

THE LEGISLATIVE ASSEMBLY OF MANITOBA

10:00 o'clock, Friday, March 30, 1973

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the loge on my right where we have a guest of the State of Louisiana, Mr. Sherman A. Bernard, an elected member and Commissioner of Insurance for the state of Louisiana.

I should also like to direct the attention of the members to the gallery, where we have Mr. Richard E. Britson, Attorney to the Commissioner of Insurance for the State of Louisiana, and Mr. J. O. Dutton, general manager of the Manitoba Public Insurance Corporation, and Mr. Ian Green, Public Relations and Advertising Manager for the Manitoba Public Insurance Corporation. They are the guests of the Honourable Minister of Municipal Affairs, and on behalf of all the members, I welcome you here today.

We also have guests in our gallery, Messrs. Daudet Catellier, Campeau and Bohemier, directors of the Petit Seminaire in St. Boniface. They are the guests of the Honourable Minister of Health and the Honourable Minister of Tourism and Recreation. On behalf of the members I welcome you here today.

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

HON. RENE E. TOUPIN (Minister of Health and Social Development)(Springfield): Mr. Speaker, I would like to table the annual report for the Manitoba Health Services Commission for the year 1972. Copies will be made available to all members of the House today.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills. Two honourable members are absent. Oral Questions. The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition)(River Heights): Mr. Speaker, my question is to the Minister of Agriculture. I wonder if he can indicate whether the government believes that the freeze of meat prices in the United States will have an adverse impact on Manitoba producers or on Canadian producers in general.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture and Minister of Co-op Development) (Lac du Bonnet): Mr. Speaker, I think it's too early at this point in time to comment on that. It depends on the level of the freeze itself, I would think. Canada is a net importer of meat; to that extent I would imagine there would be some variation of impact.

MR. SPIVAK: Well, I wonder by way of a supplementary if the Minister of Agriculture can indicate whether he believes it will affect the price of meat in Manitoba, the price the consumer pays.

MR. USKIW: Mr. Speaker, I think we are indulging in opinions and I'm not sure whether it's appropriate.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Yes, Mr. Speaker, I'd like to direct a question to the Minister of Agriculture as well. Could he tell us when he'll be tabling the report of the research done by the University of Manitoba for which we allocated roughly half a million dollars?

MR. USKIW: Mr. Speaker, I'm not sure whether it's required that it be tabled although I have no objection to doing so when it's available, or if it is available.

MR. FROESE: Another question. Could he also table the Water Supply Board report?

MR. USKIW: I think the same may apply in that regard. I don't recall that it is a requirement, I presume it's not, but if it's available I'll distribute it to the House.

MR. SPEAKER: The Member for Thompson.

QUESTION PERIOD

MR. JOSEPH P. BOROWSKI (Thompson): Mr. Speaker, I have a question for the Attorney-General. I wonder if he could indicate to the House when the reappointments will take place for the Human Rights Commission, in view of the fact that they have now expired and all the members are really not members of the Commission.

MR. SPEAKER: The Honourable Attorney-General.

HON. A. H. MACKLING, Q. C. (Attorney-General)(St. James): Mr. Speaker, the matter of appointments are certainly dealt with by the government in the usual course and I'm sure you can rely upon the fact that, you know, that those reappointments are in good hands.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN (Fort Garry): Thank you, Mr. Speaker. My question is to the Minister of Health and Social Development. I'd like to ask him, does the current consideration of alternate methods of payment of doctors and dentists in Manitoba include the possibility of abolition of the fee for service method?

MR. SPEAKER: The Honourable Minister of Health.

MR. TOUPIN: Mr. Speaker, the honourable member is talking of alternatives, and when you talk of alternatives you're talking of different methods of paying different professions, and it is not the desire and it's not the ultimate aim of this government to abolish the fee for service at this stage.

MR. SHERMAN: A supplementary, Mr. Speaker. Would the fee for service method then be included in an extended system of options of payment? Would there be a number of alternatives including the fee for service method?

MR. TOUPIN: Mr. Speaker, there are options now, and the honourable member, Mr. Speaker, is quite aware that we do have medical practitioners on fee for service today, we will have in the future. There are medical practitioners that are in the employ of the Department of Health and Social Development and/or The Manitoba Health Services Commission under different boards, under salary, contracts, fee for service. There is a mix now and there will be in the future.

MR. SHERMAN: A supplementary, Mr. Speaker. Is the consideration of these methods of payment involved in the current discussions on revised fee schedules, or are the discussions limited specifically to the question of revised fee schedules?

MR. TOUPIN: Mr. Speaker, that certainly could be part of the discussion with the MMA and other members of the medical profession.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Cultural Affairs and Recreation. I wonder if he can indicate to the House whether the government is either negotiating for the purchase or for the takeover of Assiniboia Downs from either the present owner or the mortgage company.

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

HON. LAURENT L. DESJARDINS (Minister of Tourism, Recreation and Cultural Affairs) (St. Boniface): Mr. Speaker, we're not negotiating at the present, but there is a study being made of the horse racing industry and the breeding industry and the whole situation now, and something could happen.

MR. SPIVAK: By way of a supplementary then, I wonder if the Minister could indicate whether the government in its plan -- no, no, not in its wisdom, in its planning -- (Interjection) -- no, not in its wisdom, in its planning -- could indicate whether they believe Assiniboia Downs will operate fully this year.

MR. DESJARDINS: Mr. Speaker, I see no reason at all why the Assiniboia Downs shouldn't operate fully this year.

MR. BOROWSKI: Mr. Speaker, I have a question for the Minister of Mines and Resources regarding the letter Dr. Newbury sent out. I wonder if he could indicate if those statements in that letter are correct.

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management)(Inkster): Mr. Speaker, I just reviewed the letter in a cursory fashion but what I did derive from the letter which is correct, is that the statements that I made that there were no warrants issued, that no legal officers of our department were either retained or got in touch with Dr. Newbury, and that nobody told him that he would be subject to legal proceedings if he did anything, with the exception of his own university lawyers, that those statements which confirm what I had been telling the House all along are indeed correct, yes.

QUESTION PERIOD

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

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable the Minister of Tourism and Recreation. Mr. Speaker, I have in my hand here the list of reports that are required by legislation to be tabled in the House within the first 15 days of the session, and I note there are seven in the Department of Tourism and Recreation. I wonder could the Honourable Minister indicate to me when these reports will be tabled.

MR. DESJARDINS: Mr. Speaker, I haven't the list in front of me but all those that require to be tabled will be tabled as soon as they are available.

MR. SPEAKER: The Honourable Member for Assiniboia. Orders of the Day. The Honourable Member for Rhineland.

MR. FROESE: Yes, I have a question for the Minister of Mines and Resources. Is it the intention of this government to bring in tax legislation similar to that what B. C. is doing in regard to mineral taxation?

MR. SPEAKER: Policy question.

MR. GREEN: Mr. Speaker, I think that that would have to be answered, if it was answerable, by the Minister of Finance.

BUDGET DEBATE

MR. SPEAKER: Orders of the Day. Proposed motion of the Honourable First Minister and amended thereto by the Honourable Leader of the Opposition. The Honourable Leader of the Liberal Party.

MR. I. H. (IZZY) ASPER (Leader of the Liberal Party) (Wolseley): Mr. Speaker, on this the first occasion on which I have personally had the opportunity to speak for my Party in the House in response to the Budget Address, I am pleased to find myself in a position where I can sincerely compliment the Minister of Finance for what he's said and done in the Budget Speech. I think all Manitobans will want to congratulate the government for wisely sensing the mood of the people and restoring to them some \$60 million of the money that one way or the other has been taken from them. I don't say that in an accusatory manner, but let us all never forget that anything we give to the people is really theirs and we are not really giving them anything, we're simply allowing them to keep more of what is already theirs. And while that's generally true, it's not true in the case of the redistribution of income from one sector of the community to another, and it is in that area where the tax aspects of the Budget Speech are most acceptable, the government has used its surplus revenue to reduce taxes and costs for those who need it most.

I don't propose to deal item by item with the revenue and expenditure aspects of the budget or find fault with the minor and technical aspects, although I hope these will be discussed during debate, but rather I intend to concentrate my remarks on the principle of the budget and, as it will be seen from my later remarks, not so much what it contains but what it fails to contain. We Liberals take a special satisfaction in the Budget Speech. It will be recalled that about a month ago we calculated that when one added the new federal equalization grants to the surplus revenue, which would be created by the buoyant economy, which has been created by recent federal policy, the government would be in a position to reduce taxes or make grants, one way or the other, to the tune of about \$60 million or \$240.00 per Manitoba family.

It was not surprising, Mr. Speaker, that when we made this assertion, the First Minister responded, in his now typical manner, by describing such tax reduction as being outlandish and ludicrous, and when I responded to the Speech from the Throne it may be remembered that I repeated my assertion that taxes could be cut this year by \$240.00 per family as a minimum, and notwithstanding the Premier's groans and exhortations to the contrary, we said that if he couldn't do it, we knew we could.

Now, Mr. Speaker, the First Minister has suddenly discovered, as we predicted, that he does have about 60 million to give back to the people and he has done so, for which we thank him. We thank him on behalf of the people of Manitoba and we thank him on behalf of the Liberal Party because by his words of February 20th and his contrary actions of March 26th, he's made the Liberal Party and its financial commentators more credible than anything we could have done ourselves.

Nor do I intend to dwell on the accusations by many people that this is an election budget, a budget full of goodies with which to attract votes for the government, because that's a matter

BUDGET DEBATE

(MR. ASPER cont'd)for the public to decide. It's also entirely possible that the budget because of its massive and overly obvious generosity, might equally well be interpreted by the public as blatant politicking and fiscal expediency by the government, and that may create a backlash effect. It is not for us to decide in this Chamber, nor is it even of any importance at this point.

However, what is important in the Budget Speech is that it brings us to the end of four years of this government's administration, so it is a budget speech on which the government expects to be judged by the people, and if that's the case, Mr. Speaker, there is something dreadfully wrong. In recent years across this nation and in all parliaments, we have been accustomed to the expansion of the traditional budget presentation from a straight profit and loss account, expense and revenue presentation, and the tax implications, to a much wider, much fuller document. Budget speeches have now become, by custom, a report on the state of the economy for the past year, a projection of the economy for the year to come, and a statement of economic-oriented programs which will be implemented in order to achieve the desired economic goals for the forthcoming period. It's even come to be expected, Mr. Speaker, that the budget speech should contain reference to the social implications of the government's fiscal measures inasmuch as we've come to the realization that social progress is inseparable from economic progress and it's considerably influenced by the spending and taxing policies of the government.

The startling fact is that this budget speech does none of those things. It merely gives an accounting of what the government intends to spend, what it intends to raise in tax, what it intends to give back to the people in service and tax reduction. It does nothing in any other area. There's not a word, not a syllable devoted to economic stimulation programs through the use of fiscal machinery, and there's very little in the way of social programs, other than the rather modest statement that for the first time since 1969 the government will raise comparable or commensurate with the inflationary increase, the allowances made to people requiring social assistance. But no new programs, no new fiscal action, no new plan to come to grips with the realities of our economic problems and the social difficulties that stem from them.

Perhaps the government will argue that the fact that it is pumping some \$60 million into the hands of the people is in itself some economic stimulation and that it'll create new jobs in the province. That argument would fail on at least two grounds; first, government spending in the economy, by the government's own figures, is going to be down this year, so the total injection of government spending into the economy is reduced. Second, if the government argues that the elimination of Medicare premiums and the additional rebate of property tax will create greater consumer demands for goods and thus somehow miraculously create jobs, there are obvious flaws in that theory too. One flaw is the amount of money or property tax reduction will likely be eaten up in increased rents, increased costs of living expenditures and increased municipal taxes. Another is that if there's a new demand for goods created by the fact that consumers now have more money, then let it also be remembered that the work force of Ontario and Quebec should be delighted, not the workers of Manitoba, because the consumer goods that will be bought will likely have been manufactured in Ontario or Quebec and will create economic stimulation there, but not here.

While we say that if we were to say nothing more about the budget, it would be to compliment the government on the tax reductions, which come as considerable relief at a time when that relief is urgent and critically needed. But we have to say more, because the government has failed to produce an economic and socially-oriented budgetary document, budgetary blueprint for the next year. Because of this overwhelming omission, we Liberals intend to supply that additive -- our suggestions for the economic and social ingredients which are missing from the Budget Address, let's call it an alternative.

Mr. Speaker, it will appear at once that we Liberals differ markedly from the NDP. We seek to build in Manitoba a free society, a society in which individual and private initiative is rewarded and encouraged, and where government exists, not as the master but as the servant of the people, to assist the people in achieving their own ends, their own objectives, their own destinies, selected through freedom of private choice rather than designated by state interference and interference in the economy. We call this a free society, an incentive society. We reject statism, but seek a community in which individual initiative, encouraged and aided by government, is the dominant factor.

BUDGET DEBATE

(MR. ASPER cont'd)

The incentive society which we Liberals seek to build in Manitoba, rejects the extremism between the right-wing and the left-wing of political philosophy in our view. That polarization of extremes is dangerous and has hurt this province, because it's produced the politics of confrontation, the politics of clash.

Manitoba does not need, does not want, and cannot afford the revival of the 1930 style of obsolete debate between Conservatives and Socialists over the virtue of capitalism versus free enterprise and versus state ownership and so on. That's the posture the Conservatives and the NDP Parties take. The Liberal re-emergence as a middle-of-the-road, moderate, tolerant, non-doctrinaire party is supported by a very broad spectrum of public opinion.

The Budget Speech, plus the past four years of government legislation from this government, tells us what the NDP believes, and we Liberals remain concerned with the principle that the individual in society must come first.

INTRODUCTION OF GUESTS

MR. SPEAKER: I thank the honourable member for yielding the floor. I would like to introduce some guests we have. In the loge to my right we have Premier Lougheed of Alberta and Premier Blakeney of Saskatchewan. And to the left in my loge we have the Minister of Dominion-Provincial Relations of Alberta, Mr. Don Getty, and Mr. Kim Thorson, the Minister of Industry and Commerce in Saskatchewan, and Mr. Peacock, Minister of Industry and Commerce in Alberta.

On behalf of all the honourable members, I welcome you here today.

BUDGET SPEECH DEBATE cont'd

MR. ASPER: Mr. Speaker, we say we are concerned, deeply concerned in this province that the individual come first that he must be protected, that he must have freedom of choice, that he must have incentive and reward for his private initiative. And while I say that we can build a better society where government will serve people rather than dominate them, as the NDP does, we must not ignore them as the Conservatives tended to do. That individual incentive, the individual freedom of which I speak today, is threatened by three great bureaucracies on all sides of it: the bureaucracy of big business, the bureaucracy of big labor and, the worst of all bureaucracies, the bureaucracy of big government. It's time for the people of Manitoba to recognize these dangers and disarm them, rather than embrace a political creed which increases the control of government over the lives of individuals.

The public rejected the Conservatives in 1969 because its tendency as a government was to ignore problems in the hope that they might go away all by themselves. And so the public turned to the NDP in the hope that they, masquerading as a Liberal Party, down-playing the commitment to socialism and statism, mouthing slogans such as "social democracy" and "open government". And many people had great expectations, but those hopes have faded, Mr. Speaker, as the bloom has come off the rose; the halo has fallen, and the more tarnished reality of the NDP is becoming clear. Whether it's because of the Premier's vitriolic and vicious attacks on his opponents; whether it is the secretiveness, the lack of openness with which the government operates; whether it is the incredible degree of patronage and arrogance that has swept into our system; whether it is the lack of skill in handling the public purse; whether it's the father-knows-best attitude of the government, evidenced by its refusal to hold public hearings on such things as the Churchill River diversion, Lake Winnipeg regulation; whether it's the refusal to pass the Bill of Rights or have independent auditors examine government expenditures and report to the public; or whether it is in so many other dozens of areas in which the NDP has been shown up for what it really is, more and more people are coming to the conclusion that something is drastically wrong. They want a government with policies that will unite us and not divide us. They want a government which will bring to the political helm new skills, new imagination, renewed dedication to an incentive society as opposed to a state-dominated society. They want a society in which they are governed by a party which is for all Manitobans, that's not city-oriented, not rural-oriented, not business-oriented, not labor-oriented, but committed to serve all people.

In essence, an incentive society, Mr. Speaker, is one in which the rewards and satisfactions of individual initiative are such that individuals will strive for excellence which will

BUDGET DEBATE

(MR. ASPER cont'd) as well as rewarding themselves, help society and other individuals within it.

The incentive society which Liberalism seeks to build is one in which the government acts not to equalize people, because every person is an individual and therefore different from his neighbors, but rather seeks to create equality of opportunity in a free market society. That is, we see the function of government as being responsible for bringing people from the date of birth to the point of adulthood where they all begin at the same starting line in the race for life's prizes. The incentive society, as seen by Liberals, differs from the Conservative approach at this point because the Conservative approach has traditionally been to leave everyone alone from that point on. The Liberal approach is that government must watch that race very carefully to make certain that the disadvantaged, who are not equipped for the race, through accident of birth or economic problems, health and so on, are looked after with dignity and respect. It is very much different from the NDP approach which seems to say that the government will dictate who runs in the race, what track they'll run on, what their rewards will be, and even who is going to win.

In modern 1973 terms, the incentive society is one which must provide a decent urban environment, an open democratic form of government, re-population, re-development of our rural areas, a reduction in the economic disparities suffered by northern people, and an end to the abuse of our welfare system, both from the point of view of the public as well as from the point of view of the recipient of social assistance, and the means to help the disadvantaged in a more meaningful way. Most of all, the modern incentive society seeks to create a government which is responsive to private individuals -- and here is where it would differ markedly from the present NDP administration.

Well, Mr. Speaker, is that Incentive Society being achieved? I've told you how it differs from the NDP, how it differs from what the PC's have suggested, what its different objectives are. The question remains -- is it being accomplished? And the answer is: look at the economic data, look at the social data, the cultural data, the political data, the educational data. In all cases they lead to one inevitable conclusion, that we are not moving toward an incentive society where individuals will be free, but rather we are moving dramatically away from that goal.

In the government speech, the government attempts to paint a rosy economic picture. I don't intend to debate each specific statistic but I hope others will during this debate. Let me say that in our opinion the conclusion as to the economic health of the province drawn by the government, is quite wrong. Later in the debate perhaps we will have an opportunity to demonstrate just how wrong it is, because we will present the facts and figures, not opinions.

The change in direction we speak of is essential. The kind of society we've built over these past few years is a society which is characterized by brain drain, youth alienation, lack of job creation, a computerized, compartmentalized and dehumanized society. Government spending has gone up over 100 percent in four years. Bureaucracy has run rampant; the civil service has risen by 33 percent in four years. And lest the First Minister as usual jump to his feet and say that all civil servants are increasing all over the province, let me say that we have figures in provable form, to indicate that in Ontario the Civil Service growth rate has only been 17.22 percent in the same period, and we are growing in our Civil Service at twice the rate Ontario is.

And lest the Finance Minister also feel that there's no need for a debate on Manitoba's economic position, let me tell him that according to Statistics Canada between the years 1969 and 1972, the net outflow of people from this province (the brain drain) was 16,000 net, while at the same time Ontario's population inflow by in-migration was 113,000. And if the First Minister protests too much, he'll have to explain why the number of industrial users of Hydro in Ontario have gone up and the number of industrial users in these four years of Hydro in Manitoba have gone down by about 240. He'll also have to explain why, in 1969, Winnipeg was the 52nd from the top in the average per capita income, but has now slipped to 56th; and why Brandon has declined from 84th position to 92nd on the list.

There is need for economic debate, Mr. Speaker, in the Budget Speech because it's demonstrated that in the four years of NDP government, the total population of Manitoba has risen by 1.3 percent, while the population of Ontario has risen by 5.1 percent, and the Canadian average growth is three times that of Manitoba.

BUDGET DEBATE

(MR. ASPER cont'd)

When the NDP took office in 1969, the unemployment rate in this province was 2.7 percent. By January 1973, it had risen to 5.9 percent. In 1969 there were only 10,000 unemployed in Manitoba; today there are 22,000, an increase of well over 100 percent.

To give you an example of how the economy is going under NDP rule, let me tell you that in the 12 months of 1969, there were only 60 bankruptcies in Manitoba involving \$5.5 million of losses. By the end of '72, there were 87 bankruptcies and the credit loss was \$71 million as opposed to \$5 million. Compare this to Saskatchewan, where the number of bankruptcies went up only from 64 to 73 and the total loss was only 3.5 million compared to the loss in Manitoba of 71 million.

Yes, Mr. Speaker, we have statistics too, and every single statistic we've examined and which will be presented later in this debate, indicates that there is a pressing need for a budgetary debate on the economics of Manitoba particularly when, as I revealed two days ago, we have information that indicates that 90 percent of our native Indian work force, population rather, is unemployed, and nearly 42 percent of the Metis population is unemployed, and neither of those show up in the glowing statistics offered by the Minister of Finance or the Minister of Labor. And the native labour force is growing faster than the white labour force, and unless the problem is arrested and dealt with, by 1980 the problem will be of unbearable proportion. Mr. Speaker, at this very moment in Manitoba there are over 40,000 people who are employable and who are not working. That's an 11 percent unemployment figure based on a work force of about 390,000 people.

I don't intend, Mr. Speaker, in my contribution to this debate, to lay out the entire statistical picture so conveniently ignored by the government in its rosy projections. I leave that to others. I merely cite these figures to demonstrate the need for a change in direction, and the change in direction must be toward individual initiative, not state initiative. It must be toward ending the licence society. We have created a massive bureaucracy which licences, which grants permits, which gives permission for almost every act of human endeavour, those acts which should by definition be free rather than the subject of government approval. The fact is, Mr. Speaker, we have created a titled elite -- the people who hold government licences.

Mr. Speaker, if we really want an incentive society we start with tax reform, because the incentive society believes that everyone should have the right and the obligation to work. Everyone must therefore have available to him, not only a job, but many job options and the security of knowing that if he leaves his job, he will have no difficulty in finding another. In my comments today, I'm ignoring the actions that should and can be taken in the private sector and by individuals themselves, and I intend to concentrate on what we must ask government to provide in this critically important area.

I start from the premise that until the Government of Manitoba recognizes that the most fundamental challenge is our economic development and that no other problems, whether they're social, educational, or cultural, can be solved in the absence of a buoyant and expanding economy, we will continue to face not only economic distress but will also fail to come to grips with our human and social difficulties. And so we must set out our goals for the economy of this province.

Obviously we want full employment, we want our work force to enjoy high wages and prospects for continually increased productivity and their standard of living. We want our business community to enjoy profits, expanding profits, for this is the source of renewed investment capital for expansion. We require a balanced tax system which will provide government with a fair share of the revenue generated by high wages and high profits. We require a balanced and diversified economy in order to provide stability against the kind of economic development that can create boom or bust in various sectors of the economy. We must encourage the kind of economic development that employs the latest in research and technology, and the kind that has a multiplier effect. We're blessed in Manitoba with tremendous economic potential but there is nothing more sad than watching our promise being continually unfulfilled.

We must look to our economy to generate new capital in the hands of individuals, to provide a renewed source of investment, because it is only as we build capital for investment in private hands that we can honestly expand, truly expand, our economy. And because we'll be continually short of resident capital in the foreseeable future, we must continue to attract capital from outside the province.

BUDGET DEBATE

(MR. ASPER cont'd)

Economic growth, then, becomes a critically important objective in Manitoba, not only because we must immediately generate at least 50,000 new jobs in the short term just to keep our existing population at work, but because of our sparseness in population, our economy must be made to expand much more rapidly in order to attract immigration and new people to the province.

It is appropriate to explain why I feel that population growth is an important objective here in Manitoba, because later on I will be suggesting that we must curtail the population growth in Winnipeg and deflect that population growth to our rural and northern regions.

Mr. Speaker, with less than a million people we haven't enough consumers to create a major local market for production. Therefore we must export. We're handicapped in developing export markets from Manitoba because of the cost of freight and because of international tariffs which are designed to prevent the importing of our goods and our lack of density of population does not necessarily keep the cost of government down, indeed it's the reverse. We still have to build the schools, the roads, the fire stations that could service a much larger, much broader population, at a much lower cost per individual than we presently enjoy. For example, in Manitoba, as I have said before, we had to build 30 miles of surfaced road for every 1,000 inhabitants while Ontario has to build only half that.

There are special considerations that have to be taken into account in setting goals for Manitoba. As I said a moment ago the first is decentralization. We must not only expand the population -- rather the economic base, but we've got to do it in a manner which does not centralize all economic growth in Winnipeg. It must be evenly spread on a regionally decentralized basis throughout the province so that job opportunities and economic careers are readily available to all Manitobans.

The second special objective of the Manitoba economy must be to provide part-time work for farm families who work on farms but require outside work to supplement their incomes. The same applies to students.

Another unique objective of Manitoba must be to achieve full utilization and development of our natural resources. That included minerals, forestry, electrical power, agricultural production, and by that I mean we have to establish economic policies that do not see us merely extract our natural resources and ship them to other markets where the jobs and the profit is earned by converting our raw materials into final products. And this change in economic policy is a priority.

Another special objective of the Manitoba economy is the incentive, or in an incentive society, must be to integrate into our work force and into our economy those members of our native population who wish to join the economic mainstream; for those who don't, to provide economic independence of their native communities. The dimensions of this problem seem to be ignored. They're certainly not taking into account in the Budget Speech. As I said by 1980 nine percent of our potential work force will be of native origin, and I suggest that every single factor and component in our economy, government, business, labour, must focus attention on that very very deeply concerning fact.

Now in this, Mr. Speaker, the tax system has a role to play. It provides the framework in which we can be competitive for capital, for talent, for markets, for jobs, and we have to look at our present tax system as operated by the NDP government and to see whether or not it is being used as an asset or is actually a liability in helping this province achieve its social and economic goals. While I again reiterate the Liberal Party approval of the changes in the taxes that were announced in the Budget, we stressed that these changes were only on the social side. They didn't do anything for the economy.

Further tax changes are required to stimulate that economy as well as to render further social justice to the disadvantaged members of our society. Because we have inflicted upon ourselves the highest corporation tax, tied with Saskatchewan for the highest death and gift tax in Canada, and the highest capital gains tax in Canada, no one can dispute the fact that our tax system does not encourage new people, new capital, to come to Manitoba to work and invest. And we can prove that with figures if that's necessary. In fact, we can demonstrate with actual figures that the tax system in Manitoba has caused the departure of both talented entrepreneurs and trained workers. This is unacceptable because used imaginatively as an incentive society tax system, the tax system can be a positive force. It can attract new

BUDGET DEBATE

(MR. ASPER cont'd) development, which creates new jobs in a decentralized way and which jobs would result in creating new salaries, new profits, which are taxed to provide new revenue to allow government to carry out and expand the social programs required to create a fairer society and better the human condition.

Before the welfare rate increases were announced in the Budget the government said it was going to spend \$47 million on welfare payments this year. Compare that with the 17 million that was required before this government took office. I can assure members opposite that the tax changes that I will be proposing would be such as to stimulate the economy to the extent that the new tax revenues that would be created because of a better economy, and the welfare cuts that would be created because of a better economy, would be such as to create a natural surplus rather than a decrease in revenue. If there is any doubt about it, Mr. Speaker, it should be noted that every time the Federal Government decides to stimulate the economy federally by tax cuts the following year, in spite of the tax cuts, federal tax revenue has risen sharply, and Manitoba should learn from that lesson. But if we continue to follow slavishly the inflexible, the doctrinaire policies of the present government then we do great damage continually for our long-term prospects as well as our current ability to carry out the job of building a better life for our people.

The questions that appear to be worrying Manitobans today is where are we going, secondly what can we do about it? How can we arrest and turn around the annual outflow of talented Manitobans who yearly leave this province in search of jobs and a better future? And I have said Statistics Canada has indicated to us that during the NDP tenure we have lost a net brain drain of 16,000 individuals. What steps should the government be taking to prevent a continuation of the corporate exodus -- whether it's Hudson's Bay moving its buying division to Toronto; whether it's North West Fabricators moving its trailer plant from Transcona to Alberta; Glendale Mobile Homes moving out of Morris, Manitoba; Versatile Manufacturing building its new plant in North Dakota instead of Fort Garry; Canadian Indemnity moving its Head Office, or Executive Office, to Toronto, and so on.

And I can list -- and while we can't blame all of our economic difficulties on the tax system one thing is certain: the Manitoba tax environment does not act as a magnet to retain much-needed jobs for Manitobans in industry. As our economy is impaired by the exodus of jobs and people, the problem is augmented for those who remain because they have to pay the taxes to make up the lost revenue the government suffers every time a taxpayer or a job-providing industry evacuates. So clearly we have to reverse the trend and I propose consideration of a number of tax changes which would help create an incentive society in Manitoba.

First of all, Mr. Speaker, there are socially desirable tax changes. First as an incentive for people to be able to modernize and repair their homes without facing increased tax assessment, we have already proposed that up to \$2,500 a year of home improvements be exempted from reassessment for a five-year period. There would be no revenue loss because most people are not repairing their homes now because they don't want to face a higher property tax. And if there is some concern that this would benefit too broad a group, we would accept a provision which applies it only to homes with a certain level of property assessment so that it benefits a lower income group, or some other specified formula.

And while the government has we concede made considerable progress in lifting the education tax burden from homes, we have the financial capacity to go even further. We disagree with the government when they say they have gone about as far as they want to go. We believe that it's the function of the Provincial Government to set a minimum standard of education throughout the province and to provide the total funding of that minimum standard, allowing each district to decide for itself what additions it wants to the minimum standard, and to allow them to tax for it. Even if we accept the government's idea that the province should pay only 80 percent of education costs and the local districts should be taxing for the remaining 20 percent, we have not even achieved this. But another \$18 million would see us in tax reduction on property tax, would see us in approximately that position. And as a minimum, Mr. Speaker, that is what we are advocating; the removal of the cost of financing education from the property tax base can be completely achieved within a two or three year period and a Liberal Government is pledged to do so. A simple slashing this year of two to three percent in government spending, removing some of the fat, the waste, which we will document in this debate, would achieve this in 1973 alone.

BUDGET DEBATE

(MR. ASPER cont'd)

At the same time, Mr. Speaker, recognizing the mobility of the Canadian population, and the fact that we are exporting tens of millions of dollars each year in education costs, people we educate through the brain drain and whom we lose, for whom the NDP has failed to provide jobs, the government must negotiate as a high priority with the Government of Canada for greater contributions to the cost of financing elementary and secondary education from the national tax base.

And fourth, Mr. Speaker, provincial tax credit system should be established immediately in such a manner so that no provincial tax is paid by senior citizens on a credit system who have incomes of 3,000 or less if they're single, or if married \$4,500 or less. The First Minister has said in this House that the cost of that kind of a program would be peanuts, nominal, and that being the case let's do it now.

Fifth, the sales tax must be amended so that there is no longer a tax on any of the necessities of life. Obviously included in such a reform would be an amendment so that children's clothes, regardless of size, up till age 16 would be totally exempt and the revenue loss we know would be incidental.

Sixth, in fairness to our northern residents who pay the same taxes as southern citizens but don't receive the same standard of government service in most cases, a system of regional tax rebates should be introduced to soften the effect of the high cost of living and the lack of government services, as well as the high transportation costs in some of our more remote areas.

Mr. Speaker, those are socially desirable tax changes which would cost very little to implement.

Now let us talk about the tax reform that's required to spur the economy and create greater incentives for development. The four years of NDP government have produced an inhospitable tax climate in respect to those areas of taxation where incentives are required for economic expansion. We do not have an incentive system; it's a disincentive system, and it must be corrected.

We are therefore proposing, Mr. Speaker, firstly, the total abolition of death and gift taxes. The cost of this in lost revenue would be approximately \$4 million in a direct way but we are confident in doing that the additional income and corporation tax, as well as the sales and consumption tax that would be generated by this incentive move, would far more than dwarf the lost revenue from the death tax. Manitoba does not exist in a vacuum. Alberta has no tax of this kind. Three out of four of the other provinces that went into the death tax business last year are going out of it this year. There are Manitobans, Mr. Speaker, who have removed their assets and themselves from this province because of the tax, and we have lost them as income tax payers, as corporate taxpayers, as sales tax payers. Any research, every study that's ever been done indicates, that we've seen at least, indicates that the death tax collected is less than the income and sales tax lost if you force population migration because of it.

Mr. Speaker, every study that's been conducted, whether under the royal commission of the other provinces or under the Carter Commission, said that there was a true financial partnership between husband and wife and that must be recognized by the tax law. It's part of the Status of Women Commission findings that financial servitude of a woman is artificially aided by an obsolete death tax system. In 1968 the Federal Government abolished all taxation of gifts between husband and wife either at lifetime or at death. The very least the Province of Manitoba must do is perpetuate that enlightened move. The death tax we've now imposed, and which will have a dramatic effect on small businessmen and farmers, and will contribute mightily to their inability to pass their assets down from one generation to the other, in most cases these farmers and small businessmen will be forced to sell and their farms and their small business will be bought, probably by non-residents, and we will hasten, accelerate the trend toward the branch office economy, something which is undesirable and something which under the NDP has been accelerated, and something we will be able to document later in this debate.

In the past four years, Mr. Speaker, we have seen an alarming trend of takeover by non-residents of Manitoba small business, whether it's Wilson Stationers, Grey Goose Bus, Beaver Lumber, and so on, and we'll be prepared to document and table this in the

BUDGET DEBATE

(MR. ASPER cont'd) House if we're required to. But, Mr. Speaker, studies in other provinces have indicated that the majority of foreign takeovers of industry have been prompted by sales which were generated either by existing death taxes or fear of future death taxes, and those same studies demonstrate that the death tax has encouraged the migration of people from the province and discouraged the immigration of people into the province, and that in-migration is a healthy and desirable thing because the industrial and job opportunities that are created by those investors.

Mr. Speaker, during last year's debate on the succession duty bill the Finance Minister implied that we must impose these taxes not because they yield any revenue -- because everyone knows they yield approximately half of one percent of our revenue -- but because of the social philosophy of the NDP government. The breakup of the concentration of wealth -- now that's pretty good political stuff, Mr. Speaker, but let's take a look at it. Let's take the farmer of tomorrow who begins by buying a modest amount of land for a farm at a cost of about 25,000. After a lifetime of below average income, long hours, and work which most people in this Legislature would not like to undertake, he builds it up to a value of say 125,000. Even that increase in price doesn't really reflect real wealth because of inflation. A comparable farm would probably cost him the same. Now when he dies and leaves that farm to his younger brother, who has been working with him, he pays a succession duty to the Province of Manitoba of about \$13,000.00. He must ask, and we must ask, Mr. Speaker, what has society got to fear from this man that the government feels he must turn over about 10 percent of his life's saving to the state arising out of the simple chemistry of dying.

If only the Government will listen to some of the younger farmers who are speaking for the first time in rural Manitoba, this government will realize the kind of tax structure that they've brought in destroys the incentive to work and to stay on the farm. The genuine solution lies in the total abolition of death taxes and gift taxes. This would make Manitoba a most attractive place to work, invest, and would create tremendous incentives to stay. Revenue losses to the province would be small, and I believe that there would actually be a revenue gain in other taxes, which would be caused by the fact that people would stay here and others would come here. For those who don't believe in total abolition, Mr. Speaker, at least let's agree on some basic amendments to the present tax law.

1. Gifts between husband and wife and inheritances between husband and wife should be totally tax free.
2. Once in a man's lifetime, he should be entitled to make a gift, tax free, to any member of his family, or members, to assist them in starting out on their own, in business or in farming, tax free up to \$20,000.
3. The exemptions on death tax should be raised at least from the \$150,000 on the level we've imposed, to at least \$500,000 as is the case in other provinces.
4. As an incentive to encourage the retention of family business, family farms within the unit after the death of the founding member, succession duties on farms or small businesses should be waived in their entirety if the business or farm is left to a member of the family who retains it and operates it for at least ten years from the date of death of the parent.

Second, Mr. Speaker, we're proposing a special selective capital gains tax rebate plan. Before making this proposal, Mr. Speaker, I hasten to point out that any rebate of the provincial share of the capital gains tax, which is 42.5 percent, would not result in a revenue loss to the Province of Manitoba in very significant terms, because it's this revenue that we have not yet received and for which only nominal budgeting has been made.

Now, Mr. Speaker, as part of the incentive society, I propose that we establish legislative machinery allowing the province to rebate the provincial portion of the capital gains tax -- and I stress this -- in selected cases. This would cut, for those cases, the capital gains tax by about one-third. It would make Manitoba a very exciting place to invest. For example, there should be a capital gains tax rebate system where one sells a farm and uses the proceeds to buy another farm within one year after the first sale.

Second, there should be a capital gains tax rebate system where a businessman sells his business, and within the same specified time uses the proceeds to buy another entirely new job-creating industry. This would create phenomenal opportunity for growth.

BUDGET DEBATE

(MR. ASPER cont'd) It would create major job opportunities, major new taxable revenue, through using the capital gains tax rebate system to stimulate trade on the Winnipeg Stock Exchange. And I now want to lay out a plan in this respect.

I suggest, Mr. Speaker that we could create at least several thousand new jobs and help make Winnipeg the financial centre of at least western Canada, by a capital gains tax rebate plan. In this plan there would be a capital gains tax rebate of the provincial portion of capital gains taxes made, on shares traded on the Winnipeg Stock Exchange under given circumstances:

1. Mr. Speaker, I might say that I have consulted broadly on this plan and am satisfied through independent advice that such a plan, never mind the competitive factors, such a plan would make exciting new job opportunities and a new financial market for the west. The circumstances under which I am proposing the plan are these:

- (1) The company whose shares are sold must be listed on the Winnipeg Exchange.
- (2) They must be bought and sold through brokers which maintain permanent and bona fide offices in Manitoba.
- (3) The seller, who is either a person or a corporation, must be deemed to be a resident of Manitoba.
- (4) The buyer of the stock, whether a person or a corporation, must be deemed to be a resident of Manitoba.

Now under these circumstances, Mr. Speaker, you would see many new brokers establishing offices in Winnipeg; you would certainly see a massive increase in the business and the jobs available within the existing brokers and, as well, all Canadian major companies would be required in effect to list on the Winnipeg Stock Exchange. Also, every major trader and investor in stocks and bonds, such as the Canadian mutual funds, the life insurance industries, the banks and so on, would be sorely tempted to establish offices in Winnipeg, and I am sure many would.

Mr. Speaker, we would not lose any revenue because it's revenue we don't get today. It's revenue which is now being collected through capital gains taxes in Ontario and Quebec. On the contrary, we would gain revenue because of the new income taxes, the new other taxes paid by the people who find new jobs in Manitoba as a result of this new financial activity. And from this it will be clear that we must, I believe, use every device at our hand to stimulate our economy and create new jobs. Mr. Speaker, the tax system provides an excellent vehicle.

Third in the stimulation, incentive tax reforms, the Liberal Party would introduce a system of tax incentives on property tax to attract development in the Winnipeg downtown development plan, and as well we would introduce and stiffen special property taxes on vacant land or underdeveloped property which is being held for speculation. This is designed to create an incentive for more development, particularly in the downtown development scheme of Winnipeg.

Fourth, Mr. Speaker, we are proposing corporate tax cuts to stimulate corporate activity. By now I think all of us recognize, even the Honourable Member from Crescentwood, the conscience of the NDP, who probably won't run again in the next election, Mr. Speaker, because he's been so thwarted by his colleagues. --(Interjections)-- I recall the honourable member saying - and I agree with him - that corporations do not pay income tax. No matter how much you tax them, they simply pass the tax on to us as consumers, through increased prices. Even Eric Kierans suggested that we should cut our corporate taxes in half or by three quarters if we want to stimulate secondary manufacturing, and processing industries and the jobs that go with them. And I say, Mr. Speaker, in this respect I agree with Mr. Kierans. Nothing is as effective in creating new, permanent, lasting, private sector jobs as tax cuts which give the corporate community, business community, permanent additional capital with which to expand.

So we therefore propose, Mr. Speaker, a 10 percent corporate tax cut which would see Manitoba corporations once again brought into line, and only brought into line with competing provinces. The costs to the treasury of Manitoba would be about \$4 million, and we believe this would be more than made up in the taxes paid on the salaries earned in the new jobs created thereby.

Fifth, Mr. Speaker, we propose, in addition to the general corporate tax cut of 10 percent, we propose to attract new industry into Manitoba by cutting in half the provincial

BUDGET DEBATE

(MR. ASPER cont'd) corporate income tax payable in respect of any profits made on sales of goods outside the province. We are stimulating our export economy thereby, Mr. Speaker. Those industries are facing severe competition from the United States, which has become far more competitive in recent years. The United States through the DISC program has enacted a plan to eliminate all corporation taxes for those companies who produce goods in the United States for sale abroad. I don't think we have to go that far, Mr. Speaker, but I do think we have to go half way. If we do this, I think we can safely predict that there would be an influx of new industry into Manitoba which would be manufacturing processing and heavily jobintensive, for the export market. I am prepared to list for my own research on this subject, Mr. Speaker, several kinds of companies that would move here under those circumstances, and I have stressed that our tax incentives for economic development must be tied into our program of industrial decentralization. I therefore add the condition, the rider, that such tax cut arrangements be reserved for only those companies which locate or relocate in rural and northern areas, where the jobs are urgently needed.

Mr. Speaker, while I urge these tax reforms immediately, it is also essential that we stop applying bandaid and shotgun solutions to the problem of tax reform in Manitoba and do, as most of the other provinces of Canada have long ago done, a thorough review of all our taxes, and see how they harmonize with our social, our cultural and our economic goals. Mr. Speaker, I believe that a program such as this can only be undertaken by a royal commission and I therefore propose a Royal Commission on Taxation. I am confident that a royal commission will recommend major new tax-sharing agreements within the province, between the province and the City of Winnipeg as well as the province and the rural municipalities, plus a host of other restructuring proposals.

Mr. Speaker, there are further individual income tax cuts required. We believe that major income tax and property tax cuts can be made, plus the money required to fund the new programs, which I will speak of in a minute, through an incentive society. We can find this money by simply providing a 10 percent cut in government costs. We are therefore proposing, Mr. Speaker, (a) that the size of the civil service should be frozen; (b) as people leave or retire, they should not be replaced until we have achieved a 10 percent overall cut in the size of the civil service. We're simply calling for a 10 percent increase in efficiency, in effect 10 percent less waste.

Mr. Speaker, measures like this, if successful, would produce an additional \$70 million per year in revenue and that amount would grow steadily. And it's this money, plus the net revenue that would be received from the expanded economy which would be created by the incentive society I have described, that would give the current government, or the next government, as much as \$100 million a year more with which to continue the tax cut program. Mr. Speaker, we don't say this lightly or frivolously. I've made my own analysis, we've obtained independent advice, economically, and we tell you that this is what the Manitoba economy can do, and I am confident we can achieve at least what I have suggested, even if we are unable to negotiate any kind of a new deal for Manitoba within Confederation in the forthcoming dialogues which we will have with the rest of this country. Mr. Speaker, because I am confident that a Liberal government in Manitoba would be able to negotiate a new deal for Manitoba, I look forward to our revenue prospects with considerable optimism. In the light of that, I am confident in our ability to continue a major tax cut program and, at the same time, improve the quality of government services for those who need it.

If there's any doubt in the minds of the front benches that there is massive waste in the present government handling of the economy, of the nearly \$1 billion of provincial spending, then let's look at the public account, and let the government explain why we needed to spend last year \$130,000 paying taxi bills, or nearly \$300,000 to travel agents, or while we own our own Manitoba air force why we still have to pay over \$600,000 to various airlines to fly people around; or over \$130,000 to Winnipeg hotels for lodging, wining and dining for someone or other. This is not to mention the millions of dollars the government's squandering on ill-advised investment schemes such as the \$8 million which is being held hostage in the Saunders Aircraft affair. And lest anyone deny or doubt the need for further tax cost, Mr. Speaker - and I'm sorry the First Minister isn't in his place; he would be interested to know that he should take a look at the farmer's tax bill that I took a look at yesterday, which showed his 1969 tax bill at \$2,744.68 rising to \$3,809.29 in 1972, even though his income in the same period has

BUDGET DEBATE

(MR. ASPER cont'd). . . . declined.

Mr. Speaker, I now turn to the kind of economic programs which we feel are necessary for the incentive society, and which we hoped might have been included in the Budget Speech. I have already stated what I believe the objectives and the targets of our economic development program should be, namely, the massive top priority effort to create a minimum number of at least 50,000 jobs in the short term, and to make sure that the majority of these jobs are located in rural and northern areas.

Mr. Speaker, we have the means with which to achieve these objectives, partly through the tax reforms I've just mentioned, and the balance will come from the kind of development strategy and programs we adopt. The areas in which our potential for economic improvement lie chiefly are tourism, secondary manufacturing, agricultural food processing, and natural resource development. But we do not have an adequate economic program framework within which to harness that vast potential, and therefore, Mr. Speaker, an incentive society economic development strategy would have to call for a series of new programs, none of which were mentioned in the Budget Speech.

While we've praised the Budget Speech for what it did in the tax area, we must regret that it did nothing to build a better economic framework through which Manitobans could benefit. And so we propose to this Assembly for consideration:

1. The establishment of a Department of Immigration, as other provinces have done, which would, after our own work force has been put back to work, negotiate with the Federal Government and establish immigration centres as new workers come in to fill the new jobs that must be created, until the population of Manitoba has reached a reasonable size where population growth is no longer necessary. What we seek in population terms is a large enough population, regionally decentralized, to make for efficient operation of our existing communities. It's quite clear that Winnipeg does not necessarily need population growth, but this is not true of most of our rural small towns which, through depopulation, are facing higher taxes because there are fewer and fewer people left to administer and pay for the services that are still required.

2. Second, Mr. Speaker, we've got to open trade offices for Manitoba goods throughout the world and not wait for or hope that some external affairs office of the government of Canada will be seeking economic opportunities for Manitoba business. In order to keep track of what is happening economically in Canada and in the world, a trade office must be established in Ottawa, but as well, we should be establishing trade offices, as Ontario does, as other job intensive provinces have done, in Washington, in London, and we must focus our attentions on the vast potential of the markets of China, South America and Africa. These trade offices will more than pay for themselves through the new business, the new jobs they generate in Manitoba. Other provinces in Canada and in the United States, Mr. Speaker, have done it very successfully.

3. In addition to these trade offices, but attached to them, we must launch an international sales force of industrial development commissioners whose job it is to attract new industry to Manitoba. Inasmuch as this is the kind of an industrial sales force that would be paid for purely on a commission basis, based on the number of new jobs they create or the amount of new capital they attract, there would be little cost associated with that program.

4. In the meantime, Mr. Speaker, the Department of Industry and Commerce must complete an inventory of everything we consume in this province and on the prairies, to adequately determine what we consume and why we are not manufacturing it here. And it's necessary then to launch the industrial incentive program to make certain that we do manufacture as much as we consume.

We do not have, Mr. Speaker, effective industrial development incentive programs in Manitoba. Ontario has. That's why in the four years of NDP government in Manitoba, our labour force has grown, according to Statistics Canada, by only 4.8 percent while Ontario labour force has grown by 11.8 percent, and the Canadian average is 8.8 percent. We in Manitoba, with the glowing economy of the NDP, are growing at just over half the national average. More graphically, Mr. Speaker, according to Statistics Canada, in 1969 when this government took office, as I've said, there were 10,000 unemployed, but today, even using the Statistics Canada figures which exclude the native population, there are 22,000 unemployed. Our unemployment figures in absolute numbers, Mr. Speaker, have doubled, more

BUDGET DEBATE

(MR: ASPER cont'd) than doubled in four years, but the Canadian average has only gone up 47.1 percent. And despite government propaganda, in 1969, Mr. Speaker, there were 363,000 people employed in Manitoba and today there are just over 369,000 employed - a total net gain of 6,000 new jobs in four years. Mr. Speaker, that just isn't good enough. And when I speak of industrial incentive grants, Mr. Speaker, I am not talking of the kind of madness which produced the CFI fiasco, but rather the kind of programs which have been in effect and have been very successful in Ontario for several years now.

5. In addition, Mr. Speaker, we propose the establishment of an energy and mineral resource division of government which will, in conjunction with the other western provinces, attempt to establish a western resource policy, which will see final products which are made from our natural resources actually manufactured here rather than see us continue to ship out raw material, and the new jobs to be created here by that kind of a program will produce the income tax that will far offset any freight subsidies that we may be required to make in order to get into the secondary manufacturing of the products which are produced from Manitoba raw resources.

6. Mr. Speaker, a mere stepping-up by approximately \$10 million per year of promotion in our Department of Tourism, according to one independent study, would increase tourist spending by another \$250 million. In the short run, that would create 30,000 new jobs in Tourism and would increase provincial and federal taxes through sales tax, income tax and the like, by as much as \$100 million. Mr. Speaker, the potential is staggering and there is not a single program mentioned in the Budget Speech in that regard.

7. In order to open up our resource and our tourism potential, we must create several new wilderness parks in a much more stepped-up manner, and we must also commence a real program of building roads to resources. We can open up tourism through our lakes, we can open up transportation routes to our natural resources, and these programs will pay for themselves in multiples of the original cost. In this connection, we again point out the need for a road to be built from Winnipeg along the east side of Lake Winnipeg to Norway House and further. And in this way we open up for mineral exploration the entire east side of our province as well as the recreation potential of the whole of Lake Winnipeg.

8. Mr. Speaker, we propose also a program called the "Head Office Relocation Plan" which would be aimed at those corporations which are doing business in Manitoba but which have head offices located elsewhere. We would propose a system of grants, loans, tax incentives, to attract them in order to neutralize any proven costs they might incur in making the move to do business with the rest of Canada from Manitoba. The guiding yardstick of any incentive program, or grant program, Mr. Speaker - and I underline this - is that we must always receive more than we're required to give. And that's been the essence of good incentive programs. What we receive, though, must be measured in social, tax and economic terms. I doubt that any member of this House, Mr. Speaker, would object to the creation of, say, a thousand new jobs in this province, attendant upon the location of a new head office of a manufacturing company here, if the incentive grants were less than the income tax revenue gained in one year from the people who come to work in that industry, Mr. Speaker, Manitoba, and particularly Winnipeg, was once the financial centre of Western Canada. We must restore ourselves to that position, Mr. Speaker, for this financial industry is a labor-intensive industry and one in which the normal disadvantages of freight and distance to markets don't apply. It is here, Mr. Speaker, where we must concentrate and apply whatever incentives are required, and I suggest that the selective capital gains tax rebate plan that I outlined earlier might be sufficient to do it.

9. Mr. Speaker, we also propose that Manitoba inject itself in a major way immediately in the deliberations relative to the route of the Arctic Pipeline or pipelines, for the incredible oil and gas finds in the north. One of the plans, Mr. Speaker, proposed is ideally tailored for location of the pipeline in Manitoba. We must first, and always, concern ourselves with the environmental and ecological aspects of the pipeline, but subject to that and assuming that that hurdle might be overcome, then we must aggressively pursue it. The King Christian gas find in the Arctic will soon be ready for pipeline construction. Plans call for the spending of over \$5 billion on the biggest pipeline in the world. The logical location of that line is in Manitoba as is - I won't even go into the Prudhoe Bay - but the logical location of these pipelines can very well be made in Manitoba. I don't have to tell you what the impact might be of

BUDGET DEBATE

(MR. ASPER cont'd). . . . the spending of several billion dollars on pipeline construction in Manitoba, the permanent jobs that would result, the maintenance and the operation of those lines which would create new jobs, new towns.

There is a member of the Chamber who often uses the phrase that something "boggles his mind". Well, Mr. Speaker, here is a potential that should really stagger the mind and the imagination of all Canadians and all Manitobans, and we have a potential opportunity here which must be seized aggressively. Manitoba must now stake out its insistence in clear and unequivocal terms on this issue, for we can make our case both in economic terms as well as on the demand for a regional development deal as well.

10. Mr. Speaker, it's been said often that there are five million - over five million consumers within a few hundred miles of Winnipeg in the United States, approximately a five hundred mile radius. This, Mr. Speaker, is our natural market, it's our trading zone, and being able to service that market would create many thousands of new jobs, many millions of dollars in new tax revenues from jobs that would be created here. So we must vigorously stake our claim to that market and we therefore propose a program of special grants and incentives, perhaps even negotiated on a shared cost basis with Ottawas, to neutralize the effect of the U.S. tariff on our goods entering the U.S. market. The corporate tax reductions for profits made on non-resident sales, which I proposed under the heading of tax reform, might well be enough to do it, to be able to crack that U.S. market without doing anything further. But the government of Manitoba must make certain that we win this market. We must be extremely careful, Mr. Speaker, regardless of the outcome of the debate on the hydro development, that we do not ship power to the United States. If it is then to be used by Americans to produce goods in their plants, which they will then sell to us, keeping the jobs in the United States or, alternatively, Mr. Speaker, to have the United States use our power bought from us to attract our Manitoba industry, to locate in the United States taking with them our jobs. Mr. Speaker, we are in a very competitive world and we must use every device at our disposal to compete successfully. This is part of an incentive society concept of the Liberal Party.

We propose the establishment also of an industrial research institute in this province, preferably located in a rural centre, and we have the abandoned air bases and we have the facilities in which they can be located. We would model that kind of research centre by the kind that was done in British Columbia. These research centres that other provinces have established have produced many new jobs, many new industries, through new analysis, new technology. The Manitoba Industrial Research Institute should obviously specialize in experimenting with and developing new industrial uses of agricultural production.

11. Mr. Speaker, at the same time we propose a series of programs, which should have been incorporated in the budget, relating to foreign investment in Manitoba, among which would be: First, as a general rule, the heart of our province, our farm lands, our recreation land must remain owned by Canadians. This is one of our greatest resources, a resource we still own and one which we must not allow to slip through our fingers as in happening in other provinces.

We also propose, Mr. Speaker, a foreign business takeover screening agency, similar to what's being done at the federal level, so that no Manitoba business falls under foreign control unless the acquisition has first been cleared and it's found that it does not impair the provincial economy. We've already learned and suffered long, Mr. Speaker, from the lesson of being a branch office economy.

Third, our corporation laws must be changed to include provisions which prevent certain of our sensitive industry from being foreign-owned, such as newspapers, financial institutions and certain other sensitive industries. As well, Mr. Speaker, corporation law must be changed so that any non-resident company doing business in Manitoba must, if it's a public company, list its shares on the Winnipeg Stock Exchange, for sale on the Winnipeg Exchange to stimulate our financial industry. Where the company doing business in Manitoba from outside is a wholly owned subsidiary of a foreign company, then the majority of the directors of that subsidiary must be Manitoba residents, and where a non-resident company is a public company, at least one of the members of the Board of Directors must be a Manitoban.

Certain other changes in our company laws, Mr. Speaker, are necessary and they should have been proposed in this Budget Speech to ensure that non-resident companies in Manitoba doing business here hire Manitoba residents, and particularly are prepared to implement a

BUDGET DEBATE

(MR. ASPER cont'd). . . . program of integrating Native and Metis peoples into the work force. What is needed here, Mr. Speaker, as I've said before, is the enactment of a "Manitoba Code of Good Corporate Citizenship".

12. Mr. Speaker, in proposing a much expanded tourist promotion budget, we propose major attention be given to the development of Winnipeg as a convention centre through the use of the new centre that is under construction, and the tourist promotion attached to our multi-cultural festivals in a much more dynamic way than has been the case in the past. These are areas of development which cost a fraction of the tax returns we get for the small investment we make.

13. And, Mr. Speaker, we again urge this government to name and designate the rural and northern growth centres so that the program of rural and northern industrialization can begin on a rational basis. We would then, as already pointed out, begin an aggressive tax incentive program to induce industry to begin the relocation program to the non-urban growth centres.

Mr. Speaker, this brings us to industrial relations. Because an incentive society must include the incentive to work and maintain a happy work force getting a fair deal, to that end, Mr. Speaker, the economic development plan we propose, and should have been proposed, should include:

(a) At least portable pension legislation. Mr. Speaker, we are one of the few provinces left in Canada that doesn't protect its work force with vested, automatic and portable pensions.

(b) This government is particularly remiss in its pension system for teachers and government employees where the vesting provisions of government contributions and the fixed and low income returned on those government pension plans makes Scrooge look like Santa Claus.

(c) Mr. Speaker, the establishment of an Institute of Industrial Relations, to be attached to one of our universities, and which would be manned by people from labour, business, government and the academic community, would be a benefit to our industrial relations because it would serve as a think tank into the future of Labour-Management industrial relations.

(d) The Women's Bureau should be established and fortified in the Department of Labour in a more meaningful way than is presently being accomplished and produce the advancement of women's rights through the establishment of employment goals, employment targets, in provincial departments and agencies, labour unions and government subsidized or financed businesses. Those goals must be subject to annual review by a Review Board within the department, designed to increase fair opportunities and upward mobility of women in the work force.

(e) We must produce, Mr. Speaker, and we propose, a new employer-employee contributory compensation package for non-organized workers, to supplement that of the Workmen's Compensation Board, to include compensation plans for sickness, off-job injury, and the broadening of what is compensatable under the Workmen's Compensation Act, to include the newer and more recently discovered forms of industrial injury including psychological damage.

(f) Mr. Speaker, the incentive society also requires, as I have said in this House, a restoration of legislation which permits government to act summarily to prevent or halt strikes in those services which, from time to time and from community to community, may be considered essential to the economic well-being of those who aren't involved in the dispute between labour and management.

14. Mr. Speaker, we propose the establishment, in the Department of Industry and Commerce, of a special small business development agency to provide education for those who would like to start their own business, to promote management training, economic training, market analysis, the use of new technology and the like, in order to encourage those who would like to become career businessmen but who don't have the experience, training or capital.

Mr. Speaker, no economic blueprint for development strategy can fail to take into account the danger and the cruelty of the rising cost of living. We must now in this Chamber begin addressing ourselves to that problem. We propose that the government have legislative machinery prepared and ready to move now on a selective basis, to prevent price rises in

BUDGET DEBATE

MR. ASPER cont'd). . . . essential consumer goods, if those prices are outstripping actual income rises. Mr. Speaker, I'm not proposing that it be implemented, I'm proposing that the government prepare the machinery ready to go, should it be needed. We believe this House should debate the question of price control, on a limited and temporary basis, as regards matters within provincial control, and where those commodities are essential to the basic fabric of living.

Mr. Speaker, we propose a program relative to the Manitoba Development Corporation. We propose that the MDC be radically changed. In keeping with our economic commitment to deflect population and industrial jobs into rural and northern Manitoba, the MDC should now specialize in making loans and investments in those companies which are prepared to establish operations in rural and northern areas. The powers and the activity of the corporation should be changed to allow it to become an insurer of export credit, where that service is not available from the Federal Government, to act as an underwriter of shares in order to increase the opportunities for Manitobans to invest in shares of Manitoba industry, and the power to insure loans made by other lending agencies to Manitoba industry Manitoba business. This would be a function similar to that of CMHC, encouraging the establishment of small business lending agencies. This is done, Mr. Speaker, in the United States quite effectively. This has the effect in the states using it of attracting more private capital into financing new industry and it would do so here. We would propose that the MDC lend on a three to one ratio to those small business lending agencies who go into the business of lending and investing in new small business, particularly in rural and northern areas. We have much greater and more detailed plans for the MDC, which we will offer in subsequent debate.

And while we're at it, Mr. Speaker, the NDP has made some very unfortunate investments with public money. The liberal view that there are times when the government should . . .
(Power out about 10 seconds)

continued on next page

BUDGET

MR. SPEAKER: . . . proceed. The honourable member may proceed.

MR. ASPER: Mr. Speaker, I concede that there are times when the government should run businesses when the service that the business creates is required but it's not being rendered by the private sector. There are also times besides when it's socially important in order to create jobs for government to initiate and establish new industries. But there is no reason for government not to then dispose of those industries if they are worth having been started in the first place. Because of that view that we hold, Mr. Speaker, we proposed that an immediate evaluation be made of all government-owned business. If those businesses are sound and they are viable, then they should be sold. And if they need further time, if they need further time to mature before achieving profitability, then they should be retained and sold later. But if they have no hope, Mr. Speaker, then we must stop propping them up, flogging dead horses, cut them off, take our losses.

And, Mr. Speaker, we would also have expected programs in this Budget to stimulate the farm economy of Manitoba. We therefore begin by stating that business -- that the farming economy must be treated like a business. We require programs much like DREE to make grants for capital expansion or farm diversification. We must pursue the program on our own but hope that we can persuade the Government of Canada to participate. We must have a program to facilitate the passing of the family farm from father to son. One of the things the Manitoba Farm Credit Corporation should be doing is guaranteeing loans made by sons who want to buy out their father but the father should not be required to guarantee the loan. Where this kind of program has been tried there has been no serious incidence of loss.

We also propose that the government's policy of refusing to sell Crown owned grazing land be reconsidered, and that this land be made available to our new cattle raisers. Where they can't afford to pay cash for it, Mr. Speaker, the program should call for a lease-option arrangement, rental payments applying on the purchase price.

Mr. Speaker, there are many economic development opportunities in this province and it is a matter of great regret that after four years of NDP Government those opportunities have been ignored. And lest there be any doubt that those opportunities existed, and still exist, let me list a few.

This government failed to negotiate meaningfully with Canada's newest bank, Unity Bank, in the hope of attracting that financial institution to locate its head office in Manitoba. This government's endless repetition of its desire to have state banking, to go into the banking business, may well have been enough to keep that bank from locating here.

Mr. Speaker, the Manitoba Liquor Commission sells imported scotch, imported rum, imported wine. Like the Province of Ontario we must insist that the imported products being shipped to Manitoba in bulk, and we should see that there is established in this province a bottling industry and the blending of that product here. The Province of Ontario has been doing this for decades, and many jobs are created as a result, Mr. Speaker.

Third in the service area there is within reach of our market in Manitoba enough consumption of glass bottles to begin the manufacturing of glass containers, glass bottles, here in Manitoba. And Manitoba is the logical location for this industry because we have the silica sand which is the raw material for bottling, for making bottles. At the present, Mr. Speaker, we have the preposterous situation where we are shipping our silica sand out of Manitoba to glass bottle manufacturing plants elsewhere in Canada. They make the bottles in Lethbridge or Red Deer with our silica sand, fill them full of product, and sell them back to us, and the jobs are in Montreal or they're in Red Deer.

Mr. Speaker, there is the opportunity for major expansion in our prefabricated factory homes market. The supply of prefab homes to the Arctic offers a tremendous possibility for Manitobans.

We haven't aggressively pursued this, nor have we aggressively pursued the genuine prospect that Manitoba can become the major centre for the manufacturing of all Canadian farm equipment machinery and other light industrial machinery.

As well, Mr. Speaker, there's a market in the west sufficient to warrant a carpet mill being built in Manitoba, a floor tile producing factory, a host of industrial opportunities.

And these are but a few of the industrial opportunities which have not been developed and which could be readily undertaken, and they would create many new jobs in an incentive society if the government would stop its hostility towards private enterprise.

BUDGET

(MR. ASPER cont'd.)

Mr. Speaker, we are facing a crisis in Manitoba with the depopulation of our rural areas. There is not a single program in the Budget to deal with this. We now have the phenomenon where over 60 percent -- and I want members opposite to listen to these figures -- 60 percent of our population is now living in Winnipeg, approximately, and the rest is spread out over about 250,000 square miles of the province. If the trend continues in depopulation of our rural areas, by 1980 the cost of rural service will become unbearable for the taxpayers who remain. At the same time the social cost of that in-migration from rural Manitoba into Winnipeg will become staggering. --(Interjection)-- Well I hear an honourable member saying, "That's agricultural policy." I say to the honourable member who says that, insanity, that madness, that what is lacking is a rural industrialization program by the Province of Manitoba. Mr. Speaker, if that depopulation is to continue, and if there's any doubt as to the need for programs let me say that our rural communities have over 350,000 people and half of those 350,000 non-farm people live below the poverty line. Exalt in that. They have an average income of only half the average income of the people of Winnipeg. Exalt in that.

There are many rural communities that are becoming ghost towns. They face shortages of doctors, shopping facilities, cultural recreational facilities. There are towns with closed schools that have been paid for with taxpayer dollars. There are empty homes that represent the total life savings of those rural people. Empty, imagine! And those homes still are being heated and taxes are being paid on them, and there's no market. And it's no fault of the rural Manitoban; it's the fault of technological change; the fault of inaction by this government.

Let me give the Assembly some figures, Mr. Speaker, from a report independently prepared and perhaps my honourable friends have seen the report. If we don't change the trend; if we don't stimulate the rural economy, Mr. Speaker, we can expect the number of farms to decline in the 1970s at the same rate as they declined in the 1960s. That being the case there will be 10,000 farmers, if that happens, that will leave the land during the next decade. The loss of 10,000 farmers, if that occurs, will result in the loss of another 4,000 non-farm jobs in rural communities. If these 14,000 people move -- 14,000 families -- move to Winnipeg, the population of this city will increase by approximately 56,000 people from that source alone. The operating costs of this city would increase as a result of that in-migration by more than \$53 million a year. Fifty-three million a year of operating costs for Winnipeg, increased. And even if those new arrivals were taxable, and they paid the average taxes in Winnipeg that Winnipeg pay, they would contribute only \$6 million per annum to the city revenue. That in-migration, that forced growth of the City of Winnipeg, will amount to approximately \$47 million in tax increases caused by the in-migration, and those tax increases of \$47 million will have to be borne by all the residents of Winnipeg. Education cost alone, if this occurs, Mr. Speaker, will rise by \$10 million per year, of which the new arrivals will only pay 6 million in taxes, assuming they pay our average tax. So that the average Winnipegger or the additional cost to the City of Winnipeg on education alone, will be 4 million alone.

One estimate is that the annual cost to the City of Winnipeg unless we stop the migration to the city and the depopulation of rural areas will be \$53 million approximately per year, or perhaps somewhere between two hundred to four hundred million dollars, sorry -- \$200.00 to \$400.00 per year per Winnipeg family. And I should emphasize too, Mr. Speaker, that that tax increase will take place over and above the normal or the expected annual costs of government increases in Winnipeg.

Mr. Speaker, it's essential that we redevelop rural Manitoba if these 14,000 families are to stay and not leave the countryside for Winnipeg. Bear in mind too, Mr. Speaker, that if they leave they will leave behind empty homes valued at an average of \$7,200 each. They will leave behind abandoned, about \$100 million of housing and at 1971 construction costs it would require new investment in Winnipeg of \$241 million simply to satisfy the new housing needs. I don't think I need to say anything more about the urgency, Mr. Speaker. We therefore propose some programs.

First of all the establishing of a rural, a Ministry of Rural Development with the objective of arresting the rural-urban migration and the job of industrializing the rural community and that migration -- to see that the migration of people is deflected to our rural communities.

Second, the establishment of a department in that Department of Industrial Relocation Incentives to implement the industrial incentive program I referred to earlier.

BUDGET

(MR. ASPER cont'd.)

Third, we propose the phasing out of long distance telephone charges for calls made anywhere within Manitoba as an inducement of the -- or the removal rather of a barrier to rural industrial development. We dispute the figures recently given as to the cost of this by the Minister of Public Utilities, but in any event the phasing out must begin.

Fourth, the decentralization of government activity and job opportunities must also begin. As we have said many times in this House we therefore propose that the Department of Municipal Affairs be moved to a rural centre; the Department of Agriculture be moved to another rural centre; the Department of Mines and Natural Resources be moved to a northern centre; the Department of Northern Affairs be moved to northern Manitoba, and that special consideration be given to the movement of the Manitoba Telephone System and Hydro head offices to non-urban centres. This if we are serious would act as a stimulant for the other businesses and services to move to those centres and this would begin a trend which we must accomplish.

At the same time, Mr. Speaker, the Manitoba Development Corporation should make funds available to the regional development corporations so that they can engage in their own industrial development lending activities rather than have it centralized in Winnipeg.

For the north, Mr. Speaker, we continue to propose the establishment of a new university of the north which will take the students who are already coming out of the north to our southern universities at great expense, a university which will specialize in research, study and training in northern science, building, architecture, engineering, mining, ecology, geography, arctic construction, fishing, the environment, and other subjects which are peculiarly associated with the new north.

It's still our belief, Mr. Speaker, that the minimum wage in northern Manitoba should be fixed at at least 10 percent above the southern minimum wage in order to reflect the higher cost of living and the lack of other amenities in northern Manitoba.

Mr. Speaker, aggressive steps must be taken to expand the use of the Port of Churchill as an arctic centre. We have waited four years for a program from this government. We propose, as the Premier suggested he might be inclined to do, that the government self-insure the shipping which will use the port for three weeks or so in which the shipping -- rather the insurance companies will not cover damage. We urge immediate negotiations between Manitoba and Lloyds and the Government of Canada to work out suitable reinsurance arrangements here. Churchill must be designated, and we must negotiate with the rest of Canada, as the arctic resupply centre from eastern Canada. It must be also designated as the Arctic medical centre from where flying medical clinics bring equality of medical service to the high north. We propose that the Minister of Northern Affairs recognize and act upon the fact that our last great frontier lies to the north and that the future of this government -- I'm sorry, this province, is inextricably bound to the development of the north. Apart from the King Christian gas find, there are many other major mineral finds which open up potential for the use of Churchill as a shipping centre. The Prudhoe Bay as I mentioned earlier, the finds there by Atlantic Richfield has already spawned the Manhattan ship project which is again in operation with Canada's technology and the icebreakers making the experiment possible. The urgent problem of transporting oil and gas from Prudhoe Bay, the McKenzie Delta, and possibly from the islands in the Arctic of gas is one which has to be solved both in terms of economics and ecology and in terms of Canadian law and sovereignty, and Churchill could figure prominently in this. It is estimated that from Prudhoe Bay alone production within ten years will be about 10 barrels per day. If we were to move this by ship rather than by pipeline -- (Interjection) -- I'm sorry, Mr. Speaker, I've been corrected. The estimated shipment from Prudhoe Bay is estimated within 10 years to be two million barrels per day. If it were moved by ship through Churchill rather than by pipeline, it's estimated that there would be a saving of 60 cents per barrel, or over \$400 million per year. So we urge the Government of Manitoba to stake out its position, begin the negotiations that would make Churchill one of the most exciting cities in Canada in a decade.

Mr. Speaker, social reform. We were disappointed that the only two items in the budget relating to social reform are that the government will raise the social allowances to cover the increase in the cost of living of the past four years and will allow people on welfare to keep 30 percent of what they earn. And that's what the government describes as performance. The

BUDGET

(MR. ASPER cont'd.) most important social reform that this government could have embarked upon would have been to recognize the ludicrousness of having a Department of Health and Social Development which spends over \$200 million of which only one-third goes to the people the department is supposed to be serving. We therefore propose that the government bureaucracy which eats up nearly two-thirds of that \$200 million be dismantled and that social services be returned more and more to citizen participation, group, self-help groups, voluntary organizations, and that the money so saved could be used to supplement the income of those who really need the help but get social workers instead of cash. Mr. Speaker, when someone is poor he is poor because he doesn't have any money. Giving him a social worker is not as good as giving him cash. The work incentive plan the government has come forward with is impossible to take seriously. No incentive at all. What's required, Mr. Speaker, is -- and what we propose is a work for welfare plan. The government must establish job banks so that all persons able to work, part-time or full-time, will work, they'll not receive the demeaning and the crippling welfare handouts. Mr. Speaker, having interviewed several hundred people on social assistance, I can tell you that that's what they want; that's also what the taxpayers of Manitoba want, and that's what we'll do if we form a government.

Mr. Speaker, this is the last occasion on which we will have a budget speech from this administration. We have looked forward to an imaginative capital works program which would have been genuine concern for urban development, core area parks, rapid transit systems, riverbank expropriations. We had hoped to see the government state-ownership housing plan replaced by a plan to establish land banks to stop speculation, a system of grants and mortgage rent subsidies to low income people to assist them in getting into their own accommodation rather than having to be dependent on the state as the great landlord. We had hoped to see capital works for the establishment of new provincial parks, the development of new historic sites, the ending of pollution from government-owned institutions. But none of these things have materialized, Mr. Speaker, and as we only assume that the government has spent all of its energy in patting itself on the back, propagandizing its accomplishments and attempting to overwhelm the Manitoba taxpayer with the tax reductions.

Mr. Speaker, I suggest that in a few short weeks this government faces an abrupt collision with the future.

In this House on the government side we only hear proposals for spending on social service, and from the Conservative side we hear proposals for spending on economic growth. The Liberal Party rejects this kind of fiscal extremism and believes that it has today presented a required balance between the two.

But because this government has in its pre-election exuberance failed to provide an economic strategy for the fourth consecutive year, I have no alternative, Mr. Speaker, but to move, seconded by the Honourable Member from Portage la Prairie,

Mr. Speaker, I move that the motion be further amended by adding thereto the following: and that this House further regrets that

1. the present administration has failed to introduce programs which would make Manitoba a society in which private initiative and individual enterprise is encouraged and rewarded;
2. that the present government has created a secretive, closed and arrogant administration and has failed to implement political and civil rights reforms consistent with modern values;
3. the present administration has failed to introduce the tax reforms necessary to create an industrial and economic climate in which real growth will occur and new jobs will be created;
4. the present government has failed to present and implement an effective and coherent economic development strategy and has allowed major job-creating options to go unexercised;
5. this administration has failed to adopt development schemes for rural Manitoba which will arrest the brain drain and the decline in population of rural communities;
6. this government has refused to come to grips with the serious problems faced by northern Manitobans;
7. this government has ignored the very pressing and urgent problems faced by the City of Winnipeg in coming to grips with rapid transit, rail relocation, riverbank expropriation, pollution, housing and problems of native peoples.

MOTION presented.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Mines and Resources.

BUDGET

MR. GREEN: Mr. Speaker, first of all I would like to indicate that this morning I have surely met my match, that there is no way to . . .

MR. SPEAKER: Order, please.

MR. GREEN: . . . no way, Mr. Speaker, that I will be able to, and as you know my honourable friend had a text, and I have not had advanced notice of it, as undoubtedly the press gallery did because they didn't stay around to listen, and most of the members of the House didn't stay around to listen, because I presume they are treating the honourable member like he treats them. But I stayed around and I tried to listen, and I hoped that I would be able to deal with some of the arguments that have been made by my honourable friend despite the fact that I haven't had advance notice of what he has said.

Mr. Speaker, the honourable member -- I believe he had a text of 46 pages -- (Interjection) -- 47 pages, Mr. Speaker. I would say that there are on each page at least two contradictory remarks, that it is absolutely impossible physically, Mr. Speaker, and, I admit, beyond my mental capacity to at this time be able to deal with the almost infinite number of contradictions that have been made by my honourable friend.

Mr. Speaker, I want to try to deal with just a few of them. I had intended really to talk about a speech, fairly good speech that was made in debate by the Honourable the Leader of the Opposition yesterday, but the Member -- Leader of the Liberal Party has done so many things this morning that should be responded to at once that I feel it's incumbent upon me to attempt to at least deal with some of them.

Mr. Speaker, the first one that I want to deal with relates to the honourable member saying that he predicted accurately that he said that there would be \$60 million in extra money, that this would mean \$240.00 for every family in Manitoba, and that that came somehow from the Federal Government, or he implied that the bulk of it had come from the Federal Government. And my honourable friend likes to make predictions. I mean, he made a prediction that the Lake Winnipeg licence was illegal because it couldn't keep water at 715, he made predictions that the Tantalum ore was not security for a particular loan that the government had made, and he made predictions last year, Mr. Speaker, that the government was underestimating its expenditures and was overestimating its revenues, that that's what he said here as a result of last year's budget. I heard him on television saying, "they've hidden things; they've cooked the book; they're going to be spending a lot more, and they're going to be getting a lot less." And of course we know that none of these predictions have been proven accurate but my honourable friend believes that if he makes enough predictions that one of them will be proved to be right, although I don't know which one has yet been proved to be right.

Mr. Speaker, he is like the worn out race horse tout. There are certain touts that know what they're talking about and if you can get a horse from them and bet you're liable to win, but there are certain touts who are sort of beyond their time, they don't know anything anymore, and if there are nine horses in a race they approach nine people, they give them each a tip on one of the nine horses, and then when it's all over they approach the one that won and ignore and avoid and run away from all of the others, and say that I predicted properly.

And there is another prediction of that kind, Mr. Speaker, that used to be made -- and this is more the honourable member's style. There was a doctor who had a way of predicting the sex of a child and he did it in a very interesting way. He would tell the mother when she came into the office after they had established the pregnancy and a certain number of months had gone by, he would tell the mother that this child was going to be a girl and he would write down on the card which he was noting what was happening "boy". The mother would come in after the birth and if -- (Interjection) -- No. If it was a girl she thought the doctor was wonderful and of course she would not be approached. If it was a boy she would come in and say, "Doctor you told me I was going to have a girl and I had a boy." And the doctor would say, "Is that correct? Did I really say that?" And he would pull out the card on which he wrote "boy" and say, "You must be mistaken. I have it right here, I said 'boy'."

And, Mr. Speaker, in that way the honourable doctor always predicted accurately and the Member, the Leader of the Liberal Party feels that if he will make enough predictions he will come out of one where he was correct. But in this case, Mr. Speaker, he is saying that Manitoba got \$60 million more extra money this year -- I think that's the way he said it -- and we would be able to give \$240.00 to every family in Manitoba. Now, Mr. Speaker, the fact is that the bulk of what is being given in the Budget that was presented by the First Minister was the \$50.00 -- on the tax rebate program -- was the minimum of 50 and the maximum of 190 for tax

BUDGET

(MR. GREEN cont'd.) rebate, which was in the budget last year, and which was indicated as a tax program. The only change that has been made there is that the minimum is going up to 100 and the maximum is going up to 200, and I'm looking at the former Minister of Finance to make sure that I know what I'm talking about. And he tells me that's correct, and that is to me a good indication that I am correct. And therefore the honourable member even on that prediction, which I say is entirely incorrect, has again proved to be wrong but he will say, Mr. Speaker, as I've seen it so often happen - you know sometimes you will see a fighter fight for 15 rounds and the judges award the fight to the other contestant and he said, "I really won but I got beat by the judge".

But I've seen so many occurrences in this House, Mr. Speaker, where the honourable member after being completely defeated on the positions that he has taken walked out as if nothing had happened and that nothing had changed and that he had completely won the contest. Mr. Speaker, he is a fighter who gets knocked out in the first minute of the first round and says to the people, that I won.

Mr. Speaker, let's examine some of these contradictions you know. First of all I want to indicate that the Honourable Leader of the Liberal Party said that he was going to do a great number of things and he came out with a social and economic program and complained that it wasn't in the budget. He knows, he knows, and I believe he did this conscientiously, he knows that the economic and social plan was announced to be delivered in this Legislature next week, and he feels -- Mr. Speaker, next week. Maybe he wasn't in the House when that was announced, which is quite usual because he's never in the House. Now, Mr. Speaker, he was told that it would be announced next week and he feels that this 46 page document is going to represent the pre-empting of Guidelines for the '70s, which he has dubbed the communist manifesto I think it was, or the Manitoba manifesto, and therefore he has presented what he calls his economic and social plan but, Mr. Speaker, we needn't take him seriously because what he is really saying is that we are going to hold public hearings on these things; that on each one of these programs we are going to have a public hearing and if when we hold that public hearing there is an audience there and the applause meter shows that they don't want it, then they will not proceed. And that is the basis upon which he says that he is governed.

Mr. Speaker, I remember the Conservative opposition -- I once asked the Leader of the Government as he then was, Walter Weir, what he was doing about the fact that doctors' salaries are increasing and the government is doing nothing and he got up and he said, we're sitting and watching. And I made a speech at that time and I quoted -- I thought it was Winston Churchill that I was quoting but I was actually quoting Milton. I said that Milton -- or I thought it was Churchill but it turned out it wasn't -- Milton had said, "They also serve who only stand and wait". And I said that that government believes that while these things are happening, medical costs are increasing and we are gradually going to have to bear the entire brunt of it, that Mr. Weir believed that they also served who only sit and watch.

Now we have a new Leader, Mr. Speaker, of the Liberal Party and his adage is they also serve who only stop and look and listen. Because, Mr. Speaker, that is what he is saying. Really that is what he is saying is going to happen, and let's -- you know I like to listen to honourable members, and I almost stopped listening, Mr. Speaker, at the following points. The honourable member said that the reason that we've got this money is that the Federal Government the Federal Liberal Government recently created buoyancy in the economy which resulted in more money coming to the Manitoba Government and that made possible this distribution, redistribution of wealth through a tax reduction. That's what the honourable member said - is that not correct? Well he's not contradicting. He said that at one point, Mr. Speaker, that what the Federal Government has done by the way since the last election, which was in October of 1972, is what has created this great buoyancy. He knows that the Federal Government, the Leader of the Liberal Party in Ottawa said that he's going to beat inflation if it's necessary to increase unemployment to seven percent, and he succeeded in doing that. He succeeded in increasing unemployment to seven percent, which is the only thing he succeeded in doing. Now, Mr. Speaker, he didn't beat inflation. But the honourable member took that as an argument to show that it's not really Manitoba that has had the buoyancy it's the Federal Government.

And then, Mr. Speaker, in the same breath, perhaps two pages later, he said that Manitoba has had an -- when this party came to power in 1969 unemployment was two point something percent of the population. And that as a result of this government being here we have

BUDGET

(MR. GREEN cont'd.) increased unemployment to roughly four or five percent. Now, Mr. Speaker, after making two statements of that kind, in other words crediting the Federal Government with the buoyant Manitoba economy for something that they were alleged to have done in the last six months, and blaming unemployment in Canada on the Manitoba Government which is something that occurred in the last four years, can anybody take anything else that has been said seriously? Because that's the kind of pitch that the honourable member is making.

The honourable member at a later portion of his speech said that one-third of \$200 million in the Health Department is spent on serving people with social assistance and the balance is for bureaucracy. And he said it should be eliminated, the balance should be eliminated. Get rid of the rest of the budget. What is the rest of the budget that is spent on bureaucracy, Mr. Speaker? Seventy million dollars for the Manitoba Health Services Commission; this provides all of the hospitals and all of the Medicare premiums -- the Medicare costs for the Province of Manitoba. That should be eliminated because that is in this 200 million, he said only 60

Now, Mr. Speaker, what else should be eliminated? Well there are some things that, you know, venereal disease control, that should be eliminated. I suppose the honourable member doesn't care, and I suppose that somebody could make a joke about that. Care and treatment of the mentally ill should be eliminated. Mr. Speaker, care and treatment of the mentally retarded, \$7,600,000, he doesn't include that; that should be eliminated. Alcohol and drug services, \$700,000; care and treatment of adult offenders, \$3,700,000.00. --(Interjection)-- Well maybe the Member for Thompson says that you should get rid of it, that they should all be let loose like some of them have escaped. What else should be eliminated? Care and treatment of juvenile offenders should be eliminated, \$1,600,000.00.

These are the programs, Mr. Speaker, and I haven't gone through the entire system, but the social allowance costs are \$70 million; the medical costs are \$70 million, and the other figures that I have read already add up to \$160 million.

That man, Mr. Speaker, will walk out of this Chamber tomorrow and he will say, as if nothing was said, that 30 per cent of \$200 million is being spent on the people and the balance should be eliminated. Mr. Speaker, I say that he will do that because he has done that. He has walked out despite the fact that the figures have been demonstrably shown to be wrong, he has walked out as if nothing occurred and said exactly what he has said in the House, Mr. Speaker. He has been doing that all along; I really can't quote you the number of occasions which it's happened but, Mr. Speaker, he has been doing that all along.

Mr. Speaker, here is a man who in his speech has said that there should be full utilization of our potential natural resources including hydro power. Full utilizations of our potential natural resources including hydro power. Well what if that means raising the water level of a lake by seven feet, the full potential of our natural resources. Mr. Speaker, I believe that he is right this time and that what he says this time he means, because I progressively watched the honourable member's statement and the last statement that he made on the Nelson River Development, and I believe he's rapidly awakening on this issue, the last statement that he made, Mr. Speaker, was that "we will have public hearings. I don't think it will be necessary. The bias will be against flooding, and I don't think it will be necessary to flood." That's the statement that he made. Now, Mr. Speaker, let him cogitate on that statement for awhile. "I don't think it will be necessary to flood." If he comes to power and he finds that despite his bias he will have to raise the water levels by seven feet, will he say that his statement, the raising of the water levels by seven feet was a betrayal of the people of Manitoba. Because, Mr. Speaker, that's what he calls it, you know, that's what he calls it.

He took a statement of mine where I said we have reason to believe that the Churchill River could be diverted without flooding South Indian Lake, and I say I was talking about the people, and after we made our plans and did bring the water level up we have reason to believe. Now, Mr. Speaker, how much different is that? The Member for Assiniboia said both statements are exactly the same. That I don't think that it need be flooded - maybe mine was a little more eloquent - we have reason to believe that it might not be necessary to flood the lake. Both statements are identical, that's from your own member, or you better caution him because that's what he said, that both statements are the same. Now, Mr. Speaker, in the unlikely event, in the impossible event, that he was given the responsibility and he came in and looked

BUDGET

(MR. GREEN cont'd.) at the figures and decided to proceed, would he then say that because he said, "I don't think it will be necessary to flood" that that constitutes a betrayal of the people of Manitoba. Of course not. It only constitutes a betrayal if he can somehow make it appear that I was suggesting that, and that when he does it would not constitute a betrayal. Well, Mr. Speaker, I don't think that the Honourable the Leader of the Liberal Party would betray the people of Manitoba if he now went and had his hearings, tabulated the results, and raised the level of South Indian Lake by ten feet, and I think that that's what he would do if he were in the unlikely position. --(Interjection)-- Well, Mr. Speaker, you know, I've already, what the honourable member would like, what the honourable member would like is to have hearings. The results of the hearings are of no consequence, and I have already indicated that. But, Mr. Speaker, I'm really not dealing with that. I'm dealing with the suggestion that the statement, "I think that it will not be necessary to flood the lake" is a statement as you have identified it with a commitment not to flood the lake, because that's how you have identified a similar statement. --(Interjection)-- Well, Mr. Speaker, are you saying now that you are giving the impression that you will not flood the lake? Are you now giving the impression to the public of Manitoba, because I think that that's very important that we get that clear, that what you are really doing with your theory is giving the impression that you are not flooding the lake but that's not what you are saying.

Mr. Speaker, the honourable member said about a whole list of things that could be done. He said we could have this kind of an industry and we could have that kind -- I can't remember the industries but they were kind of interesting. One was to have the brokerage centre of Canada, the carpet manufacturing, --(Interjection)-- bottlemakers, yes. Mr. Speaker, can you imagine if the Member for -- the Leader of the Liberal Party was not in this House, or was in this House three years ago, and made the same type of speech, isn't this what he could have, and in my opinion would have said, "We could start in Manitoba a very sophisticated bus manufacturing industry which could supply trolley buses to the whole North American market without any pollution. We could make Winnipeg a computer centre in Manitoba. We could engage in a real food processing initiative by having a prepackaged Chinese food sold. We could go into, Mr. Speaker, we could go into a prefabricating housing industry." He even said it today, Mr. Speaker, that we could go into a prefabricated housing industry to sell houses to the north. What you're saying is that we should not do it; that's what it comes down to, Mr. Speaker. What he is saying is that we the people of Manitoba should not do these things. That what they should do is finance somebody else to do it and then it would be acceptable. But, Mr. Speaker, he said we could go -- he would have said, we could go into a prefabricated home producing industry. He doesn't believe that we should do anything, and I believe that we should do something; and I believe that it is incumbent upon the public to do those things which are benefiting the people of Manitoba. I believe that we can do those things for ourselves.

Well, Mr. Speaker, he says everything. You know, he says everything. He will take the argument to the extreme. Would you want to turn over -- you know, we have some good businesses in Manitoba. Hydro's good. According to the member's definition something is good. Give it to a private entrepreneur to handle. Hydro is a good thing; the Manitoba Telephone System is a very good thing. It's done in Quebec by a private company.

I assume that following the honourable member's reasoning that things should be done in the private sector if we are taking things to their extreme, that we should take the Manitoba Telephone System, it's good, it's a good --(Interjection)-- Don't sell it; give it to the Bell Telephone. Why sell it to them? If you sell it to them it might be a disincentive to them to take it. If you give it to them they will take it very happily, that's the incentive. Why sell it? I mean, let's not be ridiculous.

Mr. Speaker, we could set up, we could set up a canned food industry in Manitoba. We could set up a tourist industry which could take tours up and down Lake Winnipeg; we could set up an electro knit -- a fabrics industry.

Now, Mr. Speaker, the fact is that we have done all of those things. The honourable member is laughing, he is laughing, Mr. Speaker, because on the corporations that I have read from my list there will be red figures, and I admit that there will be red figures, and I have said it before that some of these things will be very difficult to get off the ground; some of them may never get off the ground and in this respect I agree with my honourable friend that it is not for the Crown to keep bailing out a bad operation. I only ask members in this House to judge for

BUDGET

(MR. GREEN cont'd.) themselves who is more likely to bail out a bad operation? The honourable member or myself? Who will worry about what is said and who speaks against it and what noises will be made? The honourable member or myself? Who more easily responds to that kind of pressure of doing things because people are screaming that it should be done, or not doing things because people are screaming that it should not be done? The honourable member or myself? And I suggest to you, Mr. Speaker, that if that was the policy and I suggest to you that this government is in a better position to implement that kind of policy than a government which is designed to say that when we lend money to a private company because it is private it is good, and therefore if it doesn't work out good we better lend them some more because that's the way we're going to prove to the public that we have done the right thing.

There will be some red figures and the honourable member will make the most of those red figures. He will say this proves the inefficiency of the Crown being involved; that this proves that they are losing money, and, Mr. Speaker, I want the honourable member to know that going by his thesis we could eliminate those red figures. We could very easily eliminate those red figures. We could say that instead of advancing the money on business terms, having it chalked up in either share capital or bonds and debentures or mortgages or other loans, that we will say because we want to give an incentive and improve the climate for these operations we will give them the money because, Mr. Speaker, that is the policy of the honourable member; that is the policy of the --(Interjection)-- Mr. Speaker, that is not the policy. The Liberal Government in Ottawa, Mr. Speaker, gives money to companies of that kind. They gave \$5 million to Simplot --(Interjection)-- The Federal Government in Ottawa. They have given --(Interjection)-- But, Mr. Speaker, the Federal Government in Ottawa gave \$5 million to Simplot; they have just given us \$9 million for Churchill Forest Industries, and it will not show, Mr. Speaker, they put it into a trust account. We will get it, Mr. Speaker; that money will come to the people of Manitoba. Because we're entitled to take it the same way as Mr. Simplot is entitled to take it, and if it's there and the Federal Government is giving it out across the country then I want my share. We'll take it. If it was good for Alex Kasser, it's good for the people of Manitoba to get 5 or 10 million dollars from the Federal Government. But it will not be shown, it will not be shown on the federal books as an uncollectable loan or a loss or a red figure, there's an easy way of not showing it. Give it as a grant. Now, Mr. Speaker, we're not going to do that because we know that the kind of criticism that we get for showing red figures from the Honourable Member for Wolseley, the Leader of the Liberal Party, is not going to make any mileage amongst the people of Manitoba, and therefore the red figures will be shown and what it costs, what the public costs, of involving ourselves in these kinds of things will be available to the people of Manitoba. And I assure you, Mr. Speaker, they would not be available under the type of incentive grants program that the honourable member is referring to.

Mr. Speaker, the honourable member talks about death taxes. That somehow death taxes result in the people either moving or arranging their affairs so that they don't pay any, and of course the honourable member knows that in this I make --(Interjection)-- Well I make no criticism of that, you know. If I have to have a good death -- Well, Mr. Speaker, I don't want the Attorney-General to dissuade me because if I've got too much money, which I hope some day I will have, I will want some good tax authority to tell me how I can operate so as to pay as little as possible to the government. I like to pay the government no more than I have to. I'm the same way in that respect as the honourable members. But he said that death taxes have always resulted in the people leaving the area, and when you look, Mr. Speaker, at those countries which have no death taxes you find that people are just rushing to them like the North Pole and maybe, Mr. Speaker, Spain and --(Interjection)-- Oh, Alberta, Mr. Speaker. He believes that the people are rushing to Alberta to avoid death tax. Mr. Speaker, it seems to me that you will find very few Americans who will leave the United States to live in Alberta for the purpose of avoiding death taxes.

But let's take the proposition that my honourable friend makes that people are going to try to manage their affairs for the purpose of avoiding death taxes and therefore, Mr. Speaker, we are going to lose the money. I want to tell my honourable friend a secret. We are not going to lose the money. I would estimate, Mr. Speaker, that there are at least 400 such people. You know they talk about the magic 400. 400 such people in Manitoba and I assume,

BUDGET

(MR. GREEN cont'd.) Mr. Speaker, that the 400 people will go to a lawyer, and the cost of a very sophisticated death tax plan would be about \$1,000 --(Interjection)-- maybe I'm on the low side. Let's take it at a 1,000. Well I know, Mr. Speaker, good. I'm low, let's make it 2,000 --(Interjection)-- Or as the Premier says 3,000. Very good. Mr. Speaker, that means that those people will spend 1 million, 200 thousand dollars for one year on avoiding death taxes. One million, two hundred thousand dollars. Well, he said 400 people -- No, excuse me. 400 people at 3,000 apiece. Excuse me. \$120,000.00 --(Interjection)-- Well, no, just a minute. Now, Mr. Speaker, the honourable member well knows that after the death tax plans are made, he knows this, the Federal Government they get their lawyers together and they figure out how are we going to defeat these death tax plans? The honourable member knows that, Mr. Speaker, and then the people have to come back again next year and make a new death tax plan. Now, Mr. Speaker, that is 400 people, \$3,000 apiece. That's \$120,000 a year? --(Interjection)-- One million, two hundred thousand -- I was right the first time. Now, Mr. Speaker, \$1,200,000 a year. Now the lawyers who get that, and the honourable member knows this too, they're in the 50 percent bracket. We're going to get \$600,000 a year from those people while they're living instead of waiting till they're dead. Mr. Speaker, that will come. You cannot have it both ways. If they are going to the lawyers, these 400 people, and giving them each --(Interjection)-- Well, Mr. Speaker, the fact is that those fees that he is talking about instead of waiting till they're dead we will get \$1,600,000 a year; in ten years that \$6 million. --(Interjection)-- Oh, well, Mr. Speaker, the lawyers then I assume -- they will go to other lawyers, they will go to other lawyers to have a death tax plan worked out. So, Mr. Speaker, the fact is that all that the honourable member is doing is telling people that they should pay the taxes now rather than waiting until they're dead and having it come out in death taxes, because the province will lose nothing. They will lose nothing for the reasons because it is wrong to say that people immediately gravitate to the place where there are no death taxes, or that gravitates their affairs in such a way as to pay no death taxes.

And there is another factor which the honourable member knows, there is no way for these people to know; Mr. Speaker, that after all the money, so-called, has been lured into the Province of Alberta that the Province of Alberta will not implement a death tax. The honourable member thinks that that is out of the way. I will read him papers from the oil industry in the Province of Alberta who said that we operated in this province on the basis of certain rules and now the Premier of Alberta has come in and wants to take \$60 million from us by taxing our oil reserves. And you know what, he's going to do it. He's going to do it. And there's no way, Mr. Speaker, that the honourable member can assure any client of his, and he knows it, and if he does assure them then he's either giving very bad legal advice or he is doing worse, he is misleading them that if they go to the Province of Alberta they will not pay death taxes. Because the Province of Alberta is composed, is run, not like some countries in the world where one can know that the democratic will of the people is never going to change what laws there are, you know, some good enterprise countries like Spain and Portugal, and many of the places in South America. --(Interjection)-- Well, South Africa, you know, they have an elite democratic system, they have a democratic system which excludes the populus and I suppose that would also satisfy my honourable friend. But the fact is there is no way that that can be assured and that's the reason. Mr. Speaker, other than the fact that there are many people in the world, despite my honourable friend's cynicism, who feel that having lived in a society and earned a good living and made money off the people in that society, that they were willing after they passed away that a share of the wealth that has accrued will go in estate taxes. There are many people who do that. There are people in this room who will do that if they continue to be elected, or maybe get elected Premier of the province which is their aspirations, they may stay here if they're not elected. I don't know what they'll do.

Mr. Speaker, I guess it's 12:30. How much time do I have left?

MR. SPEAKER: The Honourable Minister has 10 minutes left. The hour being 12:30. I am now leaving the Chair and shall return at 2:30 this afternoon.