: The Honourable Minister for the Automobile Insurance Corporation.

HON. BILLIE URUSKI (Minister for Manitoba Public Insurance Corporation) (St. George): Thank you, Mr. Speaker. I'm glad that I came into the House at this particular moment to take part in the Budget Debate, Mr. Speaker. I want to make a few comments on behalf of myself with respect to the type of debate that has been going on on the Throne Speech and the Budget Speech as presented by the Official Opposition.

They have made their arguments in a philosophic tone and tenure to the effect that there is mismanagement and squandering and that the government of the day should in effect reduce the costs to the citizens of Manitoba in order that the province be operated in an efficient manner. Mr. Speaker, the Tory Party has consistently argued its point this session on that basis, but they have not yet made concrete statements as to what alternatives and where the specific cuts, had they or would they have been in power, where they would make those cuts, should or would they be the government of the day.

They have indicated that they wished more drainage programs. The Member from Arthur gets up here and he wants assistance in the form of dams and drainage programs throughout southwestern Manitoba. The members across the way talk about increased assistance for senior citizens in personal care beds, that there's a lack of those units. They want all these services, and I don't blame them for that, but on the other hand they get up and they say that the government is spending too much. Mr. Speaker, the public of Manitoba, the people of Manitoba, are not as silly and not as stupid as the Tory Party makes them to believe they are. The people of Manitoba know that whatever services that this government or any government provides, it has to be paid for. The costs have to be met, Mr. Speaker.

The Leader of the Opposition in his remarks on the Throne Speech has indicated that they would reduce the costs, and there have been moneys misspent in a field of health care. Mr. Speaker, where are the areas - and I have not heard them to this day - where are the areas that the Conservative Party of Manitoba, where are the areas that they would reduce the costs? Would they do as their counterparts in Ontario? When they worked toward a reduction in acute care beds, what did they do in Ontario? They literally closed hospitals down, Mr. Speaker, throughout the Province of Ontario. That's how they would save money in Manitoba, Mr. Speaker. They would literally close down hospitals. Is that what the Tory Party is standing for in the Province of Manitoba in the way of saving health care costs? Close down the hospitals. Is that the policy?

Mr. Speaker, their party has consistently indicated that there are moneys misspent in the field of health care. Are they going to close hospitals down, Mr. Speaker? Are they going to abandon the programs of personal care beds? Are they going to abandon Pharmacare, Mr. Speaker? They have not stated where they are going to cut. Are they going to abandon day care, any of the programs in day care, Mr. Speaker. I believe that if the Tory Party are intent on forming the next government - and heaven forbid - of this province, then they had better indicate to the people of this province, if they want to be consistent, where they are going to cut costs. I believe that their present leader in his earlier speeches has indicated that he --(Interjection)-- their leader, not their House Leader, their leader has indicated, Mr. Speaker, that they would in effect zero in in the health care field. --(Interjection)--

MR. SPEAKER: Order please.

MR. URUSKI: The \$36,000 leader. --(Interjections)--

MR. SPEAKER: Order please. Order please.

MR. URUSKI: Mr. Speaker, the Member for Lakeside likes to make much out of the hospital situation with respect to the reorganization from acute care to personal care beds. We certainly are reorganizing it, but we are not closing I believe, what is it? 13 hospitals in Ontario were closed. Is that the policy that would be undertaken by

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(MR. URUSKI cont'd) . . . . . by the Tory administration? They want to cut costs, Mr. Speaker. Mr. Speaker, they consistently indicate that the cost of living and the taxes in Manitoba are higher, that it's the highest. The Member for St. James uses figures by saying, you are charging the people 268 percent more and all of a sudden you have raised that much taxes. Mr. Speaker, the fact of the matter is, in an analysis done between Manitoba and our neighbour, our great blue conservative neighbour, with respect to the cost of living --(Interjection)--

Mr. Speaker, the opposition party would like to use arguments continuously just looking at Manitoba. In perspective, Mr. Speaker, they don't want to look at what is happening across the country. They speak of the increase in taxes on the corporations and on incomes over, I believe \$20,000 or \$25,000 but they consistently forget that the Province of Ontario, Mr. Speaker, their two percent increase in sales tax. Mr. Speaker, it was consistently put here by my colleagues that had the Province of Manitoba increased the five percent sales tax today as was brought in in the middle 1960s it would have raised some, I believe, \$180 million, Mr. Speaker. But yet \$40 million, our increase in the Budget this year, and lo and behold the entire Province of Manitoba is going to fold and the business community of Manitoba is going to run away and close, sort of turn out, blow out the candle as we are the first and last to leave, Mr. Speaker. The fact of the matter is it is exactly the opposite. It is exactly the opposite.

I believe, Mr. Speaker, that the Conservative Party of Manitoba, if they are going to consistently campaign and indicate that they are going to cut costs, I believe that the people of Manitoba will want to know what kind of costs they are going to entail. Where are the cuts going to be made that you've said you have not yet --(Interjection)-- In health care, Mr. Speaker, are they going to cut out the critical Home Care Program? Are they going to cut the personal care bed construction within the Province of Manitoba? Mr. Speaker, are they going to cut out the Pharmacare Program? Are they going to abandon the Dental Health Care Program that has been instituted by this government? Mr. Speaker, I don't believe that they will, and I don't believe that they can sustain that position should an election be called at any time in this province. I don't believe that the Tory Party can say that, yes, we will cut costs, and cut spending but they will not be able to sustain their position because they know that the demand for services is ever increasing, that the people of Manitoba and of this province want the health care services that we have provided. Of course, there will be times that there will be problems when things are being done. There's bound to be problems when there is a thrust in any particular field, in a new and innovative field there will be problem areas, where will be mistakes made, there is no getting away from it. But I can tell you, Mr. Speaker, at least we are moving ahead. We are not standing still, we are not going backwards, we are moving ahead.

If the Tory Party is saying they are going to cut costs, then what they are really saying, Mr. Speaker, we are going to take this Province of Manitoba back to the 1950s take us back to the 1950s. Take us back to the health care field that they got backed into. All they have to do is go across the border, Mr. Speaker. I spoke to a gentleman, Mr. Speaker, who happened to be in a doctor's office just recently, Sir, and he indicated this: He was on holiday in the United States, and he said that he injured his ankle on a fall and he had to go for an X-ray and a bandage to a doctor's office in the U.S. Mr. Speaker, he said to myself - he didn't know who I was - he said that people don't know when they're well off. He said, "You know that bandage and that X-ray cost me \$168." \$168 for a bandage and an X-ray of that ankle. He said, "People don't know how well off we are with the medicare scheme that we have in this country and in this province."

If, Mr. Speaker, the Conservative Party is to be consistent I believe that they should make their announcements clear to the people of this province where in the health care field they are going to cut, or are they going to bring back the premiums, the flat medicare premiums, Mr. Speaker? Is that their position? Is that how they're going to cut costs, they will bring back the premium? Regardless of the wages that a person makes he will have to pay what? Is it \$214.00? But that's going back to '69,

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(MR. URUSKI cont'd) . . . . Mr. Speaker. Let's make it like Ontario. What is it? \$384 in a 12 month period. Is that how they're going to save money? Is that how they're going to help the little guy? Is that how they're going to help the little guy, the little guy, the guy who carries the lunch bucket, is that how they're going to help him? No, they're not going to take it out of the income tax, they will hit him over the head, as they say we are doing now, and charge him a flat medicare premium tax for health care. --(Interjection)-- Mr. Speaker, some of the members there now are saying that that is ridiculous. Well, Mr. Speaker --(Interjection)-- Your party, your colleagues, who have gotten up and spoken on this, they have made that very statement, Mr. Speaker, they have made that very statement, that there is excess spending in the health care field, that they intend to cut costs, but I have yet to hear how they're going to accomplish this.

Mr. Speaker, there have been comments made with respect to the operations of the insurance scheme in the Province of Manitoba: How has that accomplished any social benefits to the people of Manitoba? How has the involvement of the people of Manitoba in the insurance field assisted in the economic well-being of the people of this province? Mr. Speaker, we have up to this point in time been able to offer the people of Manitoba the lowest cost insurance, highest benefit insurance program anywhere in the country. On top of that, Mr. Speaker, on top of that at the end of this fiscal year there will be approximately \$20 - \$30 million of investment income from the motorists of this province in hospitals and schools of this province; that the amount of premium dollars, Mr. Speaker, of last year is in the order of approximately \$60 to \$70 million; the long term investment income that the motorists of this province are investing back into the Province of Manitoba in hospitals and schools will amount to between \$20 to \$30 million in long term investments. The motorists of this province are investing in their own province, to their own benefit. The economic well-being of this is just phenomenal, Mr. Speaker. There is just no doubt that the moneys pooled from the motorists of this province are being used to the well-being of every citizen of Manitoba, besides being able to operate a scheme twice as efficiently as any insurance scheme in the country, and being able to provide the highest benefits in the country.

Mr. Speaker, much has been made about the new licence registration premiums that every motorist will be hit. I believe, Mr. Speaker that the bringing into being of this type of a registration system, based on weight, will certainly bring more equity into the system of vehicle registration and will of course affect in the same manner as our two-cent insurance premium will affect the larger car users, the heavy gas guzzlers. The more they drive the more they will pay. If the vehicle registration is based on the curb weight of a vehicle it will make sense that the heavier cars who do burn and will burn more of our unrenewable resources will be paying more in the future, Mr. Speaker. Mr. Speaker, even the station wagons, if they are big heavy cars there is no doubt in my mind that they will use more gas. They weigh more, they use more gas and they of course will pay proportionately to the weight of their car in the new system. --(Interjection)-- No, Mr. Speaker, not as much as the Lincoln.

Mr. Speaker, the arguments have been made by the Member from St. James that income taxes, the amount of taxes being collected have increased substantially but the payments to the local governments and the benefits being paid back to the individual have not increased. Mr. Speaker, I believe that the Province of Manitoba has made every effort to allow the municipalities, the City of Winnipeg to be able to collect revenues that have been open to them. The province has bent over backwards in providing the avenues for the City of Winnipeg to collect what revenues could logically flow from within their boundaries but they have not. They have consistently wanted to come back to the Province of Manitoba for more funds while they have no or less attitude towards the way they raise their budgets and they don't want to have any limits put on the type of budgets that they wish to expend. They want to come to the province continually and have them pick up the tab regardless of the amount of money. Well, Mr. Speaker, I believe that there have been avenues open to them that if they wished to pursue that type of spending that is open to them to collect their own revenues.

The province has increased its property tax credit program to the benefit of the

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(MR. URUSKI cont'd) . . . . property taxpayer and, Mr. Speaker, I know that many municipal and school board and members of the opposition don't like this type of a program. I'll tell you why, Mr. Speaker. Because it really puts to light the actual actions of the local municipal councillor and the local school district as to how they are managing and how they are trying to control their costs, it puts it in the open. Their costs, their increases are out in the open as to what spending they are doing. Then comes in the property tax credit plan which shows the assistance that the province is giving. But it puts the local municipal councillor in full brunt of what costs they are levying on the local population. There are no hidden costs or hidden grants from the province that are off-setting this. All their full costs are put in the full view of the public. I tell you, Mr. Speaker, they don't like. They would rather that the province in some way provide them with millions of dollars of grants so they can say, look at the great job we have done holding down the budget. But that isn't happening, Mr. Speaker, because the benefits are going direct, the assistance that the province is providing is being provided directly to the taxpayer and not to the local municipal councillor or the municipal politician. It is being provided directly so that the local taxpayer knows exactly what kind of costs are being levied at the municipal level, and that isn't liked very much by the municipal councillors or the like because they are caught in the middle of showing their full costs and full levies that they are putting on the taxpayer.

Mr. Speaker, much has been made of the province's position insofar as how the province has handled its fiscal management, how the province has fared on the world market and the way that the province has managed its resources. Mr. Speaker, it is abundantly clear that the people of Manitoba have benefited over the last seven years by the prudent fiscal management of this government. It is abundantly clear, and it has been evidenced by the rating, that the province has gained on the world bond market, on the world money market. It has increased and it will in the long term and in the short term have favourable benefits to the province in respect to the moneys that it has to borrow on the world market.

I believe, Mr. Speaker, that this Budget that has been presented is, I would say, a very prudent and a very down-to-earth Budget, Mr. Speaker, that very few people, except the Tory opposition and some of the business community, wish to attack. I believe that the amount of money that the province is raising by this Budget is very low in respect to the amount of services being provided today. I believe that the support of the people of Manitoba for this government and the type of fiscal measures will continue, Mr. Speaker, not only when this Budget passes but, Mr. Speaker, when the election is called within the next year or two years down the road. Thank you.

MR. SPEAKER: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Thank you, Mr. Speaker.--(Interjection)--  
Yes, if the members wish to call it 5:30, fine.

MR. SPEAKER: I'll call it 5:30 and I shall return to the Chair at 8:00 p.m.