

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Friday, April 14, 1972

MR. SPEAKER: The Honourable Member for Riel has another 12 minutes.

MR. CRAIK: Mr. Speaker, I think I've pretty well concluded my remarks respecting, strictly respecting the Budget and the revenues and the expenditures associated with it. I would like to make a couple of more comments, one deals directly with the budgetary item namely the new school tax rebate system. Mr. Speaker, the Conservatives introduced a rebate system in the mid 1960s and I'm sure you're familiar with it as I was when I was first elected to this Legislature, and one of the things that I was able to do along with a number of other people that were elected in '66 was to persuade the former Conservative Government of which I was a member after '66 that they should -- that we should get rid of the rebate system, namely that it was an inefficient and backwards way of financing education.

The basic premises that there is really no substitute for a sound grant system for the financing of public schools' education -- under the previous grant system the \$50.00 rebate at that time in the mid 1960s was achieved by paying your tax bill and then billing the Provincial Government and they refunded your \$50.00. Well in getting rid of it we were able then to bring in what was a long step towards adequate educational financing through our grant system. That's when the Foundation Program was introduced into the public school system. And the Foundation Program at that time went a long way towards making direct grants to education but leaving a portion of the costs still on property taxes -- a very large chunk still on property taxes, much the same proportion that has existed over the years but reducing it by between 5 and 10 percent.

Now, the Foundation Program has been scuttled pretty well by this government. They've changed proportions but they have not kept up the amount of value in the Foundation Program where it paid the 80 percent of the total educational costs that it was supposed to. So now we've gone backwards from a good Foundation Program we've stepped back again to a rebate system; but the rebate system has now become even more awkward than it was before because a person is going to have to pay his school taxes in June or July or whenever he gets his bill, and then sometime after the first of January when he files his income tax he's going to have to go through and fill out the new 1972 income tax form which is 14 pages long. Mr. Speaker, there are any -- I don't know what proportion of senior citizens do not fill out income tax forms now but I am willing to wager that a very large percentage of people over the age of 65 or 70 do not fill out income tax forms. In fact I can name you the most of the people that are senior citizens that I know now do not fill out income tax forms. So what this new scheme is going to require them to do is if they do happen to still live in their own home, is to pay their taxes in June or July, go half way around the clock, at least six months until January or February and if they don't now fill out income tax they can get a form in January -- and it's a new form, it's 14 pages long -- and I don't think you're going to find many senior citizens that are capable of filling out that form. So their alternative is to go to an accountant to fill it out.

Now the question I ask is this - is all this nonsense necessary to get a rebate and how much money is involved? We don't know what proportion don't pay income tax; we do know that it's very cumbersome. Other than that, anything that puts money in the property taxpayers' pocket is a good system, there's no question about that -- except that the system that the government has chosen and the complications of the new Income Tax Act coming in in 1972 are going to make this a very very difficult job for a very large segment of the public; in fact it's the particular segment of the public you're trying to help that are going to have the most difficulty in getting the money back.

Now, Mr. Speaker, in the final few minutes, I want to bring up the matter which the Member for Inkster brought up yesterday or the day before when he spoke in the House on the Budget debate namely, what is happening in Unicity. The comments that the Member for Inkster made were that there are members of the new Unicity Council who would not be disappointed if taxation went up.

Mr. Speaker, when Unicity came in the Member for Inkster and the then Minister of Urban Affairs, the now Minister of Finance, went around this city, the two of them -- and they told the people of Winnipeg, this won't put your taxes up. As a matter of fact, as a matter of fact, Mr. Speaker, they said, look at our graphs, and they put their graphs on the wall, their bar charts on the wall, and there's their bar charts -- and it showed that there was in fact going to be a reduction in taxation after --(Interjections)-- after they applied the provincial grant and added it in, the bar chart showed - they never got up and said specifically, there's going to be

(MR. CRAIK cont'd) a reduction in your taxes. They said, but look at the bar chart -- we're going to pump some money in and that's what's going to happen. So you looked at the bar chart and John Doe citizen sat there and says, here's two honourable gentlemen, both Ministers of the Crown, they are telling us that this is what they're producing, this can't be such a bad thing.

So we had one other gentleman who knew something about financing, Mr. Elswood Bole who was on the Boundaries Commission at that time, and Mr. Bole stomped around behind these fellows on their tour and he put up his graph and he says, the cost is going up by 70 percent, and the Minister of Finance says, prove it. Give me your stuff and prove it. You cannot prove that the costs are going to go up. Mr. Bole presented it all, the amalgamation costs, the increase in services, the leavening effect when you bring several groups together of salaries going up, the increased administrative costs just through straight Parkinson's law, the whole works and he added it all up and he said, 70 percent and it's going to take you six years.

Well, Mr. Speaker, I contacted Mr. Bole after this remark. I said, what about this remark now that the Member for Inkster has made about the Unicity councillors. I said, how bad do you think it's going to be now and he said I was wrong; the cost's going to go up 70 percent but it's going to go up in 3 years; and I says, he's blaming it on the Unicity Council. And he said, well you know, isn't that just characteristic. He said, you know, I've tried for months to tell the Member for Inkster and the Minister of Finance when they were trying to sell this around the City of Winnipeg that their costs were going to go up by that much.

So now the Member for Inkster opts out and he says, there are those on the Unicity Council who would not be disappointed if taxes went up. So again he pulls off one of these shades, the same as they did when they showed their graphs up on the wall that showed that the taxes were going to in fact be relieved providing, you know, that things stayed fairly steady and you got \$3 million of input from the Provincial Government, that taxes were going to come down. And the good people sat there and looked at it and said, well you know, maybe we should give it a chance. So now that it's happened the taxes are going up and the Member for Inkster recognizes they're going up -- he says, don't blame us blame those Unicity councillors, there are those on the council who will not be disappointed if the taxes go up. Effectively saying, Mr. Speaker, that there are members on the Unicity Council who are purposely trying to put the taxes up. Mr. Speaker, a statement like that should not be allowed. It shows the level of responsibility and it shows the shallowness of the Member for Inkster's argument that he generally uses -- if you elect me, I do what I think should be done after four years; if you don't like me, kick me out.

Well he's been in here as a Minister not three years, and he's already fallen off it. He's taken a line of attack on Unicity -- he says it's good for you, it won't hurt your taxes, and if you believe those charts your taxes will go down; and now when he sees trouble, don't blame me, blame that other guy. Maybe there's an election coming up, maybe he's getting worried. Well it's very unfair and it's again the height of intellectual dishonesty for the Member for Inkster to blame anyone but himself for any increase in taxes that might occur in Winnipeg. Every sane management person that knew anything about public administration predicted that taxes were going to go up and it's not the fault of any Unicity councillor whether he's ICEC, NDP or communist. It's none of them. They're doing their best to keep it down and it's damned unfair for him to accuse any one of those people for deliberately -- deliberately not paying attention to the taxpayers' desires of keeping the taxes down, and he should withdraw it.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, we've listened to many valid criticisms of the Budget calculations made by the Minister of Finance, particularly those presented by the Leader of our party, the Honourable Member for River Heights. And we've also listened to and noted the questions raised by the Honourable Member for Morris in respect to the optimism of the Minister in his statement in relation to -- and I use his terminology -- the value of agricultural output which he indicated was \$553 million in 1971.

But, Sir, I wish to confine my remarks on the Budget presentation to that section of the appendix -- and the Honourable Member for Riel has already mentioned this particular point -- but I think it bears some underlining and I would like to also give some opinions as to its validity.

Now in the appendix to the Budget, Mr. Speaker, the statement suggests that while the total direct public debt is \$597 million all but \$27 million of this amount is recoverable. So that the net public debt is only \$27 million or \$27.40 per capita. Sir, the amount of 570 millions

(MR. MCGILL cont'd) considered to be recoverable includes 118 millions advanced to the Manitoba Development Corporation and much of this total was expended in the form of loans to the CFI operation. Since this project was placed in receivership by the government, it is asking rather much of the public to accept that this is a receivable. The 570 million considered collectable also includes advances to the Manitoba Agricultural Credit Corporation. This total is \$41 million.

Mr. Speaker, the Minister of Finance would have inspired more faith in the total presentation had he provided adequately for accounts which might be classed as probably uncollectable. This questionable accounting procedure casts a shadow over the whole exercise and makes the calculation of the net direct public debt per capita of \$27.40 somewhat meaningless. Sir, no estimate of the addition to the net direct public debt for the year ending March 31st, '72, that is the year which has just been concluded, no estimate of this increase in the public debt is given because this is not obtainable at this time. We understand that a figure for the fiscal year just concluded will not likely be available till perhaps in July so that it's not possible to estimate even in general terms what any increase might have been in the year just concluded.

But, Sir, the capital requirements for the coming year are set out in detail -- that is the year '72/'73 -- and these total, according to the Budget appendix -- \$393 million. If it can be assumed that all but the amount listed on Schedule C is in the nature of a self liquidating debt, it would mean that the net direct public debt would increase by 92 millions, Sir. So let's assume, let's take the best possible interpretation of these figures and assume that there was no increase at all in the net direct public debt between March 31/71 and March 31/72. Now I admit, Sir, that this is quite an assumption to make but let's assume that that happened. Let's assume that the \$570 million of public debt shown as outstanding on March 31/71 is all collectable. Remember of course that it does contain somewhere in the nature of 90 millions of dollars to CFI and considerably large loans in the agricultural credit section. Let's assume that the best possible result does come to pass and then, Sir, the net direct public debt at the end of this fiscal year, that is March 31/73, will be at the minimum, 120 millions of dollars or roughly three and a half times the present debt. Sir, how does that seem to you, and increase of 350 percent from the end of March 31, 1971?

But lest the honourable members opposite feel that this dramatic increase in the net public debt of the province might tend to raise doubts in the minds of the electors about the spending habits of the NDP Government, I have some encouragement for them. I'd suggest not to worry because honourable members, the Minister of Finance says -- been well aware that the spending, the capital supply requirements for this year will not appear in the Budget of this province until 2 years from this date or approximately this time. So we will know whether my estimate of what has happened to the net direct public debt of the province -- and I suggest that it will increase by say, to 350 percent -- we'll know by that time, but that's two years away.

So I would think, Sir, that it is a safe prediction that the First Minister will not call a general election following the Budget presentation of 1974. I would think it would be safe to predict that that election would be called before that Budget presentation which will reveal the total increase and the net public debt of this province at the end of March 31/72.

Mr. Speaker, a day or two ago the House Leader, the Honourable House Leader announced that Capital Supply will be the next subject of debate following consideration of the Estimates of the Department of Agriculture. I recall the debate on supply estimates which took place last year and particularly those details in capital supply for the Department of Health and Social Development which applied to projects in the Brandon area. The Minister indicated in response to questioning from this side that \$150,000 had been included for a building grant to ARM Industries in Brandon. And another item of 1.5 millions for a new correctional institution in the same area. Sir, these provincial grants were announced from time to time through the media by the Minister of Industry and Commerce during the ensuing months and this led to a great deal of anticipation on the part of the citizens of that area, and particularly to those citizens who contribute their efforts to the advancement of the rehab industries workshops. They have been ready, for some time with plans for building and have become somewhat disillusioned by the failure of the government to make good on this building grant after its announcement. Mr. Speaker, I wonder why this money has not been available to them since it was approved nearly a year ago. As to the other approval for the Brandon area, that of the new correctional institution, which amounted to 1.5 millions and for which approval was asked and received eleven months ago, so far as I am aware no progress has been made. So far as I am

(MR. MCGILL cont'd) aware no site has yet been acquired for this new facility as we enter this new budget year.

Mr. Speaker, one of the self-liquidating items contained in the list of capital requirements for 72/73 is 40.5 millions for the Manitoba Development Corporation; this is a Crown Corporation for which the Minister of Industry and Commerce accepts the responsibility and which at the end of 71 acknowledged a debt to the government of 118 million. I would like to examine the activities of this corporation insofar as this is possible with the limited information provided by the Minister, and to try to relate its lending patterns to the economic policies of the government, or to the industrial strategy of the government, as the Honourable Member for Crescentwood describes it. Probably the most recent statement of the Minister's philosophy in this regard is contained in his foreward in the annual report of his department for the year March 31st, 71. This document, Sir, that was distributed on March 22nd in the House. I would like, Sir, with your permission, to compare the refined guidelines of its economic development activities with the recommendations of the Economic Development Advisory Board which was presented to the Standing Committee of Economic Development by its chairman, Dr. Baldur Kristjanson on June 10th of last year. First, Sir, the refined guidelines of the Minister of Industry and Commerce. He suggests that these should be the criteria, and by and large they are very worthy criteria in our view, first he suggests that industries that should be attracted should offer good wages, and with this we would certainly agree. Secondly, he suggests that it should be interesting and intrinsically satisfying work, and here I am paraphrasing, and I hope the Minister will accept these short summaries of his remarks, but here again it should be pleasant interesting work and again, Sir, we would certainly agree. They should be industries in which there is a limitation to the degree of pollution offered to the environment - and no argument there, certainly. And fourthly, they should be industries which have minimal indirect costs, and he describes the costs of infrastructure services as being those which should be minimal in the location of industries; it should not present and offer an additional burden to the taxpayers of this province if this can be avoided in the attraction of new industries, which is an acceptable criteria. And fifthly, the Minister suggests that it should fit his conceptions of regional development growth, and this, of course, supports and develops the concepts and the recommendations originally brought to this House in the TED report, and certainly supported by the members opposite.

Well, Sir, these are the hallmarks of the new and selective growth approach to industrial development in the province as stated by the Minister of Industry and Commerce. And certainly, Mr. Speaker, there is no quarrel with the report for what it says, but I suggest, Sir, that the report is more noteworthy for what it doesn't say. I wonder, Sir, what has happened to the basic requirement of any industry that it at least have a reasonable hope of becoming financially viable and self-supporting. Does the Minister no longer instruct his development arm, the MDC to assess the chances of the loan applicant being able to repay his loans through the sale of his product? Or is this primary guide to economic development an outdated concept in the new refinement? Is it approved capitalistic concept to expect loans to be repaid?

Let me now, Sir, in comparison to the above briefly summarize the priorities of the development programs for the province as they were outlined by the Economic Development Advisory Committee. There is a certain similarity here, and I trust that the architects of this report will not argue with my paraphrasing, but I very briefly have noted them as this. These are the priorities: that there should be ecological control above all other things, and that we should be careful in attracting industries which do not fit into this primary and important concept. The committee, the board suggests secondly, that we should support the idea of a optimum economic growth rate, and they go on to suggest a number of criteria by which we can determine and promote a rate of growth that is economically an optimum for the province.

Thirdly, that we should attract industries making use of certain distinctive advantages which Manitoba possesses - and I would say "Amen" to that, Sir, because this in our view is one of the very basic and primary priorities to attract industries which are going to have some distinctive advantages when they arrive here and begin to manufacture and sell their product.

They suggest as well that there should be a high priority to the systematic encouragement of tourism and recreation, and we have spoken, strongly, during this debate in support of that concept.

And fifthly, the Economic Development Advisory Board encourages skilled labour intensive enterprises, which is an acceptable and desirable guideline.

(MR. MCGILL cont'd)

But the sixth point, Mr. Speaker, is the one which I think departs from the sort of text that has been established by the Economic Advisory Board and which we should look at rather carefully. And here they depart from the five positives that they have offered as a guideline and they are now saying, in a negative way, that the Province of Manitoba should avoid deliberately attracting into Manitoba with special financial incentives of assistance the kinds of industrial enterprises which are characteristically unstable, boom or bust industries, or whose activity levels are entirely determined by decisions made outside our province. And, Sir, note this next sentence, the aerospace industry comes to mind as a particular example of this kind.

Mr. Speaker, there are other recommendations by the Advisory Board - I think they are also worthy of note - but I want to stop here and speculate on why the committee thought it necessary to convey a warning to the Minister as to what he should specifically not do in their judgment. Was it because they wished to be on record as against the decision which the Minister had made to encourage a particular aerospace industry to relocate from eastern Canada into Manitoba? Was it their desire to wash their hands of the responsibility for a direction the Minister had decided to take in spite of their warnings? Sir, I think it was, and I would like to read from Hansard the comments made by the Minister in respect of this report of the Economic Advisory Board. This is from June 25th, 1971, Page 2199, and it was on that memorable day when the members opposite were celebrating their second birthday in office, June 25th, 1971. "And the Minister" and I am listing this paragraph from the bottom of Page 2199 said, "Just going along, Mr. Chairman, let me make a brief comment to the Economic Advisory Board. Some members queried why the particular report of that board didn't, you know, more or less repeat some of the policy statements that I have made or other members of this Cabinet have made with respect to economic development. Well the fact is, Mr. Chairman, this board although headed up by a civil servant as a chairman, is a board of citizen members; is made up of businessmen -- there is an economic professor, somebody who has been on a co-op movement, I believe -- there's a trade unionist and so on. This is a cross section, a small cross section of citizenry who are interested in economic development. And this report was their report -- and I can accept many parts of the reports; and there's other parts you know that I can't get that enthusiastic about, but that is their report. That report, I can tell you categorically, Mr. Chairman, that that report is not my report. It's not the government's report. It's not a report that I tried to exercise any veto or right over; in fact the reverse is the case. We expected the board to issue the report they want to issue, and frankly I was as interested to hear some of the remarks of the chairman as were other members on that committee. So because the particular board, which is an advisory board, which indicates, which provides some suggestions with respect to economic development in this particular instance, because they make suggestions that are not entirely in keeping with the suggestions that I have made in the past, doesn't mean that there is anything amiss here. That doesn't mean that there is a lack of consistency."

Mr. Speaker, I think that indicates that the minister is not accepting the report of the Advisory Board in its totality, and I suggest and expect that the particular part of the report that he didn't like was the one in which there was a warning that we could not be involved in the aerospace industry.

Your Honour, you are aware that I have, from time to time, during this session, attempted to obtain information from the Minister of Industry and Commerce on the activities of Saunders Aircraft Limited at Gimli.

I have asked the Minister to tell the House how many aircraft Saunders have sold and delivered. Information which the Minister should have at his finger tips, but he has avoided a reply in the House by suggesting that an Order for Return be filed. Well, Sir, at the time I asked the question he needed only one finger tip to give me the answer. I hope that shortly the Minister will be able to announce a hundred percent increase in sales when Saunders hopefully delivers a second aircraft to South America.

In order that the House may fully understand the great disadvantages which this aerospace industry faces in the highly competitive aircraft sales markets of the world, I think it's necessary to describe the products. The Saunders ST 27 Manitoban is described as a 20-passenger turbo prop conversion of the 4-engined DeHaviland Heron. It is intended for feeder-line and air-taxi work, and it is the concept and the dream of an engineer from deHavilland

(MR. MCGILL cont'd) Aircraft in the U.K. named Mr. Saunders who came to this country some years ago and began his operations in Ottawa. He had some difficulties there and moved his base of operations and further financing was required, and it went through a period of difficulty which is not uncommon to aerospace industry. He knew that he had a basically good airframe and he had an idea that he could hitch it up to one of the best turbo prop engines that Canada has so far produced, and that's the PT-6 that Canadian Pratt and Whitney Company have produced, the PT-6, probably the PT-6A that is used, that he intended to use and is using in the ST27. His idea was, Sir, to remove the 4 reciprocating engine power plants of the deHavilland Heron, use the basic air frame with some modifications, and replace the power plants with two turbo prop units of the PT6A that I have mentioned.

As I suggest, Sir, the Heron air frame has been an excellent one. It is now obsolete, but it did an excellent job in the original configuration with the four engines. I should suggest to you that conversions of this type are fairly common in the airplane industry, and the main idea, Sir, is to increase the power and thus increase the speed of the aircraft, and this was the intent of the ST27. The conversion is essentially a second guessing of the designer. Another engineer decides that he can do a better job with the aeroplane than the original designer was able to do through the installation, usually of a bigger and more powerful engine or more than one. But I regret to have to report, Sir, that most of these conversion attempts in the past -- and there have been many of them -- have been rather a dismal failure at the box office. The increased speed, which is so much desired, brings increased weight, and it also brings increased stress problems on the air frame; and this, in turn, produces usually high noise levels in the cabin. These are related to the increased vibrations which is produced by higher horsepower in the engine pods. And this may in turn suggest a shorter life of the air frame due to fatigues which will be increased by the increase of the vibrations.

Sir, the ST27 with its greater speed is asking the customers to accept the cabin noise level that is very high by modern standards. It is asking the air traveller to accept a cabin, a cabin width which is less than that offered by the principal competitor, the Twin Otter, and it's asking the buyer to accept the conversion that may well develop problems due to vibration and air frame fatigue problems.

For these reasons alone, Sir, I would suggest that its sales possibilities are rather bleak, and it is time to have this whole operation evaluated by a qualified aviation consultant and an independent opinion obtained as to the viability of the product. Until the aircraft has a valid FAA, that is the United States Certificate of air worthiness, the major markets of the world, Sir, for this aircraft remain closed. A few days ago I asked the Minister in the House if the ST27 had obtained a U.S. certificate of air worthiness. He replied the following day that the application was in process. Mr. Speaker, the same words were used on July 10th of last year in an article in the Winnipeg Free Press describing the status of the U.S. Certificate of air worthiness application.

Mr. Speaker, no information is obtainable on the extent of the financial aid extended to the purchaser of the aircraft sold by Saunders to Aerolines Centralo des Colombia based at Medellin. But it can be assumed that in order to sell a new and relatively untried airplane to a fairly new air taxi and feeder line operator that substantial loans would be necessary and no doubt these have been obtained through the export corporation at Ottawa. I think, Sir, that we have a very difficult combination of circumstances here. We have a new company starting up in Medellin and we have a new airplane to break in. It's going to get its first real tests under circumstances that combine two untried situations. Now Aerolines Centralo des Colombia was incorporated in August of 1971 and it became operational early this year -- I suspect when they received their first ST-27, Mr. Speaker. This company is well known in the local area and is composed of reliable businessmen of the city. They are capitalized, Mr. Speaker, at 2,600,000 Colombian pesos which in our language is about \$125,000.00. Now one of these units I suspect is worth approximately \$450,000 in Canadian funds and if the Saunders Aircraft Company succeeds in selling a second and hopefully a third to this company; if they are able to obtain financing from Ottawa through the Foreign Trade Development Corporation then I think that this company is somewhat underfinanced to undertake this kind of purchasing.

Mr. Speaker, I have tried to indicate to the honourable members present that this is an exceedingly difficult business in which to become involved, a highly complicated technologically constantly developing industry in which the sales area is very very competitive. And in this involvement of Manitoba Government funds in the aerospace industry I suggest to you, Sir,

(MR. MCGILL cont'd) having read the comments of the Minister in respect to the warnings of the Economic Advisory Board that the Minister is flying solo on this trip; he's flying in the face of a clear warning of the Economic Advisory Board to stay on the ground; and he's flying blind into weather that looks pretty difficult. --(Interjections)-- Mr. Speaker, in conclusion . . . --(Interjections)--

MR. SPEAKER: Order, please. --(Interjections)-- Order, please. Order! --(Interjections)-- Order!!

MR. MCGILL: Mr. Speaker, in conclusion may I say that the Manitoba taxpayers better fasten their seat belts because they're in for a very heavy landing, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I'd like leave of the House to announce some changes in the Standing Committees of the Legislature.

MR. SPEAKER: Agreed? (Agreed) The Honourable Member for Radisson.

MR. SHAFRANSKY: The Public Accounts Committee: substitute the name of the Member for Rupertsland for the Member for -- or rather drop the name of the Member for Rupertsland and substitute the name of the Member for St. Matthews. Public Utilities: there was one member short and the name of the Member for Churchill should be added. Law Amendments: substitute the Member for Flin Flon for the Member for Churchill. Private Bills, Standing Orders, Printing and Library: drop the name of the Member for Rupertsland and substitute the name of the Member for St. George. Statutory Regulations and Orders: substitute the name of the Member for Winnipeg Centre for the Member for Rupertsland.

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

MR. EVANS: Thank you very much, Mr. Speaker. --(Interjections)-- You know, it's not often that I agree with comments made on the other side, particularly by certain members in the opposition but I'd like to take this opportunity, Mr. Speaker, to quote from Hansard as members opposite have a good habit of doing and other members of this House are inclined to do and I'd like to make this quotation because perhaps it has some relevance in this case. Let me quote, Mr. Speaker, from Hansard, I'll give you the date, February 14th, 1967, page 1090. "They ignore" - we're referring to the opposition - "They ignore everything good that has happened in this province; they ignore the progressive legislation introduced by the government and paint only a picture of gloom and despair. Now the opposition has been doing this for some time, harping on the same themes and refusing to see what really has been taking place in this province. One is tempted to compare them with the three monkeys with their hands over their mouths, eyes and ears. They speak no progress, they see no progress, they hear no progress. But just take a drive through our province to see for yourselves what has been happening. It's full of bustle and energy and full of optimism" and I agree with that, Mr. Speaker. It's the tonic and perhaps it's the medicine that our opposition needs.

Now Winston Churchill once said, "Men occasionally stumble over the truth but most of them pick themselves up and hurry off as if nothing had happened." Now it seems to me, Mr. Speaker, that is exactly what has happened to the opposition in this House. If they do stumble on the truth of the great progress in this province they hurry off and carry on as before refusing to believe it and coming out with the same old criticism and the same old refrain because you see, Mr. Speaker, if I may digress what the Member from Brandon West has said today he has said before and indeed his colleagues have said in different ways and said the same thing before.

And I go back to this quotation -- "Now I'm not particularly worried if the opposition gets to believe their own speeches. They've repeated them for so long that this is bound to happen. But I'm concerned that investors outside of this province hearing the same melancholy refrain over and over again might begin to believe it as well. And if they do the opposition will have committed a great disservice to our province and to our people. I'm deadly serious about this and I advise the opposition that they have an equal duty along with the government to act in a responsible manner. Now it's easier to tear something down than to build it up as every child learns early in life but it's the builders that make this world a better place."

And I'm inclined to believe this quotation by the Leader of the Opposition the Honourable Member from River Heights. I am quoting from him -- if he wants to read it himself it's on page 1090 -- and I wish he would refer it to the Honourable Member from Brandon West who has having levelled a number of criticisms which are going to hurt industry in this province has decided to leave the Chamber. I don't know how much harm his speech has done today nor

(MR. EVANS cont'd) do I know how much harm the speech of the members of the opposition have done to Flyer Industries of last week. I've had some repercussions from the United States already. I'm not going to fault you, you're in the opposition; you can make all the criticisms you want, that is your job.

But I just want to tell you, Mr. Speaker, that what is good for one party is good for the other. It's fine to say it when you're in government -- and I think I have a responsibility that I'm doing my best to carry out, and I'm inclined to agree with the Member when he says it's easier to tear down than to build. And we are trying to build this province, and you're -- you may disagree but I say to you, gentlemen, the remarks -- and I say to the press -- the remarks made by the members of the Opposition -- and they've got every right to oppose and I will never deny that right to them -- but I simply say to them that some of their remarks have been verging on irresponsible in the last two weeks and have done some harm to Manitoba industry and I want you to know that that is the fact. --(Interjections)--

Now the Honourable Member from Sturgeon Creek I think said you know, well, you know we don't know what we're doing. I'd like him to talk to the member, his colleague who is just leaving the House -- from Pembina Constituency. You know, the Honourable Member from Pembina constituency knows that not only is Morden Foods thriving, creating jobs for people in his constituency, giving income to the farmers in his constituency but they're expanding. Now if you think we don't know what you're doing I'd please get that straight with your colleague the Member from Pembina, because if we took the ideological approach that government should have nothing to do with industry in this way even though it's good for economic progress in the province, then we should have let the Morden Food Cannery close down two years ago. We should have forgot about it. Canadian Cannery Limited of Hamilton said they would close it down, not that they weren't making money but they could make even more money by consolidating in Hamilton, Ontario. If I was the president of that company, Mr. Speaker, I'd have probably done the same thing; if that was my job as a senior executive in that company. It's my job to try to create jobs in this province and to increase the level of economic activity and to raise the standard of living of this province and we are not, Mr. Speaker, this government does not have ideological blinkers, we're prepared to use any technique that is available that will give jobs to the people of Manitoba. And I say, Sir, through the Manitoba Development Corporation we have given jobs to the people in Manitoba, we've given jobs to the people of the constituency of Pembina, we've given jobs to the people of the Town of Morden as we are trying to give jobs to the people of Gimli, as we're trying to give jobs to the people of Brandon, as we're trying to give jobs to the people of Winnipeg. --(Interjections)--

MR. SPEAKER: Order. --(Interjections)-- Order. --(Interjections)-- Order! --(Interjections) -- Order please. I should like to indicate to all honourable members we still have a day and a half -- they can all have an opportunity. Interjections are not valid; they're not fair. The Honourable Minister of Industry and Commerce.

MR. EVANS: Thank you very much, Mr. Speaker. The fact of the matter is that this government has engaged upon a new thrust. We are not afraid to use the Manitoba Development Corporation to engage in rural industrialization --(Interjections)-- and particularly I'm thinking of the Town of Gimli which has been very badly hurt by the decision of the Federal Government to close down the military base. Who can deny that? And the Town of Morden would have been very badly hurt by the decision of Canadian Cannery Limited. --(Interjections)-- And the Town of Brandon would have been badly hurt if we'd followed the advice that was of the policy decision laid down by the previous government to close the doors of McKenzie Seeds and lay 100 people off in the Town of Brandon. --(Interjections)-- That's what we'd have done if we believed your philosophy and your policies. --(Interjections)--

MR. SPEAKER: Order. Order. Order.

MR. EVANS: Mr. Speaker, this province has a number of difficulties to overcome in order to bring about economic development and we've had those difficulties for a number of years. You know because you say, my God, look at the people leaving Manitoba -- you know I've quoted these figures before and I can quote them again -- I don't have them with me but they're easily obtainable by anybody who wants to look for them -- people have left this province for decades. They left them under the Liberal regime; they left them under the Roblin regime; they left Manitoba under the Weir regime and they're still a few people, a few less but there's still some people leaving Manitoba. And there's some good reasons for this. --(Interjection)--

In fact there are fewer people leaving today than there was under the Weir regime as such

(MR. EVANS cont'd) -- I'm not going to say whether we should take the credit or not but that is the fact, and the fact is that there are some problems that this province has to face because we have a rural economy -- we have an agricultural economy that's undergoing adjustment because of technological change. But we're no different from Saskatchewan, from rural Alberta and from even rural Ontario. You can look at the census statistics, Mr. Speaker, and see that there's an exodus of people from agricultural Ontario to industrial Ontario and of course this is what's happening in Manitoba - people are leaving agricultural Manitoba to live in the City of Winnipeg, to live in the City of Brandon and so forth. And I say, Mr. Speaker, that this is a fact of life. The fact is -- the question at hand is how do we overcome the various problems of economic development, the real problems of economic development facing this province.

You know, Mr. Speaker, and I get highly annoyed with the opposition when they say, you know, you should be a businessman to be Minister of Industry as though you know only a businessman can understand economic problems. It's not good enough to teach economic development at university; it's not good enough to devote your life to as a professional economist being concerned with the economic growth -- you know, you've got to be a businessman. I would just ask the members to do a survey of the Ministers of Industry right across this province -- and you can start in Ottawa where the present Minister of Industry was a professor of political science, and I credit him for that, he's an able man. The Honourable Jean Pepin, the Minister of Industry, Trade and Commerce in Ottawa has been a professor of political science for many years and I think that he is doing his utmost and he's doing as good a job as anybody from any occupational group can do, so let's not think that you have to be a businessman to be a Minister of Industry. And I can point to other provinces, to other jurisdictions where the same situation arises.

The fact is you've got to have people to understand the fundamental economic trends that are occurring in your economy. --(Interjections)-- And I like to think that this government understands that. --(Interjections)-- We can't afford, Mr. Speaker, to have the ideological blinkers that the previous government had. --(Interjections)-- They had - their philosophy was economic growth at any cost. It didn't matter whether you flooded half of the northern part of Manitoba; whether you gave away half of the northern half of Manitoba to foreign unknowns; --(Interjections)-- it didn't matter whether you allowed industry to take place and to give millions of dollars worth of loans with no equity participation by those foreign nationals or foreign unknowns. --(Interjections)-- Development at any cost. Crude growth.

And I say, Mr. Speaker, this province can't afford to have those ideological blinkers of so-called free enterprise, so-called free enterprise that the former government had. --(Interjections)-- This -- what happened at The Pas, what's happened at The Pas under the previous government was what Phyllis Mathias referred to as disguised socialism in the sense that it was paid for by the people of Manitoba but the previous government did their damndest to make sure that nobody else-did their darnedest to make sure that the people were confused to think that there was some real foreign investment, some real foreign dollars coming into this province. I haven't seen one of those foreign dollars yet, Mr. Speaker, and yet this was supposed to be a wonderful development; we're doing our darnedest to make things happen up there and we've got 750 to 800 people at work but we recognize that project for what it is. Public investment by the people of Manitoba and darn it all, we're going to run it for the people of Manitoba to the best of our ability.

I'm glad the Honourable Member from Brandon West is back in his seat because I had mentioned earlier, Mr. Speaker, that it was easier to tear down than to build up. And I said that his speech along with members - certain other members of the Opposition last week has done I don't know how much harm to those particular industries that we're trying to get started.

Of course it's not easy to get an aircraft industry started in the Province of Manitoba at this time in the history of aviation. Do you think we don't recognize that? Of course it's difficult to sell in a time when the aerospace industry is in a relatively depressed situation. But, Mr. Speaker, we have faith in the possibility of developing industry in rural Manitoba. I would think honourable members opposite would agree that Gimli is in rural Manitoba. We have a commitment to develop pollution-free enterprise industries in the Province of Manitoba and I certainly think the aerospace industry is inclined to fit into that category. We're interested in high technology. You referred to the Economic Development Advisory report. Of course we're interested in developing high technology industry and again Saunders Aircraft fits

(MR. EVANS cont'd) into that category. We're interested in developing high wage industries in this province and again Saunders Aircraft fits into this category. As a matter of fact, Mr. Speaker, from every dimension the Saunders Aircraft Company Limited fits ideally into the kind of industry we want, rural industry, high wage industry, high technology industry gross industry and high wage industry. This is what we want. Surely we want it, surely the Member from Brandon West wants it, surely the Leader of the Opposition wants this kind of industry, but they're doing their damndest to destroy it before we even get it off the ground! They want to destroy they don't want to build and all I'm doing is quoting what the Honourable Leader of the Opposition told us and I think he was right in saying what he did to some extent but I'm not going to take away his right to oppose nor am I going to take away the right of the Member from Brandon West he's been for many years in the aviation industry and he reads the magazines and he knows what's going on and I congratulate him for it. But the fact of the matter is, whether your talking about Gimli or Morden, you can talk about it as adversely as you like but I say, Mr. Speaker, that some of these comments are going to do some irreparable harm. Now tell that to the people in Gimli when you run your candidate in the next election. I'd like your candidate to discuss your efforts to destroy Saunders Aircraft as opposed to our efforts to build it up on behalf of the people of Gimli, on behalf of the people of the Interlake region which has been a depressed region for years and years and years.

Now, Mr. Speaker, because I suspect it's because this government is not afraid through the Manitoba Development Corporation to take an equity position, to take responsibility, to take some ownership I suspect it's because of this that we're getting this flak. If it was a private enterprise, floundering around wherever they may be floundering around; if it was a private company that was having difficulty, nary a word would be said on the other side. We'll ignore all the difficulties that are occurring in the private sector and let's face it the statistics show that there are a high record of bankruptcies and failures right across Canada in the private sector. They'd be inclined to ignore it. Mr. Speaker, I'm suggesting that the members on the opposite side are still living in the 19th if, not the 18th century, when they're afraid to say yes, in order to help create jobs for the people of this province in order to create a higher standard of living for the people of this province, we're not afraid to put a few dollars of the Manitoba Development Corporation into an economic activity that's going to do the things that we want to do for our people.

Now I - as a matter of fact, Mr. Speaker, the Tories on the eastern side of our country are far more advanced and progressive than the Tory Party in the Province of Manitoba in this respect. The Tory Party in Newfoundland have taken off this ideological blinkers. The Tory Party, the Conservative Party in Newfoundland, the - pardon me, the Conservative Government, the new Conservative Government in Newfoundland does not dogmatically say that the only way to develop this province is through private capital and through so-called free enterprise. They recognize that there's a role for government. --(Interjections)-- They recognize that. Mr. Speaker, not long ago it was reported in the daily press of this province including one Winnipeg paper, the Winnipeg Tribune -- here it is, March 20th, "Newfoundland Tories to take over the paper plants". --(Interjections)-- There it is. "Two months' old Progressive Conservative government announced yet another takeover of the major industry here during the second election campaign of five months as it comes down to the wire," etc. etc. Well I won't go into the detail but they're taking it over. Why? --(Interjections)-- Why is the Conservative Government -- the newly elected Conservative Government -- and I wish them lots of luck because they need it. They've got difficulties in developing their province too. I would say that at least they've got the fortitude and the courage that this government has. We've got fortitude and courage to develop Saunders. It takes courage to develop an aircraft industry in this province and damn it all this government has got the courage to develop rural industry. --(Interjections)--

Mr. Speaker, the Newfoundland Tory government was not afraid to -- because it was in the interests of the people of Newfoundland, not for some philosophical reason but for a philosophical reason surely, or some ideological reason. They did it because it was good economic sense and I say, Mr. Speaker, we sustained the Morden Food Plant at Morden in the Pembina constituency for good economic sense; and we sustained and are sustaining the McKenzie Seeds Plant for the very same reason -- and they are making a contribution, they're making a contribution to the economic development of this province.

The Honourable Member from Brandon West and other members of the Opposition have

(MR. EVANS cont'd) a favorite kicking horse, namely the Manitoba Development Corporation, making references that we should have statistics on loans that have been unpaid; we should have more information on loans that are in difficulty and so on. The fact of the matter is, Mr. Speaker, that this government has been consistent with its promise of open government -- and I say particularly with respect to the Manitoba Development Corporation -- because we do issue quarterly reports of loans made and other kinds of financial assistance given to industry in this province and also with regard to equity positions.

This information was never available when the Honourable Leader of the Opposition was Minister of Industry and Commerce. Try to get any information at that time. You wouldn't even know that there was money in a Saunders Aircraft if the Conservative government was still in power, Mr. Speaker. You wouldn't know about it because that was verboten, that was a no-no. You don't ask us any questions about what the Manitoba Development Corporation -- don't ask because you're going to hurt industry. Don't ask and dare not criticize if you suspected that that information that there was some MDC money that came out via a receivership action or what have you. Don't ask because you're making it difficult for industrial development of this province and it's true, you are.

But the fact is we are publishing information and we're publishing it on a quarterly basis and we're prepared to make it available as industrial loans are made of any size and any significance. Wherever any industry is developed if there's MDC money and if the press knows and you can ask my friends in the press gallery, if they ask us is there MDC money in it, we don't hesitate, we don't say wait for the next quarterly report. We say, yes or no, and if the answer is yes, we tell them exactly how much money is involved. And, Mr. Speaker, that's open government. We're not afraid of telling you what we're doing. We're prepared to tell you what we're doing at the same time we're not -- we feel that we have a responsibility to sustain these industries as much as we possibly can and we are not -- we don't feel committed to give the Honourable Member from Brandon West every little ruddy operational detail of that particular company. Why should we?

A MEMBER: Because he's an MLA.

MR. EVANS: Because he's an MLA. Well I wish you'd have preached that to us when we were in the opposition because we couldn't get one little iota of information about the Manitoba Development Corporation. Read Hansard and you'll find out.

The fact is, Mr. Speaker, that while there have been some failures, while there have been some loans that have gone unpaid, that by and large the record of the Manitoba Development Corporation has been fairly good with regard to bankruptcies. And I gave this figure out before so it's old news, but taking it since it's inception the failure rate has been 3/4 of one percent which I think is even better than average private financial institutions. In fact maybe it's too good, Mr. Speaker. --(Interjection)-- Well, I know because I've talked to some bankers about this. That's how I know. I'm sorry you're disappointed, Sir, but that is how I know. --(Interjection)-- I've talked not only to bankers, I've talked to some businessmen who are in investment institutions. Mr. Speaker, I speak and associate with businessmen, business leaders of this province every day of this week including weekends quite often. --(Interjection)-- The fact is that the failure rate is very good, the figure is very conservative; in fact you could argue that perhaps it's too conservative, that perhaps we haven't been taking enough risk in investing monies of that corporation.

Mr. Speaker, I want to say this, that it's important however that we do not judge the Development Corporation or the efforts of this government in economic development because it's not only the efforts of the Department of Industry and Commerce, it's the efforts of the Department of Agriculture; it's the efforts of the Department of Finance; it's the efforts of the Departments of Mines and Natural Resources; and many other departments have a bearing on the over-all economic growth of this province. And I say that I want to at this time make it clear that we should not judge economic progress in a very narrow financial sense. When you look at the question of whether or not to develop industry, when government looks at this question they surely must look beyond a narrow profit and loss statement. Surely one does not wish to sustain a losing company. Surely we don't want to finance a loser but I say, Mr. Speaker, government does not need to look solely at profits; in fact it would be doing a disservice if it simply looked at profits. Because I suspect if we look simply at profits we shouldn't have put any money into the Morden Cannery, we should have perhaps used that money and invested it in some New York securities, if we wanted to look at profits only. But we're not looking at

(MR. EVANS cont'd) profits only. We're looking at social gains and we have to look at social costs. We have to look at the unemployment -- and again to use as an example, the Town of Morden, we have to look at the unemployment that would have been created here. We have to look at a lower income that the farmers would have earned. We would have had to look at a lower level of demand for services demanded of other types of supply industries in the province.

So I say, Mr. Speaker, government in its approach to economic development has to look at a much broader balance sheet. It has to look at a balance sheet that includes private and social costs and private and social gains and it's in this way that we should direct our -- it is this broad approach that all governments must take in order to adequately develop economically and socially society in which they have some jurisdiction over. --(Interjection)-- What am I going to tell you? --(Interjection)-- Mr. Speaker, I cannot be responsible.

The Honourable Member from Roblin, I believe it was the other day, raised the question yesterday - raised the question of development of a rapeseed crushing facility at Grandview. I can inform and enlighten the members of this Assembly that we did meet with people from Grandview over two years ago; we undertook a study for those people; we gave them a copy of the study and all our reports were at that point of time at least -- and I have no reason to see why the situation has changed recently -- at that time it would not be as viable to proceed with that type of facility in that particular location. As much as we'd like to see it developed, as we'd like to see any kind of rural development. --(Interjection)-- But the fact is, Mr. Speaker, that if that town chooses to ignore the advice of the economic consultants of the Department of Industry and Commerce and choose to hire a private consultant in Montreal that wants to charge them 20, 25, \$30,000 and take them around the world on a joy ride, that's their responsibility, Mr. Speaker, not my responsibility and surely not the government's responsibility. --(Interjection)-- I've told the delegation that and I'm prepared to tell the people that. We met with them, we prepared a report for them, we sat down with them and we advised them against it. --(Interjection)--

Mr. Speaker, I would say that the whole area of this type of development - the development of agricultural seed, crushing and refining, is an area that's still under active consideration. I know that when you're talking about rapeseed in particular there's some difficulty in western Canada at the present time in the oil refining business --(Interjection)-- and I don't know whether this is necessarily a good time or not.

However, Mr. Speaker, honourable members are causing me to digress. Since we are talking about specific towns and so on and I shudder a bit when the Honourable Member from Brandon West gets up and complains about a particular investment that this government has not made in the City of Brandon -- and members on this side just as well -- because, Mr. Speaker, the fact is and there's a reason for this and a need for this, you know, because the previous government really did neglect Brandon although it was represented by the Conservative Party for 25 years or more. It really was neglected, we must admit that. It really did need a First Street bridge. It really did require a new hospital; it's under construction. It really did require better water and sewer facilities that we were able to bring in via negotiations with the Federal Government and the Department of Regional and Economic Expansion. It really needed many of these things that are going on now and unfortunately the previous government did neglect the public infrastructure requirements of the City of Brandon. --(Interjections)-- I'm sorry to say that, but that is the case. --(Interjections)-- Well you know the lower road to Shilo, Mr. Speaker, -- they talked about the paving of the lower road to Shilo for donkey's years. --(Interjection)-- For donkey years they talked about it. But it had to wait for the Schreyer government to come along and pave it. Likewise with the First Street bridge -- I've been up talking to people in Hamiota and Souris and so on but particularly north of Brandon -- they're particularly delighted that we're going to have at last not only a replacement of the First Street bridge but a four-lane replacement of the First Street bridge with four lanes towards the Trans Canada Highway.

But I say, Mr. Speaker, I shudder -- you know we have spent or are spending or have committed over \$35 million in the City of Brandon -- and I shudder when the honourable member across the way in effect chastises us because there's a particular 100,000 dollar grant or something that hasn't been quickly forthcoming because I say to him, Sir, please don't kill the goose that laid the golden egg. Brandon, Mr. Speaker, the City of Brandon has truly become a growth centre, a very active growth centre in this province. In the last week there have been

(MR. EVANS cont'd) two important commercial developments announced, two large apartment dwellings involving in total close to \$4 million. This is private development. This is occurring I am satisfied, Mr. Speaker, because of the initiative that this government has taken in developing the City of Brandon -- the development that has been needed for many years, the development that didn't take place, development that was ignored by the previous government. We have -- never before did we have senior citizens' housing - not only in Brandon but that goes all across the province of Manitoba. --(Interjections)-- I am talking, Sir, senior citizens' housing - I'm not talking about personal care homes, I'm talking about apartment blocks, apartment suites for senior citizens - not a penny, not one red nickel, Mr. Speaker. But yet since we have been elected we have spent over \$2 million for public housing both for elderly persons and for families on low income in the Brandon area and it looks as though we are going to spend an equal amount in the not too distant future.

But we are doing this right across Manitoba - the people of rural Manitoba are recognizing that public investment is not a sin - that public investment can be very good for the growth of rural towns in Manitoba. In fact, you know, Mr. Speaker, some of the most significant things that have happened to the rural towns in Manitoba have been on the one hand the provincial employment program; the PEP money that has gone in to upgrade the quality of life to help community centers to be a little better; to re-build curling rinks; to rebuild agricultural society building. You know - this, on the one hand it's been the PEP money and on the other hand it's been the money put into that community through the Manitoba Housing and Renewal Corporation providing housing particularly for senior citizens in those particular towns.

If you go around this province and ask the people of the towns -- in fact, you don't have to go very far -- go to our provincial library and look at some of the rural papers, some of the weekly papers and you'll see a review for the year, the building permit activities for the town of Souris, for the town of Minnedosa, for the town of Neepawa; or pick any town that you wish anywhere in this province and you will find in most cases the most significant investment made in those towns to help to sustain those towns was public investment, PEP money and money through the Public Housing authority of the Government of Manitoba. And I say, Mr. Speaker, and the theme of my talk is, please gentlemen of the opposition, through you, Mr. Speaker, don't have ideological blinkers, there is a need for public investment in this province.

I am not saying that private investment is bad - we want all the private investment we can get and we are doing our damndest -- in fact we are spending 3-4 million or 5 million dollars a year in the Department of Industry and Commerce trying to encourage private investment in this province and I spend days every week trying to encourage private investment, so thank you, we'll take all the private dollars we can get -- but let us not say that public investment is bad without any qualifications, that public investment is useless.

You know it irks me too, Mr. Speaker, when you talk about an increase in the civil service as though everybody in the civil service was doing an unproductive or barren type of activity. You know, trying to persuade me - you know, you try to persuade the girl that cleans the floors in this building at night whether she is any less productive than the girl who cleans the floors in a department store in downtown Winnipeg. They are equally productive, they're equally providing a socially useful service. And it goes true for economic consultants in the Department of Industry and Commerce. The Honourable Leader of the Opposition can tell you - he knows, and he's always bragging about his previous department. The economic consultants there provide as useful a service, if not more useful than some of the private economic consultants in this province, so let's not get hung up on this myth because that's all it is. It's simply a myth when you try to infer as members of the opposition are always inferring that the number of civil servants or that civil service in itself is not providing a useful activity demanded by the people of this province.

Mr. Speaker, I frankly talked much longer that I was going to, but I really think that some of the messages that I've tried to get across to the Honourable Members on the opposite side -- I hope they were listening, they were in and out and so on, but I hope they were listening - will reach home and that they too will co-operate with the government of this province to make it a better place in which to live. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, it was my intention today to rise on the debate on the amendment and to make further contribution to the problems of the budget. I think it's rather appropriate that I have the opportunity of rising after the Minister of Industry and Commerce's

(MR. SPIVAK cont'd) presentation this afternoon and I think -- and I'm very happy that both the Premier and the Minister of Finance will have an opportunity of at least attempting to put on the record -- because so far it has not been put on the record -- the arguments against the basic proposition put forward by budget reply that the \$28 million of education tax credit is really a hoax, that although benefit is going to be provided for many people the amount of money that is to be shifted does nowhere near come near the representations that have been made by the government that it would be \$28 million.

Mr. Speaker, I want to if I may for a few moments talk about the Minister of Industry and Commerce's presentation. He quoted me at some length and I must assure him that I remembered that speech, I think it was the first speech that I made. I think it was the first speech that I made in the House and, if I'm correct, it was the first speech, other than trying to answer or avoid questions as a Minister is wont to do, particularly in his first year, I was concerned and am still concerned, and very much concerned about what is happening with respect to the economy, to job formation, to the industry, I do not think that the Legislature should be the forum in which people who are not in a position to answer are subject to charges with respect to industrial development or with respect to some financial matters in which the government is supposedly involved one way or the other. But at the same time, at the same time, I recognize as well that a great deal has happened since 1967 and if - I have to admit, Mr. Speaker, I admit it now that my thinking has changed, that there was a procedure that was incorrect during the years that we were in administration and that procedure to the same extent is being compounded by the government, and the uneasiness with which the Minister replied is the best indication and support for the position that I am talking about.

Mr. Speaker, I recognize that industries are forming in the province in which the government has more than just a loan interest - it has an equity interest. This is the policy of the government and it's not the ideological blinkers that prevents us from simply accepting that fact, it is because we do not have blinkers on us about the management capacity of the government and particularly about the management capacity of the Minister of Industry and Commerce. Now he has basically said to us on this side, and he basically said to the Member from Pembina, and to the member from Rhineland, that in effect if you questioned what was happening there, you know you may affect it, so therefore don't question it. We are pouring money into this particular project, we have indicated the amount of money, we do not have any obligation even though we have an equity or own it completely to tell you how much profit it is making, to tell you what the losses are, to give you any indication of what kind of projections are taking place. You must simply have blinkers on your eyes and accept that the management capacity is there and that it is in the hands of a capable person who is overseeing this.

Well, Mr. Speaker, --(Interjection)-- and we can look at annual reports. Well, Mr. Speaker, let me say this, what the Honourable Member from Brandon West did with respect to Saunders Aircraft is a very difficult exercise. It is not a happy exercise for him, and it is not a happy exercise for us, but it is an exercise that we intend to do in as great a detail as we can without an attempt to exaggerate and we will continue to do this until the government provides the proper forum in which information which legitimately should be presented is brought forward. Now so far as we can tell by the procedures of this House with respect to what has happened in the past with respect to the Standing Committee on Economic Development, the government will through its majority basically prevent the answers to very legitimate questions.

Now the Honourable Member from Brandon West has talked about the air worthiness of an aircraft because in effect, at this point, so far we have some \$3 1/2 million invested, or maybe even more, and the probability as based on every bit of information that we can find is that there is going to be a continual pouring of public money into a venture that at this point does not appear to be profitable, and does not appear to be profitable in the near future. Now at this point we are in this position. The Honourable Minister and even the First Minister will say, well we are telling you how much money we are putting in and that should be satisfactory. Well we can't accept that. What we have to know in effect is real information about projects, about guidelines, about goals, and we have to then be in a position to make a judgment with respect to the management, Now we do not want to harm industry in the smaller areas or in industry in Gimli in which a government investment has been put in, but whether it be Flyer Coach Industries, whether it be Saunders, whether it be about Symbionics, whether it be Morden Fine Foods, the truth of the matter is that the people of Manitoba have no real information; there is nothing that we have except statements and I would say, exaggerated statements,

(MR. SPIVAK cont'd) by the Minister of Industry and Commerce expressed in debate either in the House or in some public platform where he gets carried away with his own portfolio and his own responsibility.

Now, Mr. Speaker, we have already had an example in recent days of one imposter who worked in Brandon and that was Dr. Bohn, and I suggest that in many respects the Minister himself is an imposter. He's an imposter as a developer; he's an imposter; as a Minister of Industry and Commerce; and he's an imposter as an economist if he is prepared to suggest that we do not have to rely on any figure, or information, in which to make judgments and evaluation. As an economist he must of course, rely, he must rely on statistical information and data that is furnished, and we must have that information to be able to make some kind of judgment of what is happening. We cannot be simply prepared to praise the government, as they often want us to do, to praise them for the fact that they have located a speculative investment in a particular area. We recognize the very serious job of trying to find jobs in Manitoba.

Mr. Speaker, the Minister referred to the PEP program and I don't think we are going to quarrel with the PEP program but a PEP program means that you take a pep pill because there is something lacking in your system and you require it as an additional stimulant. Now we accept that. We have problems in Canada and we have problems in Manitoba, but pep pills are not necessarily a cure-all, they are only to take us over a period of time until we in fact, get back to a proper balance and realistically at this point, the government seems to think that Crown corporations and pep pills are going to be the only way in which we are going to have any new economic direction and I --(Interjection)-- the only way, the only way, and, Mr. Speaker, this comes out loud and clear.

The Minister is concerned that we may have talked disparagingly of a project that he personally is emotionally and intellectually involved. Now this becomes very important, Mr. Speaker, because I am now going to refer to what the Honourable Member for Winnipeg Centre said earlier today when he talked about believing. Mr. Speaker, he referred to my presentation-- he said I believe this, I believe this, and he said that the problem was that I was always believing and not stating assumptions. You know, it's not that way, Mr. Speaker. It's the members on the opposite side who believe. The members on the opposite believe that the Minister of Municipal Affairs knew what he was talking about about Autopac. The members on the opposite side believe that the Honourable Minister of Industry and Commerce knows what he's talking about about Saunders Aircraft and about all the other developments. The members on the opposite side believe that the former Minister of Mines and Natural Resources knew what he was doing about Lake Winnipeg. And the members opposite believe that the educational tax credit program that the Minister of Finance was providing was going to be a good political answer to accomplish their objective of both trying to eliminate part of the rise in the cost, and eliminate part of the cost of education on the real property owners of those who were in need but at the same time would also -- and I'd like to quote, quote the words of the Honourable Member from St. Vital: "We have also because of this stroke of genius reduced the burden of education tax on the property and at the same time put those on the ability to pay".

Well the truth of the matter is, Mr. Speaker, that in terms of the performance of the government and its management, its management and its performance has not been that good. The difficulties of Autopac are directly related to the operation and to the conduct of the Minister of Municipal Affairs. The problems with respect to the aircraft that we are talking about and of Flyer Coach Industries -- and I say this, Mr. Speaker, with some knowledge of what I am talking about -- to a large extent are due to the incompetence and mismanagement of the Minister of Industry and Commerce. The reason why we are going to have Lake Winnipeg regulation is because of the political collusion that occurred between the First Minister and the Minister of Mines and Natural Resources and the Chairman of Hydro and who, as a result, forced an additional burden on the people of Manitoba, and, Mr. Speaker, I suggest that the question of the competence of the government is at real issue.

Now, Mr. Speaker, we have two ways of handling ourselves with respect to the Manitoba Development Corporation. We can, if we want, make exaggerated statements which have to be answered, and this has been done by some other politicians, exaggerated statements that have to be answered in which the government then must because of the situation bring forward other information. And you know, Mr. Speaker, I must say that this has happened because if we trace the statements that have occurred by the First Minister and others with respect to matters in which the Manitoba Development Corporation has been involved, we always get additionally

(MR. SPIVAK cont'd) more information as a result of such statements. We have attempted not to do that, Mr. Speaker. We have attempted to try and be as level-headed and responsible as we can but, Mr. Speaker, we have been in this House already a month to five weeks. The Minister of Industry and Commerce has successfully avoided answering any specific questions on major problem areas. We are going to go to the Standing Committee on Economic Development, and there is no doubt in my mind that the plan is already in the works as to how they are going to do the snow job on the members there so that in effect we will receive very little information on what is happening.

Mr. Speaker, with respect to the Manitoba Development Corporation, because I'd like to talk about the Budget, may I say this, the time has come to wind up the Manitoba Development Corporation or as the Member from Brandon West has said, to wind it down. The original purpose for which the Corporation, or the Fund, was set up to a large extent has been met. The Industrial Development Bank is now loaning substantial numbers of companies and substantial amounts of money in this province. We have a situation where there are a lot of loans and it will take time, and this is why the Member for Brandon West's statement of winding down the MDC is probably a better one than winding it up. It will take some time. If the government as a result of its policy is determined that we are going to go into a situation in which there will be an equity investment, then I suggest to you, Mr. Speaker, that the House is the logical place for bills to be introduced, for such corporations to in fact come about, and for there to be a new method and not the present method in which there is reporting of the information so that in fact there can be an intelligent evaluation of what is taking place.

Mr. Speaker, this is reasonable at this time. I think this would satisfy probably most of the people in Manitoba who are concerned and confused and who may very well have an ideological basis for not wanting government to be involved, but I accept that there are certain situations which government has to get involved. And I want to talk about Morden Canneries for one moment, and one moment only, because I did deal at the time I was Minister of Industry and Commerce with the company involved and when I realized the amount of money that was paid by this government to that company - you know they're always worried about who are the marks, but I would suggest that the Minister of Industry and Commerce was the mark on this particular issue. And I think that it's about time that we recognized that the Manitoba Development Corporation has done its job - wind it up, provide a vehicle in this House where those enterprises that government is going to be involved in can in fact be incorporated within this House by way of legislation, that in effect there is a reporting system which will provide accurate information, and will allow us to discuss this in a more reasonable way. Because, Mr. Speaker, the answers of the Minister of Industry and Commerce to the statements of the Honourable Member of Brandon West, the uneasiness with which he made his presentation, the way in which he brought his standard reply as to what's happening at Brandon as sort of part of his speech, is the greatest indication that I have, and that we have, that the Honourable Member from Brandon West probably hit very close to the mark about what really is happening. And the question is, Mr. Speaker, realistically it's not a question that we want it run into the ground, but how much are we going to pour into these projects until they run into the ground, because this is the question that has to be asked.

Now, Mr. Speaker, the Honourable Minister of Municipal Affairs when he spoke on the Budget Speech talked about the proposition that we have presented, and have presented for some time, about cutting government spending and inherent in his speech was the suggestion that it was my feeling that what we have to do is cut down the spending, cut down the programs that the New Democratic Party have introduced in the last three years. --(Interjection)-- Well that was what the Honourable Minister of Municipal Affairs said, that we had said, and that I had said, that when we talk about cutting expenditures, is cutting down the present government's programming. Mr. Speaker, that was never suggested. I am prepared to accept that the programs that have to be reviewed are the total programs of government since the Roblin period began. There's no question about that. I'm prepared to suggest that many of those programs have outlived their usefulness - as I've suggested the Manitoba Development Corporation has - and I'm prepared to suggest as well, Mr. Speaker, that this kind of review is the way in which expenditures should be cut down -- and I want it placed on the record for the Honourable Minister of Municipal Affairs to understand, that I'm not suggesting it's the NDP programs, although there may very well be some programs that should be cut down. I am suggesting that what we are talking about is a review of government programs which will in

(MR. SPIVAK cont'd) fact see to it that there, in fact, a review which will see that no duplication occurs, that greater efficiency occurs, that in turn the redundancy occurs particularly - the redundancy that may occur because of the duplication of federal programs, and to be in a position to make government efficient. Mr. Speaker, that's a hard task. That task will require the energy and the enthusiasm of people who are going to be prepared to do that effort; and we face the situation today with a tax increase, with major borrowing, Mr. Speaker, for this year because to a large extent we did not have that opportunity to review this, because the government itself did not review it. And it's not because we do not recognize need, Mr. Speaker. Needs are there, they're continually changing; demands are going to be on government in this decade, and the decades to come, and are far greater than they have been before. The expectation of various groups are going to be higher. There are many people who have not had contact with government and do not know the availability of resources to them that are now becoming very much aware of that so therefore numbers will be increasing, and it's going to be impossible, Mr. Speaker, there's just not going to be any way in which government is going to be able to satisfy unless it goes through this continual process of revision, and the time had come last year and when we asked for it, the time had come this year, and, Mr. Speaker, the government has failed to do this and the rise of \$60 million in expenditure and the borrowing that's occurring in terms of \$90 million indicates this, and that's what our criticism is about.

Now, Mr. Speaker, the honourable members opposite, and someone mentioned this and I think it was the Honourable Member from Riel, live in a bit of a dream world. And the Minister of Municipal Affairs when he talks about Autopac in the House, on the public platform, and the radio and television, and when he talks about this, talks about it as if in fact there are no problems. That's everything's A-Okay. Mr. Speaker, that's far from the truth. Autopac has been a disaster for the government and they know it. It has not lived up to its expectations. The administration has caused difficulty for them and it's not A-Okay. The First Minister knows it, and others know it, but the Minister of Municipal Affairs doesn't know it, and I believe him, Mr. Speaker. He's like Walter Mitty, he's walking around in this dream world thinking that this is correct.

The former Minister of Mines and Natural Resources does not believe that people are concerned about Lake Winnipeg and he believes that his semi legalistic approach with the way in which he has been able to twist, you know, twist the approach, has been sufficient to be able to take care of the issue and in effect we as an opposition are not reaching the mark in that. Mr. Speaker, the Honourable former Minister is again off base and the time will come when we go to a general election, see how those people who are affected respond, because they will respond. --(Interjection)-- They will respond. The permanent residents and those people who are cottage owners, and they're going to respond in their own areas and, Mr. Speaker, let me say they are going to respond because the former Minister of Mines and Natural Resources was in that same kind of dream world.

And I want to talk now with the Minister of Finance who I think also is in a dream world.

A MEMBER: Oh yeah.

MR. SPIVAK: He's in a dream world in believing that people are not paying more taxes in Manitoba. He's in a dream world of believing that people for some reason are not better off in the last three years of the NDP. He's in a dream world in believing that the families are in a better position as a result of the so-called redistribution tax shifts and arrangements that the NDP has made. Now, Mr. Speaker, there is no doubt certain people have been helped. There is no doubt that there are programs that cannot be quarreled with that the government has introduced. There is no doubt that some of the announced intentions of the government which have not been followed through, and I'll refer to a few in a few moments, were the kinds of action and activity that should be undertaken. But the truth of the matter is, Mr. Speaker, he's in a dream world in believing that people think that they're better off; he's in a dream world if he believes that the razzle-dazzle of his educational tax program is going to work; he's in a dream world in believing that people are simply prepared to accept tax rises and are, you know, so foolish as not to believe that a five percent tax on \$200 million worth of production equipment isn't going to be somehow or other passed on to them.

Now, Mr. Speaker, the Minister tabled approximately \$400 million of capital estimates. We've been told by the House Leader that we are going to be able to deal with this on Tuesday, and that's very convenient because the Budget Debate will have been finished. And so what we can do now is talk in general terms about what that capital borrowing really contains. We

(MR. SPIVAK cont'd) really don't know the details and the Honourable Member from Brandon West indicated \$150,000 that was allocated last year in capital borrowing for a specific venture and he had the information which indicated that that money was never used last year even though it was requested by the particular organization in which the money was supposedly allocated. And I now must tell you, Mr. Speaker, that we face the situation where we intend with the energy that we can provide to demand from the government the details with respect to capital borrowing. Now we have already requested this by way of a letter to the Minister to give us the opportunity of in fact knowing full well what the government's intentions really are and what the borrowing would be.

Mr. Speaker, the Honourable Member from Riel has indicated that the hydro cost is a high cost -- I do not want to go over that, but let me say although it may very well come out of hydro rates, the additional burden is going to be again passed on to the consumers, to the people of Manitoba, and so if in fact by borrowing for Lake Winnipeg regulation, we are 50 or \$100 million out because of what we're doing, that's going to be paid for by somebody, and it's the people who are going to be paying and we have legitimate right to debate that when we talk in terms of the full impact of government policies on the taxpayers of this province. Now, Mr. Speaker, it's our belief, and I have said this before, that the government could have reduced expenditures and provided the reform that they are talking about for next year, this year. It's our belief that there would have been a better way of doing it, and I'll repeat the better way again in our opinion for the Honourable Minister.

And I must now talk on the assumption that we are really speaking about \$28 million because this was obviously the government's intention, although in practical terms I'm suggesting that there is no way in which that \$28 million will in any way be spent under the formula that they now have. And they're faced with the impossible situation of altering it and therefore having to withdraw parts of the Budget Debate or in effect bring in a bill that will in fact have a different kind of formula if they really intend to provide \$28 million by way of relief to the taxpayers. We believe that the \$28 million could have been found this year and it could have been paid out in a very simple way. We could have taken the education tax off farm lands and we would then have a provincial policy for agriculture that is meaningful . . .

A MEMBER: Hear, hear.

MR. SPIVAK: . . . because we would have been dealing with a problem of farm income which is the serious problem for the farmers of Manitoba. We believe as well that education tax could be taken completely off of all senior citizens homes . . .

A MEMBER: Hear, hear.

MR. SPIVAK: . . . their own or rented by them this year and we believe as well, Mr. Speaker, we believe as well that the remaining money could have been used towards the \$50 rebate and that that \$28 million could have been spent in this way. Now there's no razzle dazzle and there's no sleight of hand in this, and we don't have to go through this exercise of filing the income tax returns, and we don't have the attendant costs that we ourselves do not know, and I think the Minister of Finance will accept that at this point he himself doesn't know what it is going to cost, and it's true we may avoid the distinct advantage that the government may want to have of writing the cheque itself prior to an election so that people would know what big daddy is giving them . . .

A MEMBER: Hear, hear.

MR. SPIVAK: . . . but nevertheless what we would have done, Mr. Speaker, in a given year is actually provided the relief and I suggest, Mr. Speaker, that no matter how the members opposite will want to try and develop the posture, you know, that what they are doing is accomplishing its objective, they are not doing it as well as our way would have been, and they are not providing the \$28 million in a way in which it would have the demand effect that the conclusions of the Minister provided in his Budget Address.

Now, Mr. Speaker, I'd like to if I may refer to the production tax and to a reference that was made by the Honourable Member from Osborne about the effect of the tax credit in Ontario -- the effect of the tax credit in Ontario with respect to production tax. Ontario has a sales tax on production equipment. It provided a five percent tax credit for capital equipment purchased in a given year and I think, if I'm correct and I have the wording in front of me but I don't think I have to follow it directly, I think the honourable member will acknowledge it. What he basically said that it had no effect in providing any additional stimulus for capital investment in Ontario for capital goods, and I think he used a figure of something like \$25 million or words

(MR. SPIVAK cont'd) to that effect.

A MEMBER: He didn't know what he was talking about, Sid.

MR. SPIVAK: Well, I don't know where he got that figure, and I don't know who in the Minister of Finance's department gave it to him, but we've had an opportunity to do some review and I'm quite prepared to say this that Ontario who had a sales tax on production equipment recognized the serious situation that was developing with respect to unemployment and provided a tax credit for sales tax on production equipment in the last year and a half to stimulate the economy, to create jobs, and, Mr. Speaker, I am satisfied that they have accomplished their objective. I am satisfied that that need was recognized by them, and I am satisfied that it has accomplished far greater good than anything the Honourable Member from Osborne spoke about. And I say that, Mr. Speaker, because it indicates Ontario's position at a time when it was necessary to in fact stimulate the private sector and as we've said before the tax on production, the sales tax on production is just now one additional disincentive to industry developing and expanding or coming into Manitoba.

Now, Mr. Speaker, I want to now talk about the \$28 million that was supposed to be given by the government next year. We're being taxed this year; we are going to be taxed next year, and we're going to have a \$28 million amount coming out of next year's budget. And I want to point out how patently false that figure has to be by making comparison to Ontario. Ontario offered a tax credit program about a week in advance of the Minister of Finance's budget and being pretty obvious to those who had an opportunity to read it that obviously the tax credit program to be offered by the government and referred to in the Speech from the Throne would have to resemble in some way the Ontario program. The Ontario program applies to owners and to roomers and to boarders, and to renters as well, and it comes something like this. Ninety dollars plus 10 percent of the property tax paid, minus one percent of taxable income up to a maximum credit of \$250. Now the Ontario formula has wider limits and is more generous than the corresponding Manitoba formula of \$50 up to \$140 which provides a maximum credit of \$140 subject to a deduction of one percent of taxable income. Now the population of Ontario, Mr. Speaker, is eight million. This would indicate that there are about two million households in Ontario. We have a million approximately; we have 274,000 households by the Minister of Finance's statement. On the basis of last year's expenditures of \$158 million the program that Ontario is bringing forward, the \$90 basic up to \$250 is to cost them about 160 million, or an average in Ontario of \$80 per household. This compares with an average figure for Manitoba of over \$100 which is calculated by dividing out approximately 274,000 households into the promised \$28 million. So, Mr. Speaker, we have 274 households, we're going to give away \$28 million; we're going to average \$100 with a maximum of 140 and a low of 50 against Ontario which starts at 90 and goes up to 250, and it's only going to average 80. Well, Mr. Speaker, it's impossible for this to have been the fact for Manitoba. The \$28 million promised by the Manitoba Government is grossly exaggerated and the more limited formula is not capable of providing greater benefits than the Ontario formula. And, Mr. Speaker, I again say to the Honourable Minister, and I know that he will be replying probably on Monday, but I say to him, if you are going to pay out \$28 million take the education tax off farmland, take it off senior citizens' homes directly, not through this method, and in fact apply the \$50.00 rebate . . . and then you'll put out the \$28 million.

Now, Mr. Speaker, let us re-examine two propositions which have been put forward several times, sometimes by the Minister of Finance and sometimes by others on the government side: the first proposition is that taxes in Manitoba have not increased under the New Democratic party, that they have not increased in the last three years. The second proposition is that the government is taxing the wealthy and aiding the poor and the idea there is that they are playing Robin Hood. Now let's examine the first proposition: It will be interesting to know what members of the government believe the average family income in Manitoba to be, but rather than speculate let us deal with facts. We can reliably estimate that personal income is about 75 percent of gross provincial income and that there are roughly 260,000 families in Manitoba, and the 260,000 would correlate I think with the 274,000 households that the Honourable Minister introduced in his Budget Debate.

The average income per family in Manitoba was in 1971 in that calendar year about \$11,800. It is probably a few dollars higher than that. In other words, if each of Manitoba's approximately 260,000 family units received an equal share of this provincial province's personal income, a total of about \$3 billion, it would get \$11,800. --(Interjection)-- Yes

(MR. SPIVAK cont'd) afterwards. The measure in both cases is drawn from the Budget Statements for the years in question, the fiscal years of 1969 and 70, and the fiscal years of 1972 and 1973. Now the increase in the period of time from now, dealing from 1969 to 1971 on the average, for average family was \$2,300 per family, and that may sound like a great deal but this was not a real increase. Much of it was inflation. Inflation took at least 15 percent of the apparent rise in income during that three year period, and this amounted to something in excess of \$1,400.00. The real increase in income before taxes, Mr. Speaker, in that three year period, and the three year period of the NDP, was \$933 per family. Now let us look at the taxes levied by, for, and on behalf of the Provincial Government. For the period to which we refer the revenues of the government increased by \$742 per family. Not all this was directly collected by the provincial treasurer, some of it was collected through Ottawa, but it came in essence from the taxpayers of Manitoba. In other words, \$742 in taxes for provincial purposes was collected out of an increase of \$933, and then, Mr. Speaker, of course, there were increases in local taxes and increases in federal tax. And so Mr. Speaker, the average family in Manitoba does not have more real money to spend this year than they had four years ago, and the reason is very simple. Real incomes have risen but taxes have risen faster, and the taxes are soaking up the real income.

Now Mr. Speaker, the second point is a little more obscure. Who is paying these increases? The answer, Mr. Speaker, is that we are all paying the increases. The other day the Minister of Finance introduced his Budget and suggested tax rebates to homeowners and to families renting apartments or other housing units. He brought in tables showing how the new benefits would be distributed. If we start with the assumption that the average family in Manitoba is earning a gross income of five or six thousand dollars a year, then one could assume that a fair amount of tax relief would be provided by this plan. But the facts are quite different. Average family income is very close to \$12,000.00. A very large number of families in the province have family incomes usually from two, and often from three, wage earners of about \$10,000 in total; a great many families have incomes of about \$11,000; a very large number are just about at the average of \$12,000, and quite a few have incomes of about \$13,000 or \$14,000 or \$15,000, and the point is very simple. They're the income ranges which are being most heavily taxed. The increase in taxation are falling upon the average wage earning family in Manitoba, they are falling upon the rich, . . . are not very much who are rich, and with inflation pushing up the prices of housing, of food, of clothing, and pushing up wages even on the low income, of the scale, the taxes are being paid by the poor, by the families who earn \$5,000 or less, and that's also increasing very rapidly.

Getting back the \$50.00 as a refund on school taxes sounds good by itself, but when it is recognized that taxes on housing have gone up and that an increase of \$100.00 on a clothing budget produces \$5.00 increase in taxes, and that all other items in the family budget are also inflated by the tax levels, it becomes clear that no one in Manitoba is better off. The only way to increase real incomes of the poor, and of the middle income poor, is to cut taxes and for the poor to establish a proper tax credit program.

Now let us examine what the government is doing with the increased revenues which it receives. In the last three or four years more money has been allocated to education, \$46 million more between 1969 and 72, but the trouble is that the cost of education has increased by more than \$46 million and so property taxes have increased to fill the gap. No one is better off as a result of this set of expenditures.

The next thing which is increased is the size and the cost of the civil service. This has absorbed a great portion of the increase in revenue. This is not taxing the rich to aid the poor. It is taxing everyone, the poor, the rich, and especially the middle income people, with no benefit going to anyone except the large numbers who are fortunate enough to be employed by the Government of Manitoba.

The third increase is the cost of health and welfare. This has increased by \$93 million -- (Interjection) -- I'll answer any questions afterwards -- by about 95 percent under the present government. Now here there is some real distribution of wealth. Some of the poor have benefitted but the question is to be asked by how much in the last three years? Mr. Speaker, it is clear that taxes have increased. It is equally clear that the increases in provincial revenues are almost equal to the increases in real personal income. It is clear that personal income after taxes is not increasing in Manitoba. It is also clear that this is not satisfactory. It does not matter whether this pattern is the same as the pattern in Ontario,

(MR. SPIVAK Cont'd) or New Brunswick, or whether it is different. It's not satisfactory. It's also clear that the government is not taxing the rich to aid the poor, but they are loading heavier and heavier taxes on the poor, on the middle income group, and on the few who are wealthy, and they are allowing the revenues to be wasted on huge increases in the civil service, on government cars, on government office buildings, on government planes, and so on, and only a little of the increases in spending is going to the poor in the form of increased welfare payments, and we have the announcement by the Honourable Minister of Health and Social Development of what was now going to be offered to the senior citizens and old age pensioners just a few days ago.

Now, Mr. Speaker, the solution -- (Interjection) -- But I'm suggesting to you that it should be more and I am also suggesting to you that there are economies that could have been made and you could have transferred more. I am also suggesting as I have indicated before and the honourable -- (Interjection) -- Piecework? Policemen? Mr. Speaker, the solution to the problems outlined are very simple. First we must recognize that the increases in taxes and spending are a problem. We must reject the idea based on the statement by the Honourable Member from Crescentwood who says that increases in government spending and increases in taxes are good, and even the Honourable Member from Inkster seemed to believe that increases in taxes are good. Second, we must control government spending and this means that we must re-evaluate all government programs. The new ones brought in by the present government and the old ones brought in by the previous government -- and I acknowledge old ones by the previous government -- and make selective, intelligent cuts. We must select guidelines based upon the ability of the taxpayer to pay, and we must apply them. We must reject the idea best stated by the Minister of Finance, and the opportunities I had to debate with him outside of this House, that increases in government spending should be evaluated on the basis of the needs for new programs rather than on the ability of the taxpayer to meet the cost. In short you did. In short we must take a practical approach to spending. The ideas of the Minister of Finance would be interesting if it was applied to a personal budget. They would go something like this. We have three children now so we need a bigger house. The kind of house we would like would cost about \$30,000 so we will have to spend enough money to get a \$30,000 house. We cannot keep moving our kids around in this old Datsun, there are too many of us. It gets very crowded when we go camping, we need a new station wagon, and a Buick would be nice. We all need a lot of new clothes, the Jones have them, and so on. The kind of family budget would only work if the family had an unlimited income, and of course families do not have unlimited incomes. The government can have a more or less unlimited income for awhile if it chooses to continue to increase taxes but, Mr. Speaker, that only is accomplished by taking money away from every family in the province.

Now Mr. Speaker, I'll conclude my remarks by indicating to you what the people of Manitoba know to be the facts, that notwithstanding all the promises, and notwithstanding all the statements that the honourable members opposite have said, the government by its actions, by its spending policies, by its inability to control the rise, by its attention, its misdirected attention into other areas that were not as clear-cut and as responsible as the necessity of cutting government expenses, have not in fact improved the human conditions of the people of Manitoba, although there are some who have benefitted. The truth of the matter is that most people today are no better off, or worse, than they were in 1969 and that's a fact, and they know it. And the one thing that I have to say to the Honourable First Minister, for years he has been able to trade off on his position and his credibility as First Minister and make statements which people were prepared to accept, and there were many statements that he made, Mr. Speaker, that we considered not to be completely accurate. We had our doubts about their accuracy and we questioned and challenged it but, Mr. Speaker, that time is over. The people of Manitoba are not going to be prepared to accept the statements from the Minister of Finance that there was a necessity for increased taxes this year, that there will be a necessity for these taxes to be carried on next year; they are not going to be prepared to accept any more the credibility of the First Minister who says that we are better off in Manitoba as a result of a New Democratic Party government, because it is not true - the people know it and they will not accept that any more. The truth of the matter is for whatever period of time the government may have left before we go to the general election, the tax shaft that you are proposing, instead of that shift next year, is not good enough. You are going to have to cut government spending; you are going to have to do something about taxation if you want

(MR. SPIVAK cont'd) to go to the people, because the people are not prepared to accept the escalation that has occurred; they are not prepared to accept your management; they are prepared, and the Honourable Member from Sturgeon Creek said it already, and we are talking about generally the people of Manitoba, not about a select group, they are prepared now to change because they recognize that what you have done is devoted your time to Autopac, as a great no-program of social reform, you spent all your time and effort on that. You talk, you know, of the language of social reform, but did nothing about it. And, Mr. Speaker, we are in here for five or six weeks, nobody on the other side has talked about this pilot project of the guaranteed annual income. Where is that? I don't even see it in the Estimates. -- (Interjection) -- Oh, you'll talk about it. You know nothing about it. Yeah, you know nothing about it. Let me tell you something, Mr. Speaker, that was contained in the Speech from the Throne two years ago and the great headlines of the welfare reform and the program of being able to deliver to the people in need was going to take place, and the truth of the matter is this that nothing has happened. And the credibility, and I suggest the credibility of the government is over and the Premier cannot trade off as he tried to do before on statements of the past or on statements of what he believes the future will - what will occur in the future. And Mr. Speaker, and I can almost anticipate the arguments that will be advanced by the opposite members, and particularly by the First Minister, when he will stand up and start going back to 66 and 68 and 69, and I'm prepared to go and debate that and I'm prepared to do that on the hustings, but no matter how you want to talk about it, no matter how you want to talk on where I live, no matter how you want to exploit those things that you think are politically wise, but I think are rather stupid, but no matter how you try to in effect exploit the things that you think will cause some emotion to rise in the people of Manitoba, the people in Manitoba know today that they are not better off as a result of a New Democratic Party government, that government spending is increasing, and that you are not controlling it, that taxation is increasing and that as a matter of fact what has happened is that the NDP have their hand in the pockets of more and more people, and they are not prepared for that kind of government to continue.

MR. SPEAKER: The Honourable Attorney-General.

MR. MACKLING: The Honourable Member indicated that referring to the 274,000 family units in Manitoba, that the average income was between 11 and 12 thousand dollars. I wonder if the honourable member would indicate his source of those financial statistics.

MR. SPIVAK: Mr. Speaker, I have applied standard rules of economics where 75 per cent of T and T is applied to personal income and this is how you determine average family income. It's a standard indicator and I'm sorry that the honourable Attorney-General does not know that. I have also applied the standard indicator of three years ago, and I'm applying the same criteria to 69 as to 71. I have indicated what the total increase is. I have indicated what the inflation factor is, and in that I have only used five percent and I haven't compounded it, it's actually higher, and I have also indicated what the rise in actual tax in spending has been, and on the basis of that, Mr. Speaker, I can say it's very obvious to the people of Manitoba that they are not better off as a result of three years of NDP.

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MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the honourable the Leader of the Opposition used to be one that was interesting to listen to, even though we on this side found it very difficult to agree with much of what he used to say. However, I think his performance today, his second speech on the Budget Debate indicates very clearly that not only is he continuing to be inaccurate, as he always was, but he's becoming to be a bore at the same time, because inaccuracy and the use of statistical data and information, inaccuracy in the interpretation of economic trends, that is the order of the day for my honourable friend the Leader of the Opposition. He uses statistics like a whirling dervish hopped up on drugs.

He would have us believe that the reason that there has been some difficulty in the economy of Manitoba is entirely as a result of policies initiated here and for which we are exclusively responsible. Well the Honourable the Leader of the Opposition can choose to suffer from xenophobia if he wishes but I for one know, as do all my colleagues know, that we live in a province that is very much part of a national economy, that is operating in turn within the patterns of world trade, and if there have been some reasons for the fact that we have had certain economic difficulties in the last two or three years, it is part of a far broader picture that involves the performance of the entire national economy and he of course, Sir, knows that.

The Conservative Party has now come to that low point where in their speeches they attempt like real mugwumps to stride both sides of the fence. To stride both sides of the fence, Mr. Speaker: on the one hand they are criticising this government because we are taxing too heavily the higher income people. On the other hand, they criticise us because, according to some of them at least, we haven't done enough for those in the lower income levels of wages and salary. So there you have the classic example of mugwumpery -- and it's difficult at times to know just who is the mug on that side and who is the wump but clearly there is that.

I'm speaking, Mr. Speaker, not without considerable evidence to back up what I have just said because a careful perusal of Hansard will show that it's on certain days, certain speakers of the Tory party have criticised us for taxing the upper income levels too highly, too heavily, and other speakers of the Tory party in other days have attacked us for not doing enough in terms of tax relief for the lower income people.

Well, Mr. Speaker, I think that the Honourable the Leader of the Opposition is the closest thing that the twentieth century has seen to Marie Antoinette. In other words, when he was a member of a cabinet that in 1968-69 imposed a flat tax of \$204.00 per family, per year, regardless of whether their income was \$3,000 or \$30,000, then a more direct kick in the teeth to low income families could not have been made than was made by my honourable friends when they were the government. And then they have the audacity to stand in their place and say that you are not doing enough for the lower income families when we have brought in a program, a series of programs of tax shifts, which taken in their totality come very close to \$100 million in shift of tax incidents in this province, all, if not all of it by far the greater part of it, all dedicated to reduce the burden of taxation on lower income levels, lower income families from the middle echelon of the middle income group down. My honourable friends know that. But despite that, because I suppose they must have something to say, they rise in their place and say that a tax relief program of \$50 to \$140 which in its advocate will require 28 to 34 million dollars isn't enough. It isn't enough when in 1968 or early 69 they did the reverse of loading on \$28 million of additional taxation in a flat poll tax across the boardway for Medicare; they didn't give one iota of care or concern about the fact that it weighed more heavily on the lower income people. And I tell my honourable friends that one, among one of the reasons that I did come back to provincial politics was because of the rather touching personal experience I had one day very soon after my honourable friends imposed that flat tax on all the people of this province. An elderly waitress in the Town of Gimli, in tears, wondering how they were expected to raise \$204 per family per year for a social service which Mr. X somewhere in River Heights, or in Tuxedo would also be paying \$204 for his family per year. Then they have the audacity to say that they have some solicitude, some genuine concern for people, for families in the lower income levels. This budget, Mr. Speaker, let there be no mistake about it, is a social democratic budget. It is a peoples' budget, a social democratic budget . . . And because we are on this side always interested in the broader national scene I would like to put on the record the observations and comments of newspaper editorialist outside of our province but one interested in what fellow Canadians are doing in other provinces, and I quote from the Toronto Globe and Mail. I would think that if there is ever a paper that can be described in Canada as a paper

(MR. SCHREYER cont'd) that approaches being a national newspaper of the highest standard, it would be this one, and it goes on to refer to the budget presented by my colleague the Minister of Finance, in recent days "as the kind of budget which should serve as an example to the conservative budget makers in other provinces," and I would like to quote at least a small part of it. "We hope" and I quote "We hope that whatever the differences in political philosophies involved that the Manitoba Budget brought down Thursday will be required reading at Queen's Park. At the least, some important lessons in honesty could be learned." Well, Mr. Speaker, I suggest that the very sane, the very sane --(Interjection)-- Mr. Speaker, I would like to . . . Mr. Speaker, I don't mind being interrupted by a mechanical gadget but I hate being interrupted by a human gadget over there. He should know better.

MR. SPEAKER: The Honourable Member for Lakeside on a Point of Order.

MR. HARRY J. ENNS (Lakeside): I would hope that for at least a little while, prior to the socialist takeover that humans will not be regarded as gadgets.

MR. SPEAKER: I tend to agree with the point of order but I should like to indicate that interjections are not part of procedure. The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I, on reflection regret using the term gadget when referring to my honourable friend but the basis for it was in the simple fact, the mechanical repetitions which my honourable friends opposite continue to distort the facts that we have to deal with. The degree of mechanical repetition reminds one of gadgetry.

Mr. Speaker, I go on to say that I would recommend that very same sentiment that I have quoted from this editorial to my friend the Leader of the Opposition, and I refer again to the reference that at least some important lessons in honesty could be learned that is providing of course, that my honourable friends opposite wish to learn.

The editorial goes on to say, Mr. Speaker, "that in another move that suggests that the Manitoba Government is rather more practically aware of the plight of low income citizens, prices on Canadian beer and table wines selling for less than \$3.00 in that province will be reduced so that they will not be affected by the tax changes. Did such a gesture ever occur to treasurer D'Arcy McHugh and the mandarins at Queen's Park when they were preparing a budget that hit harder at the little man than any other sector in society" - referring to the budget in the Province of Ontario. Well, Mr. Speaker, I pause to add parenthetically, that all of our budgets that have been introduced by my colleague, the Minister of Finance, since 1969 have been precisely intended to provide a measure of tax relief, a measure of greater social and economic service to the people on lower income situations living in our province.

Mr. Speaker, you know this is now perhaps the second or third occasion on which the Leader of the Opposition has spoken as Leader of the Opposition. Last year I recall that he made quite a great fuss about whether or not we have been honest in the calculations of our revenue estimates and expenditure estimates, and the like, and clearly implied in all that he said was that we had deliberately distorted and over-estimated our revenues. Well, Mr. Speaker, just so that there can be no mistake about it, I want to advise my honourable friend that we have done just the opposite, the actual year has now shown that we have in effect done the opposite of what he said we were doing, we have in effect ended up with more revenue than we estimated. My honourable friend was predicting in a way that seemed he was prepared to put his job on the line, that we had distorted by over-estimating our revenues. And, of course, just so that my honourable friend doesn't feel alone, I want to refer fleetingly to the leader of the Liberal Party who predicted with great clairvoyant forcefulness last year, that the result of New Democratic Party government and budgeting, there was no question but that the general sales tax would have to be increased by two percentage points by early 1972. Mr. Speaker, not only does the general sales tax not have to be increased by two percentage points, it doesn't have to be increased at all, not only in 1972, but in 1973 and in 1974. It's this kind of wild irresponsible garbage that we get from our honourable friends opposite, whether in the Liberal or Tory parties, that has not helped the people of this province to be able to clear away all this garbage and straw so that the true facts of our situation can be more easily understood. And, Mr. Speaker, in that respect I can say once again without any equivocation whatsoever that in terms of the economic trends in our province today, in terms of our budgetary position, in terms of our tax levels, in terms of our debt position, that Manitoba is in relation to the rest of the country, and all our sister provinces, in a very healthy position indeed.

Mr. Speaker, I pause now, just to recall that I was about to make one comparison with

(MR. SCHREYER cont'd). . . . my honourable friend the Leader of the Opposition and Marie Antoinette when I was interrupted by the mechanical gadget, and what prompts me to come back to that is that it's simply in my view, such an appropriate comparison. So often the Leader of the Opposition in speaking on the Budget and speaking on the Succession Duty Tax Bill, has implied, if not stated outright, that there are so few rich people in this province why are you bringing in this tax measure? Why are you increasing tax levels at the upper income levels? The implication of that statement being that there are so few, don't bother, don't levy any tax whatsoever. You know that reminds me, Mr. Speaker, of the lesson of history that before the French Revolution there were so few noblemen in France that they were not levied one cent of taxation at all. All of the revenue needed for the running of society was levied all at the peasants. Every cent. A tax on salt, a tax on bread, a tax on every stable commodity. But the nobles, well there were too few, so they didn't pay a cent. It is that kind of logic, illogical, upon which my honourable friends opposite operate. And because there is only prospect of \$4 million approximately to be obtained in revenue through the Succession Duty and F states Tax, my honourable friends opposite are arguing, well that's not very much money therefore why levy that tax at all. A perversion of the goals of any decent, modern, social democratic society - that is what my honourable friends opposite would do. They would pervert every noble goal of a modern egalitarian society. You talk about going on the hustings, I can tell my honourable friend the Leader of the Opposition that I certainly welcome a matching of credibility as between himself and myself any day, any time, any part of the province, with the possible exception --(Interjection)--

My honourable friend the Leader of the Opposition made quite a - allocated a considerable part of his speech this afternoon to the Manitoba Development Corporation as to whether or not we ought to continue having it, as to why it was that there wasn't more information provided, and, Mr. Speaker, if one did not have a memory, a recollection of what my honourable friends opposite used to practice in respect to their working relationship with the MDF, with respect to the amount of information that was provided in this House, they may be able to tell a newcomer to this province, or some novice, that this government is not providing enough information with respect to MDF or MDC operations, but they cannot tell anyone who has been here on the scene for more than a few years because I recall personally, and only too well, that not only could we not get details of equity and internal management, we could not even get details with respect to loans made in the millions of dollars, and we could not even get the interest rate that was charged the individual borrowers, corporate borrowers. My honourable friends know very well that since we formed the government we have brought in legislation that requires by law tabling of annual reports, the tabling of quarterly progress reports, the revelation of interest rates charged by the MDF to borrowers, information which far exceeds any amount of information that my honourable friends were prepared to provide - in fact, I go further and say that my honourable friends on occasion did not pass up the opportunity to deny that loans were made when in fact loans were being very seriously contemplated being made. Mr. Speaker, the difference with respect to the attitude of this government and information disclosure on the MDF and the previous government, is a difference in degree that is so great that it amounts to a difference in kind.

Now my honourable friend the Leader of the Opposition can get up, as he has on a number of occasions, and say that the Premier is always of the habit to refer to the past. My honourable friend would of course like to forget the past. Everything is tabula rasa as of July 15, 1969. Well we don't operate that way. In order to have an appreciation of just how the affairs of this province are being operated today it is necessary to have a recollection as to how they were operated in years gone by, and furthermore, it is necessary to have an appreciation of the affairs and finances, and budgeting, and debt loans in other provinces in our great country.

My honourable friends are suffering from xenophobia. They'd like to just look at Manitoba 1972 in isolation of 1968, and in isolation of every other province. And no wonder then they can self-induce themselves into a fit of hysteria; self-induced hysteria about numbers of civil servants, levels of taxation, escalation patterns in government spending, the reason they can self-induce them into hysteria is because they deliberately close their eyes to what's happening nation wide in all other provinces. And if one draws those comparisons, Mr. Speaker, one sees that Manitoba's position in respect to all those questions is very healthy, very healthy. In terms of the size of our civil service, have my honourable friends ever done any research to see what is the ratio of civil servants per thousand population in Manitoba,

(MR. SCHREYER cont'd) Saskatchewan, Alberta, British Columbia, all provinces, and if they did, then they would know that Manitoba's ratio of civil servants per thousand population is about third or fourth lowest in the country. --(Interjection)--

They talk about government spending. Yes, that's the other big point, broad, frontal attack of my friend the Leader of the Opposition that government spending in Manitoba has been increasing at a frightful rate. Well, Mr. Speaker, if I were to look only at Manitoba I would have to agree that there does seem to be a very profound rate of increase in government sector and government spending. But when I look at all other provinces in Canada, and every state in the United States, I see that the percentage escalation in spending by provincial and state governments on this whole continent is, if anything, on the average greater than in Manitoba. My honourable friends can't seem to understand that.

There is one thing, Mr. Speaker, that does take a person to a point where tempers flare, and I must say that my honourable friends have succeeded partly as a result of a news media editorial board all too willing to conspire to distort the facts, they have succeeded in confusing many of our fellow Manitobans. But I say to them when it comes to a contest on the hustings I'm ready to match credibility with the Leader of the Opposition personally any day of the week, any day of the week. Where they are losing credibility most, of course, especially my honourable friend the Leader of the Opposition, where he is losing credibility most is in the rural areas of this province, among our farm folk. My honourable friend should, you know, go to places like Moosehorn, and Ashern, and Arborg, and Virden, and Melita, and places like that, and explain just what great accomplishments in respect to rural farm policy that my honourable friend succeeded in accomplishing when they were in government. You know they are becoming so desperate now that they use their leadoff speaker for dramatic affect, the Member for Morris, and they're using him in a most unfair way. --(Interjection)--

Mr. Speaker, my honourable friends would leave the impression that during the administration of this government that there has been a very very serious decline in farm population, farm family numbers. Well, Mr. Speaker, if that statement were simply allowed to rest like that I suppose a number of people would find that there is an element of truth to it and accept it as such, but when one does just a little bit of research one finds that the decline in farm population in our province was greater when my honourable friends were in office, that they who now say, and I believe they said it during this session, that we do not say that there are any redundant farmers, any redundant farms. We should preserve the family farm. Well I'll tell you how well they preserved it, Mr. Speaker. Between 1960 and 1969, in the decade of the 60s, they succeeded in preserving the family farm to the extent that 7,500 family farms left the land --(Interjection)-- a rate of decline --(Interjection)-- Well I can tell my honourable friend from Swan River that the number of family farms leaving the land at least has been no greater than when they were in office, and I'll tell my honourable friend furthermore that this is in spite of the fact that the period 1967-8-9-, 1970, were admittedly - everyone admits it - were bad years for western Canadian and prairie agriculture but despite that the rate of decline of farm population numbers was no worse than in each of the years that my honourable friends were in office. My honourable friends of course would like to forget the statistics . . . --(Interjection)-- No, I'm sorry not now but at the end I certainly would be prepared to. And then the Member for Morris, I suppose in desperation because there is really nothing in this budget that is displeasing to our rural fellow Manitobans - it provided for tax relief on school property tax to an extent far greater than they were ever capable of doing and that's another point, Mr. Speaker.

A MEMBER: Hear, Hear.

MR. SCHREYER: I really have to ask the question in the same way that the Right Honourable John Diefenbaker used to ask the Grits. If you say this and this, why didn't you do it when you were in office? And the Grits had 22 years in office before he formed the government. My honourable friends had 11 years in office and I ask them whether they ever took measure -- did they ever take steps to relieve property tax burdens for old age pensioners, farmers, to the significant extent that we are doing. Twenty-eight to 34 million dollars in a tax shift dedicated exclusively to reducing tax burden on lower income people particularly. Well, Mr. Speaker, they did not.

And I really must include here a reference to the fact -- the other day my colleague, the Minister of Health and Social Development -- this is another example of increased government spending I suppose -- my colleague the Minister of Health announced to this House

(MR. SCHREYER cont'd) that the government of Manitoba in concert with only three other provinces in Canada had taken the unusual step of revising its regulations and definitions of need for old age pensioners so that as there was an increase in the federal guaranteed income supplement to the old age pensioners, the province also increased its contribution in the sense that we did not subtract what the province's contribution had been prior to the federal increase. --(Interjection)-- Mr. Speaker, I want to remind the Honourable Member from Swan River and I think he was in this House. . .

A MEMBER: You did nothing.

MR. SCHREYER: . . . that in 1962 --(Interjection)-- in 1962 when the Conservatives were in office and the Federal Government of that day increased the amount of the old age pension, so help me God, what did the Conservative Government of Manitoba do. They subtracted the provincial contribution to old age pensioners by an equivalent amount so the pensioners were no better off than before, and they have the audacity to talk about old age pensioners. --(Interjections)--

I pause on purpose, Mr. Speaker, so that the full force of the shouting from members opposite can be heard. --(Interjections)-- Well, Mr. Speaker, if I'm shouting, I am shouting the facts. And I think it's time that the facts were shouted more clearly, more forcefully. --(Interjections)-- A good part of the success of my honourable friends in distorting the news is perhaps my fault in that I have not responded with the full force of contempt that I have for my honourable friends opposite. --(Interjection)--

MR. SPEAKER: Order, please. Order, please. I realize it's supposed to go to 50 outside today but I think it's a little too early to turn on the air conditioning in here yet. Would all members contain themselves. The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, then let me say in a more mild and measured tone that in 1962 when my honourable friends were in office when the Federal Government increased the old age pension supplement, the Conservative government of Manitoba subtracted theirs and a more shameful comment on a group that now has the audacity to say that we are not doing enough with respect to the income problem of our old age people is impossible to imagine.

A MEMBER: Hear, Hear.

MR. SCHREYER: But I go on back to the Member for Morris because he the other night impugned the integrity of my colleague the Minister of Finance and the Minister of Agriculture, and went so far as to say that they were guilty of fraud, or crass ignorance, and also that they had deliberately misled the House and what were all those comments, those very strong worded comments from the Member for Morris all about. Well apparently he had again self-induced himself to a rage because in the tabling of the Budget Papers the Minister of Finance had included a table which showed an entry known as "value of farm production". And the Member for Morris worked himself into a lather and said that this was a very misleading inaccurate and irrelevant figure and that there was some inexcusable action on the part of my colleague. Well, Mr. Speaker, it so happens that the Budget Papers that my colleague the Minister of Finance tabled, the format, including the titling of the various figure descriptions, is exactly the same format that has been used every year since 1965, and furthermore in terms of the Annual Year Book of Manitoba Agriculture the same format has been used since 1936. And then my friend the Member from Morris has the audacity to get up and try to make some point about distortion and deliberately misleading conduct on the part of my colleagues and they were following the same format and using the same entry descriptions.

Mr. Speaker, the Member for Morris, I'm sorry he's not here but he like so many of his colleagues, I'm afraid is falling victim to some illusion, some escape from reality. In one speech he talks about little red hens; in the next speech he talks about Alice in Wonderland the other day he talked about bridegrooms sitting on the side of beds making promises. Well, Mr. Speaker, that is all symptomatic of somebody who is escaping into illusion and away from reality. I really think that the Member for Morris is --(Interjection)-- Well since he's been reading Alice in Wonderland I would like to recommend to him another title, another book which would perhaps be descriptive of some of, most of his speeches here. It's by Blair, or Hilda Neatby. It's called "So Little for the Mind". I recommend it for my honourable friends opposite.

But to deal with the figures themselves, Mr. Speaker, --(Interjections)-- He should be here. I sat here listening to him, I sat here listening to my honourable friend - if he

(MR. SCHREYER cont'd) doesn't have the courtesy to listen in return, that's hardly my fault.

Well, Mr. Speaker, insofar as the figures themselves are concerned of the value of farm production, we have taken the figures as we take all of the data from Dominion Bureau of Statistics sources and departmental sources. Value of farm production, Manitoba, has increased over last year. My honourable friends don't like that figure, we'll take the other figure. Realized income - that has increased as well. Net income has increased over 1970. All of the indices one wishes to use in the agricultural sector show improvement but that doesn't mean, Mr. Speaker, that we're particularly happy because we have frankly admitted on many occasions that agriculture on the prairies and in Manitoba was in a very serious, very serious slump in the years 1967-8-9-, 70, which spanned both governments and which now we are coming out of, and I have said many times -- I think the Member for Arthur will bear me out -- that I have said repeatedly, the major persistent grave problems facing western Canadian agriculture have been around for many years and unless there is some sign of tangible farm commodity price-support programming from Ottawa, it is not likely that there will be any significant improvement except perhaps in special crops and in milk production.

And speaking of milk production, Mr. Speaker, it is worth drawing the attention of all honourable members in this House to the fact that that government opposite which posed as a rural government, the farmer government --(Interjection)-- they had so much interest in the dairy industry that in the year 1968 they allowed millions of pounds of butterfat quota, butterfat price support quota, to be lost to this province and transferred out by the Canadian Dairy Commission to the eastern provinces. I'm happy to be able to say . . .

A MEMBER: That's not right.

MR. SCHREYER: Well that is absolutely right, and I happen to know that for a fact because we had the Canadian Dairy Commission before the House of Commons committee in early 1969 to appear before us. I'm happy to be able to report on behalf of my colleague the Minister of Agriculture that Manitoba has successfully negotiated the return of at least half of those several million pounds of butterfat price support quota that were lost in 1968.

But I simply cannot allow this opportunity to pass either, Mr. Speaker, without making some reference to what preoccupied my friend the Leader of the Opposition earlier today when he was speaking about the Manitoba Development Corporation. The Manitoba Development Corporation, Mr. Speaker, has been under attack, it's been under attack when they were in office, it's under attack now, but the fact remains that we do provide for disclosure of more information but that still, of course, does not in any way help us from being able to fight off the attacks, erroneous error-ridden attacks in respect to many of the operations that have a relationship with Manitoba Development Corporation. I look for example at an editorial in the Winnipeg Free Press of the 25th of February, 1972, and there the editorial goes on to list about 12 companies that are under a cloud for financial reasons and the editorial relates them all to the MDC, and suggests that this is final proof of the failing and inadequacies of public enterprise. Well, Mr. Speaker, I understand that thousands of private companies go bankrupt in our country each year and yet that is not taken as an indictment of the entire free enterprise or private enterprise system. The fact that certain, several thousand firms may go bankrupt in any one year. So it is with public enterprise, and if some firms publicly owned really are dogs in terms of the rate of return that they manage to earn, at the same time it must be said that some public corporations have enjoyed, and are enjoying, financial success, not just in our province but nationally and in other provinces. The classic example of that of course is the Cape Breton Steel Industry which under private ownership was practically written off as a dead loss which has been resuscitated and is earning several million dollars profit annually under public ownership. The same can be said with respect to Flyer Coach Industries in Manitoba which three years ago had orders on the books for about \$1.5 million today this is in excess of \$7 million --(Interjection)--

MR. SPEAKER: Order please.

MR. SCHREYER: . . . orders for purchase. So, Mr. Speaker, I now know why members opposite have been so preoccupied during the question period with Flyer Coach Industries. It is because - not because this firm is in difficulty, but because this firm shows such prospect of being a corporate success story that they are clawing and scratching and digging in order to try to undermine the successful operation, destroy its image in the marketplace.

Well, Mr. Speaker, the Leader of the Opposition was apologetic slightly, earlier today,

(MR. SCHREYER cont'd) when he talked about the Member for Brandon West in his speech with respect to Saunders Aircraft, and well might he have been apologetic because if we are involved with Saunders Aircraft at Gimli it is because governments decided to simply close down a defence force base operation and leave many families hanging in the air with no prospect of immediate employment, and so on. The Federal Government was desperately anxious to try to provide for civilian employment by means of helping to attract industry and in their anxiety to do so they did make a substantial outright grant to the aircraft company, and the Government of Manitoba in its matching anxiety to try and provide jobs for people displaced by the closing down of a military base, extended a loan with provision for some transfer into equity, and so it goes, Mr. Speaker. It would have been infinitely so much easier to simply do like governments did in the days of laissez faire, wash you hands like Pontius Pilate, wash their hands and leave it to private enterprise, and if private enterprise can make some jobs, fine, but if they can't well then let the people in those districts, eat cake like Marie Antoinette would say, "let them eat cake". That's the attitude of my friends opposite. That's the attitude of all those who have supported laissez faire capitalism over the years.

Mr. Speaker, I understand it's at the forty minutes and I have been - I'm simply awaiting your signal, Sir. Until I hear otherwise, I'll assume that I do have speaking time.

MR. SPEAKER: Order please. I wish the honourable member for Swan River would read the Rules of Procedure. The Leader of the Opposition and the Leader of Government are entitled to go any length of time they wish. Shall I read the rule. --(Interjection)-- The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, what I wish to establish is that I am subject to the forty minute rule, I do not wish to invoke the other rule. My colleague the Minister of Finance will be speaking later in this debate so I am subject to the forty minute rule, Sir, and require your guidance as to . . .

MR. SPEAKER: They say no. They say you have time.

MR. SCHREYER: Well then, Mr. Speaker, I am only too happy to . . .

MR. SPEAKER: . . . in fact I just read it a moment ago. "The Leader of Government and the Leader of Opposition and a minister moving his government order both may proceed. The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, that being the case I want to dwell a bit on the Manitoba Development Corporation, some of the attacks it's been subjected to. I have already explained what the motivating force was with respect to the involvement with Saunders Aircraft at Gimli, and I really believe that the public sector must show as great, at least as great a willingness to engage in risk-venture financing as the private sector. Unless we do that we shall fall victim to the same disease that has afflicted this country for the past generation. We leave it to the private sector to raise the risk capital for development of our country. It doesn't happen, so then we see our resources come under increasing ownership and development of foreign sources.

Mr. Speaker, there is no reason why we should be opposed to foreign investment. There is also a reason why we should be opposed to the idea that if Canadian private sector risk capital will not do the job, then we will use public sector capital to do the job. There is room for both in the infinite greatness of our country and our province for private enterprise, public enterprise, foreign capital, and all the domestic capital that can be marshalled together.

Mr. Speaker, coming back to this editorial, they listed 12 firms that had MDC or MDF loans and now they were turning sour and so this was turned into an indictment of the entire concept of public sector financing. Except, Mr. Speaker, what was very interesting is that when we checked out each of the twelve companies referred to in this editorial, we discovered that with three exceptions that nine of them had been loans extended while my friends opposite were in office. Like for example, Public Cold Storage - first disbursement away back in 1962; Midwest Expanded Ores - 1963; Fieldmaster Products - 1966; Teulon Hosiery - 1961; Futronics - 1968; Lake Winnipeg Navigation, MS Lord Selkirk - April 1969, authorization for \$600,000 up what I would describe, Mr. Speaker, as over-capitalization from day one. My honourable friends pose, and they try to wrap themselves in the clothing, my honourable friends try to wrap themselves in the clothing of businessmen, and, Mr. Speaker, it would seem that in many of the endeavours that they were involved with that, in fact, there was no evidence that there was hard-nosed business-like approaches taken. My honourable friends

(MR. SCHREYER cont'd).. have certainly had no monopoly on business management capability and expertise - in fact, I would think that when the history of Manitoba for the middle part of the 20th century is written, including the decade of the 60's, that we will find some pretty sad, some pretty sad commentary on the degree of business-like judgment that was used, . . . by my honourable friends opposite and some of those that they appointed to boards and commissions.

They had the audacity to say that you know, we have appointed to the board and commission, somebody who is not a businessman, he is a trade unionist, or he is a professor, or he is this, or that. Well, Mr. Speaker, they appointed some businessmen all right, and so have we, and we happen to think more of the judgment of the businessmen we've appointed than the ones that they appointed, and any reading of the CFI inquiry, any reading of the transcripts will show that there was a good deal of murky, cloudy, uncertainty as to just who was responsible for what. And so, Mr. Speaker, for those who pretend, who wrap themselves in the clothing of businessmen, they first of course should take a course in business management before they do that. My honourable friends aren't very happy at the news that at least some of the public corporations will be doing quite well, good cash flow, earning a rate of return of profit, that seems to displease them.

But, Mr. Speaker, in the very few minutes left I want to deal with one other aspect - my honourable friend, the Leader of the Opposition. I do so because he's raised it at least three or four times during the debate on the Succession Duties Bill, during the Throne Speech and now again during the Budget, and that is that this government is doing a disservice to the prospects of future investment in this province, because of the fact that we are levying a succession duties tax. He and others have tried desperately to create the illusion, the misimpression that Manitoba was somehow going it alone, that Manitoba in its madness was going all on its own to levy a succession duty tax that all the other provinces, Conservative Ontario, and so on, were much more enlightened, that they were going to discontinue succession duty taxes. Well, Mr. Speaker, the Leader of the Opposition has referred to the Provincial Finance Minister in Ontario, intimating that the Finance Minister in Ontario had made a statement that Ontario was pulling out of succession duties, if not now, at some early date in the next year, phasing out - the expression used by my honourable friend was phasing out. Well, Mr. Speaker, I want to read from a speech by the Provincial Treasurer of Ontario which comes after the Budget Speech in Ontario, it's February 8th, and in this address -- I'm giving you the date, whether it was before or after the budget I'm not sure -- before the budget, February 8th. At the meeting of the Estate Planning Council, and the Provincial Treasurer of Ontario says that provincial governments have decided almost unanimously in favour of retaining wealth taxation in the form of succession duties and gift taxes. I believe this decision was not merely sound but necessary and it was unrealistic for anyone to expect to see all forms of inheritance tax disappear just because the Estate Tax was eliminated. Such a development would have been completely contrary to the two most commonly accepted tenets of taxation, equity and ability-to-pay. --(Interjection)--

May I say in conclusion, Mr. Speaker, that the Leader of the Opposition, that that is not the only misimpression he has tried to create but like all of them, like all of them, they deserve to be dismissed and the budget of this government and the confidence of this government deserves to be re-acknowledged.

MR. SPEAKER: Does the Honourable First Minister wish to continue on Monday?

MR. SCHREYER: Mr. Speaker, in the light of your ruling, I guess I would be for a very short period of time.

MR. SPEAKER: Very well. The hour being 5:30 the House is accordingly adjourned and stands adjourned until 2:30 Monday afternoon.