

THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Tuesday, May 25, 1971

BUDGET DEBATE

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance. The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Thank you, Mr. Speaker. I don't believe I'll be saying anything tonight that I haven't said throughout the number of years that I have sat here but I believe that it does bear saying again and will be for some years until the attitude towards northern Manitoba changes, not only by the government but by the people that they represent. This - I mean southern Manitobans.

I think the progress in the north will depend to a large extent upon the financial and the development policies of the Manitoba Government, and while up to now they have been, this government have been adding large amounts of money to northern development and they have in fact I would say broken many roads in that area, there still remains a great deal to be done and doing it yesterday would be suitable for us - but we can't expect most of those things of course. But I believe that the speed the development will take place will always depend upon the ready availability of government services and the cost of same to the public and also to the commercial sector. Up to now these government services have been well behind the basic requirements of northern communities. Government services such as universal Medicare, hydro power, communication services, telephones, roads, health, education, T.V. and rail and shipping services either are non-existent or inferior to what the rest of the province enjoys. To this extent I say it rests on the shoulders of government and reflects on the thinking of government and the people of the rest of this province.

Secondly, governments have also allowed their Crown corporations to increase their charges as they move from southern operations to northern parts of the province. The standard of this type of thinking has always made the north run a poor second to the rest of the province. This discrimination has made it very difficult for northern operations to operate in an efficient manner. I might say at this time that it emphasizes this fact in that the new car insurance policy that is being brought forward by this government again discriminates against the north and charges more than the rest of the province. So if the government aren't going to be the leader in bringing down the costs of operation in northern Manitoba certainly they can't expect the industry to do it.

Transportation services for opening new frontiers today is no different than the requirements for opening of the west. By this I mean that transportation is the most important government service. The majority of communities today operate in northern Manitoba under a toll road system which is non-existent in the rest of the province. The government pay half the cost of opening roads and the transportation company that wants the road pays the other half and adds its cost directly to those who require the services. This end result is that important items such as food, clothing, fuel, building supplies, medical supplies, etc., have an additional tax added on in the form of "road tax" which is not the case in the rest of the province. The public supported road system falls under the control of the private operator and he can stop anyone else from using the same. The private operator also controls all freight tenders as he has the only road and can stop the tenders from being granted to other companies. On the other hand, if any other company is successful in obtaining a tender the first transport company can stop him from using the road or, on the other hand, he can charge an additional tax for using that road. When we look at the road system for the remainder of the province we find that the government are paying full costs of the public road system. On top of this the road is provided free for the use of everyone in the province and for others outside of the provincial boundaries. It is shocking to find that the government have one policy for rural and urban Manitoba and a horse and buggy type policy for northern Manitoba.

The telephone system have two policies, one for the far north and one for the rest of the province. It is a rare location in Manitoba that we find equal service. It is a real shock for people to move from the south to northern Manitoba, Mr. Speaker. We find that goes on when the mining companies are trying to encourage people to go up to the north only to train them and find that they are leaving shortly after. When dealing with the northern communities Crown corporations use a co-operative system where costs are charged back to people in communities both large and small on an equal basis. But when it comes to the north they use an add-on cost because we are different and it wouldn't be fair for the people of the rest of the province if we were included in their co-operative movement. The north again remains a poor

(MR. BEARD cont'd.) country cousin. The fact is, of course, is that the north has been allowed to fall so far behind that it requires large amounts of money to be invested annually just to keep us from falling further behind. Certainly it is now evident that it will be many years before the north catches up with the modern southern parts of this province.

Northern poverty reaches back through many generations. Poverty and neglect have produced conditions the likes of which the bulk of Manitobans have never experienced in their life. We have thousands of northern people who are proud of their part of the province. These people retain their dignity in spite of not being able to cope with the government bureaucracy and its mysterious ever-changing policy. These people never cease to be amazed at the white man's capacity to waste both money and materials, yet when it comes to helping the Indian people governments seem to suddenly run out of money. These northern people live in a land that no one cared to challenge their right to for many years. They took good care of it as their forefathers had done before them. They respected the ecology of their land even when they had never heard of the word. They have always respected their land and what it was for and what it produced for them through the laws of nature. They have now experienced the effects of white man's disregard of this law of nature. The many and large industries that have opened up the north to many people of Canada has not provided an answer for the Indian people. They are still forced to live off what the other people do not want. They have in many cases tried unsuccessfully to change to our way of life, but find they become lost rather than integrating into the other communities, and of course they fall into the pitfalls of modern living. One of the most obvious examples is that of the Chippewayan Indians of Churchill who are now seeking permission to return to their old way of life. They have tried for over a decade to integrate and have lost at every turn.

South Indian flooding is something that we are concerned about in many areas of the north, and certainly South Indian flooding will well produce a second Churchill for the people of South Indian, Granville Lake and possibly Nelson House. We who have experienced the degrading of native people do not want to see this happen again. This is why we are against any move in the north which will force people to move communities against their wish. There are too many examples of failure, the failure which can always be talked up to someone's desire to do the thinking for other people. Leave, I say, South Indian alone and you won't be dabbling in the ways of nature and man.

And now let's move quickly into taxation policy. I think there's a large inductive of the income tax policy, particularly in northern Manitoba. I've said it over again and I'll try and carefully say it again. There are people that move up to the north daily. They're invited up there through incentives of larger wage earnings, much larger than they have enjoyed in the past, and they see no reason why they shouldn't benefit from this; they're ready to go up and do without some of the amenities to gain a stake for living in the future. But they find, just as the companies have found, that larger wages are not the real answer in so many cases. Certainly on paper it looks fine to see a man obtaining the wages or offered the wages that follow the ads in the paper, but when he gets up there he finds there's two things that work against him: one is the high cost of living, say the higher cost, because it isn't of course accepted that this will be the highest cost of living in the country; the further north he gets the higher the cost; but never has the ministers or the government in charge of finance ever thought of a way or means to give back some of that money. Certainly they have had one policy of northern allowances for people, and this is good, but it only stops - it only goes as far as income tax and then the income tax take it back. So they take healthy bites out of the incentive to move north. The people find that through these two things, the higher cost of living, the higher income tax, they're back if not below what they're earning in the rest of the province. It is not a happy people for this reason. They come up there and many of them haven't had jobs for some time and they appreciate the money, but when they find that they're really not getting ahead they become disillusioned and say, why should we do without things because of this high cost of living. I say this government can do something about, and this government can do something about it and be a leader, and possibly encourage the Federal Government to follow suit. This government as I understand it is given about 39 percent of the income tax collected in the Province of Manitoba. I believe that a large portion of this could be granted back to people that live in the same areas that they're giving northern allowances to for their own civil servants. This would mean that they could cut back and disregard the northern allowance and the person would be given a rebate on his income tax which

(MR. BEARD cont'd.) would look after the higher cost of living and provide him with that incentive to move north, and not only to move north but to stay there. Certainly if we look back in history we find that governments did offer much better incentives than this for people to open the west. I don't see why we have lost the imagination that allowed other governments to develop a portion of the country and find populations to make it a successful adventure.

Even when we look to Russia, I understand that they've changed and are using the sugar-coated pill rather than the salt mines. They are not banishing people there any more, they're encouraging them. If I'm correct in what I've read, then I'd say that they're offering up to 100 percent more for persons doing the same job in the north as they do in the south; 100 percent addition. And also they have cut back on their taxes, they've given tax incentives to allow the people to stay there, even though they have made a sizeable amount of money - banked a sizeable amount through the years they lived there. This is really the reason that we're in this position is the people in the south do not want to move north; they have no reason to want to move up there and their thinking stops there, they don't want to understand the people that go up to the north, and yet they're ready to stand there when the financial assistance comes out of the north for the government treasury benches.

I believe one thing else should be looked into in respect to living, and this goes to the other end of the cost of living and I think that government have to take a second look in changing the five percent tax on Indian reservations. They have in the past said we do not have a financial responsibility as far as Indian reservations, and today, while through the years we've found a little change in that and they've accepted Indians as Manitobans also, they still are saving a great deal of money by the Federal Government pumping the millions of dollars into reservations for schooling, health services and the many other services that are necessary, which include welfare and health. Now I say if this is the case, we're saving money on the reservations if these people are being considered under federal assistance. So we should in turn say to them, we are not going to charge you the five percent tax, taking into consideration that many of them are at the poverty level anyway. I think they should stop charging them on the five percent tax.

I understand that the treaty Indian in Saskatchewan is given a card and he does not pay sales tax at the level of the reservation. Also he isn't charged income tax at that level, yet if he is going to be encouraged to leave the reservation, then he immediately finds he runs into income tax, etc., and those incentives are quickly taken away from him.

I think that we again have got to consider the five percent tax which is charged for workers' clothing and for tools. In many cases, the industry is not charged and I don't believe that the people who are working should pay these, because in some jobs there is clothing that is worn out as quickly as one day. I'm thinking, for instance, of gloves for those handling lumber; unloading a car of lumber means that you've used at least one pair of gloves.

I think that the five percent tax on the clothing for older school children should be looked at. Certainly with a little imagination I think the government could overcome the difficulty of releasing the tax on those three things: On the reservation, older school children's clothing and on the worker's clothing and tools.

Now if we go to the other far point of what we are doing with our resources. I'm glad to find that my friend Mr. Kierans agrees when I say that Canada must be very high on the world sucker list as far as trading is concerned. I do not find fault with the mining companies. They are there to do a job and they do it well and they produce a product. But we're in such a hurry to get it out of Canada that we're still shipping it out as the mining company turn it over, and this is wrong, this is terribly wrong. We're -- (Interjection) -- Sure. You're taking the Finance Minister's . . .

MR. SPEAKER: The First Minister.

MR. SCHREYER: Mr. Speaker, I'd just like to ask the honourable member if he would elaborate just a little on what he meant by saying that Canada was high on some countries sucker list. I'm not asking that in a disparaging way but the way it came out it seems to me it would need some further elaboration.

MR. SPEAKER: The Honourable Member for Churchill.

MR. BEARD: Well I do feel, Mr. Speaker, that we are high on the sucker list. We ship out - take the International Nickel, or nickel, it's produced to 99 and 1/100 percent pure nickel and then it is shipped out very fast to the likes of United States, I suppose that's where the most of it does go; and then it is shipped from there to wherever they want to supply. We

(MR. BEARD cont'd.) get approximately - in Canada we find that we get about \$1.28 a pound if I'm not mistaken for that nickel and that's all that's obtained out of it. There's no more labour involved in the developing of nickel into iron ore industries, into products that West Germany, England and Japan are ready to take, and for the life of me I never can see how these countries can pay us for the nickel, they can then ship it over there, manufacture it and sell it back to us at maybe 1000 percent mark up, but they're taking advantage of our mineral resource. I know that we can't manufacture everything in Canada but I don't see any indication of using any more of that raw product whether it be copper, nickel, whatever it may be, into making it into a useful product.

On the other hand, we find the many people saying that Americans or foreign capital is coming into Canada, they're taking advantage of taking the product out or they're investing in small mills and taking advantage of using the product in some form or another, but we are reluctant ourselves to spend money on what should be a sure thing. I see no reason why we can't manufacture, whether it be an electrical appliance or whatever it may be, as cheaply if not cheaper than prices who have to import all the raw materials from some thousands of miles away. I think this is the only way that we're ever going to get around to providing, not materials for other countries but manufactured products for other countries. And certainly if we can increase our labour force by a hundred or two hundred percent, then we are getting value for a product that is a non-renewable resource. If we sell it today, what are they going to do a thousand years from today. They'll have to find something else and we're going to be poor. If we're resource-poor then we are going to have to use the same imagination as the rest of the industrial countries of the world to live. So I say, why not do it now?

I think, Mr. Speaker, that those are some of the more important things that we think of in the North; certainly the modernization of our local communities in the north to bring them up to the same standard as those small communities in the south. I think there must be better agreement between the federal and provincial governments. I don't know whether that means for the Provincial Government to take over these responsibilities can be paid by the Federal Government. I would have in years gone by said this would be the answer but now when I am more experienced and find that federal governments can withdraw from programs, then I would wonder whether it would be right to go into thinking along these lines. Certainly southern Manitobans are not prepared to invest in their own northern development potential and still many cry about people from outside of Canada investing in the future of the province. We cannot continue to wait for the next guy to do the job for us. If Manitobans are not showing any interest in their future, I see no reason why we should be concerned about their present situation.

The only real form of protesting is our vote and for this reason I'm choosing to vote against the budget in the hopes that it expresses the feeling northern people have for outdated northern policies and for the thinking in general of southern Manitobans toward the future investment policies for Northern Manitoba. I supported the Throne Speech because I felt the government were doing a good job, but I do think we have to keep the facts of life in front of government and most important in front of the people who elect government officials because they are the ones that are calling the tune. So with those words, Mr. Speaker, I'll take my seat.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I'd like to introduce to the honourable members in the Gallery where we have 15 boys of the St. Johns Cathedral Boys School. These Grade 10 students are under the direction of Mr. G. Litster and they come from the constituency of the Honourable Minister of Municipal Affairs. On behalf of all the honourable members I'd like to welcome you here today.

The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I rise only to ask the honourable member if he would permit one question. I would ask the Honourable Member for Churchill if he would care to explain his view with respect to the suggestion, I think put forward by Eric Klerans among others, that we should be changing our taxation policy with respect to resource depletion allowances and the like, because these were not only perhaps excessively generous to resource industry but that they tended to distort the capital market for the economic development of our country; that resource industries did not need that kind of incentives and in fact we should be changing

(MR. SCHREYER cont'd.) these depletion allowance arrangements ?

MR. SPEAKER: The Honourable Member for Churchill.

MR. BEARD: Well, Mr. Speaker, I've thought about this for a long time and I've seen two approaches. First of all, the one in which private industry says we have to have a backlog of money to continue to produce and to explore. And everytime I think of taxation on them, I think of the massive shift of money that they used in producing Thompson or Sherritt-Gordon developing in Lynn Lake. But particularly the one in Thompson where they have invested over 500 millions of dollars, I think a lot of that money has come from the Sudbury operations - has had to come from it. And while it shows the magnitude of their profits, it also shows the magnitude of the development that is necessary to produce this type of profit. I also get hung up on the fact that they're actually a company, and what is much different than a company and a co-operative - I suppose, in the company, one company can assume quite a few of the shares or gather up quite a few of the shares; but when they divide the money at the end of the year to the shareholder, it's not that great a profit. Actually in some cases, people would be better off to put their money in the bank and draw bank interest. So at that stage, I wonder, what are they doing? There's got to be somebody that's making the money and if it's the company that are reinvesting it in other industrial sites, I say well and good. But I don't see how they can seek out that extra profit by by-passing the shareholder. The shareholder has to have a fair amount of that profit. But I don't know whether it's the mining company that should be responsible for secondary industries because then we will say we've got another George Weston deal. I would like to see others come in with the type of operation where they take advantage of the raw resource material and develop a new company and new structures to use this type of material. Let's sell it. Rather than sell them the raw product, ask them how many nuts and bolts they want, or any pipes, whatever it may be, whether it's copper, nickel or whatever it may be.

I think that we can follow some policy in respect to taxation that would relieve companies of excess profits and I think the Federal Government have done that in many cases. But what I worry about more than anything is the fact that we who are what some people call a "have-not" province - I don't say that -- we're not one of the most successful ones; I think we should be allowed to keep more of the taxation on our resource industries that are in this province.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Thank you, Mr. Speaker. In rising to reply to the motion of no confidence in this government in regard to the budget for the 1971-72 fiscal year, I'd like to express my thanks to all members of this Assembly who participated in the debate. I found as usual that the Member for Churchill was both interesting and provocative and the position he has taken today is a logical one according to his lights and I accept it in that vein. He certainly has supported this government in many of its proposals and projects involving the particular interest he has in the North, and his gesture that he has indicated, his gesture to oppose us on this budget is symbolic, I accept, on his part as demanding a greater recognition of the North.

The other members of the Opposition who made their contributions - I must say I question the views put forward by them in certain respects. I don't question their motives; I appreciate hearing that portion of their views with respect to the future development of our province. I do, somehow, feel that I'm starting to detect a bit of a similarity in their approach, in their thinking, and if I could attribute to them a philosophy, I would say that there was some similarity in that, but my big problem has always been trying to recognize the philosophy behind the programs and policies that they pretend to be discussing. It was easier, of course, when one was in government and the other in opposition, because then it was clear that one wanted to stay in government and the other wanted to unseat them and take their place and then you could recognize a real difference. Now of course, there is talk being generated on the question of some form of coalition or combination and that makes more sense to me because I never could really tell the difference between the two parties, except that one was in and the other wanted to get in.

The Member for Riel, of course, has expressed a particular interest. Of course I suppose looking around the room, his seat may look the most precarious based on the record of the vote itself when he ran in Riel and based also on the fact that he labours on and his seat is contiguous to the seat of St. Vital - some 52 votes - the Premier has made that point and I think there's validity to it. So I sort of imagine that the Member for Riel is the matchmaker

(MR. CHERNIACK cont'd.) of this attempt of combination. What I'm looking forward to as an amateur student of political science, is the jockeying that is taking place and will continue to take place as this program develops; because I am satisfied that it is a program, Mr. Speaker, I am satisfied that the Leader of the Liberal Party, who is busy in the organizational part of politics, and of course making speeches which he finds are reported in newspapers so he continues to make speeches; he seems to be somewhat of a shy groom seeking to assist the matchmaker because he is now carefully talking about he's not that hung-up on a political party being related to the federal party and that a western party or a provincial party makes more sense. He's making all the sounds that a shy groom is making and of course the Leader of the Opposition is really the reluctant bride in all his public posturing. But I imagine they're casting cute glances at each other, introductions to each other by way of starting to plan ahead and think in terms of a marriage. There will be a number of persons present, if I may refer to them as relatives of the bride and of the groom, who must be finding this a very unpleasant experience, because there are a number of members opposite who must be very uncomfortable even thinking of this possible arrangement and -- well, the suggestion has been made that someone is being taken advantage of. The trouble is one never knows who is taking advantage of whom until it becomes a little late to discover. But I know that there are persons present in this room, and many absent from this Chamber, to whom this kind of ambivalent position of their leaders must be rather disturbing, and who really must be starting to look at a different form of coalition, and one where they will have to form a different party.

Now the Member for Swan River - and he is one who always somehow prompts me to respond to him because I like him so much, because, of course, he's always reacting to what I say - is exactly one of those people who I think should be very nervous, because I think the Member for Swan River would be most uncomfortable in the association with some of the Liberal Party ideas. Of course I suspect he is sometimes uncomfortable with some of the things said by his very leader, and if I'm right then there must be some realignment that will have to take place within the two parties and their supporters.

I indicate this only to suggest to members of the two parties who are not part of the flirtation that's going on, that there is indeed in my opinion a flirtation going on. This talk about grass roots I think is for the birds and the worms that would be in the grass roots. I think that this is a fairly well planned approach to an acceptance in the grass roots of a policy which may well be planned and well planned in advance by people who are interested in seeing to it not that a coalition be formed in order to have a progressive program in order to build for the economy and the growth of Manitoba but rather to see to it that this government is defeated.

However, that's okay. The Member for Rhineland, I don't know with whom he's flirting at the moment but he's trying to talk to me. Yes, he says that I should be careful to think of where Rhineland stands, and Rhineland usually sits there and somehow or other as long as the member gets a seconder he is able to participate usefully in debate.

Mr. speaker, I suppose I shouldn't be too hard on the Members of the two opposition parties, one of which is a party and the other, which is limping along without recognition as a party or without a leader, really, to lead them, but that may be because they have really not given us anything worthwhile, in my opinion, to discuss, because if one reflects back to the debate that has taken place since our session started, what stands out? Not policy, not program, some discussion by the Leader of the Opposition on economic development, but they have been doing more in their efforts to disrupt this side of the House in terms of attacking individuals, trying to embarrass individuals, trying to use a little bit of a smear tactic here and there, that to me is the outstanding contribution that they have made. I would like to think that on this side we are able to live with each other and to overlook slight differences, differences of approach and differences in attitude as long as we can and do, as we do, agree on the major issues that confront the people of Manitoba and the Government of Manitoba. So that I have, I think, successfully avoided up to now to become involved in personal attacks and re- crimination and response. I hope I'll be able to continue to do so, because frankly I think it lowers the standards of those who do the attacking much more than it does those who are affected or challenged by it.

Well let me get down to some of the things that were said that I think should be responded to. The Honourable Member for Swan River, who is impatient to hear what I have to say, and I don't blame him, because I think that I have some things to say that are worth listening to

(MR. CHERNIACK cont'd.) much more than my allusions to his colleagues who don't have anything worthwhile listening to in the main. So if I have his co-operation, if he'll just sit there quietly then I'll try to give him the benefit of whatever I have to offer, which may not be that good from his standpoint. But we have been accused in government and I as Minister of Finance, in overstating revenue estimates, understating expenditure estimates, of general irresponsible financial management. It seems to me that somebody says we're not saying that the books were cooked, but, and that kind of talk. We've been accused of neglecting to establish clear priorities; we've been accused of failing to follow up on our policy positions with effective programming, and I suppose in the minds of the Opposition the last eight days have been highly fruitful, productive and constructive days. Well I won't disillusion them. I look back on what the press, the media reported of them and all I can still remember is personal attack, attempts to arouse individuals, attempts to make them lose their temper. I remember I almost did the other day and this seems to be a style that they are working on.

Well we listened to what the honourable members had to say and how they would deal with the budget and with the economy, and what did they say? Cut taxes, stimulate the private sector, and from my standpoint they said, return the province to the golden era of the laissez-faire days of the 18th century and let people fend for themselves. That's an exaggeration in regard to some of the members but not all. -- (Interjection) -- Well one of the members seems to accept it. And where do they advise that we exercise our fiscal policy, in what areas should we cut the taxes? Well perhaps for the lower income Manitobans, and I must give credit to the Leader of the Opposition for including in his remarks the suggestion that we grant tax credits for lower income citizens. I'm happy that he has adopted formally and officially our previously and publicly stated proposals. And indeed, and indeed the Leader of the Opposition plays a cute game. I had occasion already to refer to the references he made to value-added taxes and the fact that I read his speech and to me he was talking to Manitobans, but he says, oh no I was talking about Canada. And when I said that we made this statement publicly and loudly we did make it publicly and loudly, just the way he did on value-added tax, only we didn't confuse the issue. We said federal income taxation should carry with it tax credits rather than exemptions; and we've said it and we've repeated it, time and again, even to the extent where it got through his or his advisor's mind so that he is now repeating it.

The member says he spoke about sales tax, but again, one has to read so carefully what he says because what he thinks he says and what appears in print is so different. Nevertheless, I say now as I've said earlier, that we are studying the whole question of our sales taxation and I said, and no doubt he heard it, because apparently he repeated it, that that is one aspect that we are definitely concerned in working through but we are not going to rush through it until we are ready to bring a program. So that tax credits was clearly one of the primary recommendations that we had made and the Leader of the Opposition placed it so high on his priorities that it came second on the list of actions that he recommended. But what came first on his list? Special tax treatment for private industry sector. That was the first item mentioned - the first item was special tax treatment for the private industry sector and of course the Leader, the Speaker on behalf of the Liberal party echoed the same suggestion.

Well, Mr. Speaker, this government does favour tax cuts where they will do the most good. We want to reduce the tax burden on our low income people - and need I remind members opposite that we have already begun to do so. You know they claim to be sick and tired of being reminded of the efforts we have made to date - as if they would rather we didn't; and the reason they'd rather we didn't is that they hate to be reminded that they could have, should have, and had they had sense, would have done what we did. This is really what bothers them so much when we mention the fact that we've done it. And we have done it.

But what would reduction of taxation in the haphazard way in the business tax area do, Mr. Speaker? Well they suggest it would stimulate the private sector to invest which in turn would create jobs. But would this investment and job creation necessarily take place in Manitoba? And I wonder whether it would. How many of our largest corporations have their headquarters here in the province? What percentage of Manitoba profit would be reinvested in Manitoba? I think it's more likely that with corporate profits running the way they are across the nation that in the short run -- and it's of course the short run that my honourable friends in the opposition are talking, it seems to me they always talk in short run and don't have long range planning -- the effects of the Manitoba tax incentive would show up on the profit and loss statements outside of Manitoba and might have the effect of merely helping to perpetuate

(MR. CHERNIACK con t'd.) the regional disparities in this country.

This is not to say that we do not realize the importance of stimulating the private sector and promoting maximum complementarity between the private and the public activity in this province. We favour the growth of small business and we favour the growth of large business - if it returns an equitable share of its proceeds to the people of the province from which it realizes its wealth. If honourable members doubt my statement, I suggest they refer to the various position papers which I have tabled in this House in connection with the Federal White Paper on tax reform.

Mr. Speaker, we've been accused of thinking in terms of the 1930 economic and political philosophy. May I suggest that this is because our critics can't recognize any concepts which are more advanced than they themselves feel back to the 18th and 19th century, the time when the rich knew their place and the average man was not visible because he was working 14 hours a day in a coal mine or a factory or was possibly impounded in the workhouse; and to them, this would then say that if we are talking in the 1920's or 30's we are already way ahead of them.

This government, Mr. Speaker, stands accused of enunciating dogmatic platitudes. Well what does that mean? Reading between the lines of the empty and frightened rhetoric of the Opposition, it means quite simply that for the first time in the history of this province a government of Manitoba has had consistent policies and definite aims; a government which pursues specific program goals with one principle in mind: the principle that every citizen in this province enjoys the full benefit of the resources and potential opportunities with which this province and this nation are richly endowed. And if this is dogma, Mr. Speaker, then it's the kind of dogma that has been a long, long time coming to this province.

Let me turn to the accusation about unreliable, overestimated, inconsistent revenue statements. Well, Mr. Speaker, we categorically reject any inference that the revenue estimates represent any book juggling or over-statement. I don't know whether the Honourable the Leader of the Opposition when he was a member of Cabinet was ever involved in the budget making process of government. I sometimes doubt if he was, because there are things that he -- (Interjection) -- oh he was a member of treasury board. Well then as a member of treasury board I somehow wonder how this honourable member could have sought to ask the questions he asked in previous sessions as to what is yesterday's bank balance of the province and Hydro and Telephone. It seems to me that the mere question has always aroused in me the doubt that the honourable member ever concerned himself with a budgeting process. But if he did, then I'm sure he knows, and if he knows, I don't know why he didn't refer to the fact, that the Provincial Government receives from the Federal Government estimates of the monies to be collected in the coming fiscal year out of personal and corporate income tax and the figures shown -- and this is not new, it's not as if it's a departure on our part -- the figures shown for personal income tax in our estimates of revenue, \$121,543,000, represent - and this shouldn't surprise him, because he should know it - this figure represents exactly the estimate provided to us by the Federal Department of Finance. The figure shown for corporation income tax of \$30,579,000 also represents two matters. One, the federal estimate of \$29,579,000, federal estimate, plus our own estimate which has been confirmed by the federal authorities, of \$1 million for our share of federal income tax on private utility companies. And under the tax collection agreement - and I know I'm not telling this to the Honourable the Leader of the Opposition, because no doubt he knows it, as must the other honourable member who is a member of the previous Cabinet - under the tax collection agreement the Federal Government is now sending us monthly cheques based on these very amounts that are shown in our estimates. Now later adjustments are made as national estimates are revised by the Federal Government and as final information becomes available, but those adjustments are made quite awhile later, and meanwhile we are actually receiving this kind of money, the kind of moneys that were suggested by the members opposite as being overstated.

So when we say our personal income tax revenues will increase by 10.7 in 1971-72 over the printed figure 1970-71, we are really saying that the Federal Government has informed us that it expects our personal income tax revenues to increase by this amount, and it is currently paying us on this basis. The same argument applies for the corporation income tax revenue reduction indicated in our estimates; and this practice, as I pointed out, is consistent with previous annual revenue estimates, not only with this government, but with the previous administration.

But dealing again with this comparison, the question of sales tax revenue, our estimate

(MR. CHERNIACK cont'd.) of \$68 million for 1971-72 as compared to the printed estimate of \$66 for 1970-71, an increase of some 3 percent, has been criticized as being too small in relation to the Leader of the Opposition's estimate of the increase in personal income for this province in 1971. And I said "his estimate", because he seems to feel the 9.5 percent as being an increase in one in personal income, whereas the discussion that he should have had was the increase in personal income tax. Surely he must know that there is not a direct relationship between income tax increase and income increase -- and he should know it, because I know that he must be, well I know he is, because he and I start with the same base income and therefore the same base tax before we add in our income from other sources -- and he must know something about progressive income taxation and the fact that as the . . . rises so does the moneys payable. The fact that he knows it and did not relate it to what he had to say in his speech is his problem, but as the Minister of Finance I think it is my problem to be a realist and I figure it is my job to develop as accurate estimates as I can, and I would hope that the Leader of the Opposition, who is well-known as an optimist and indeed he has shown that optimism since before he became Leader, that he will appreciate the conservatism (which I use in the literal sense) which is required of the Minister responsible for the public treasury. Well, our relatively low gross estimate for the sales tax in relation to the higher gross estimate for personal income tax can be explained by several factors, and again I assume that I don't really have to tell this to him because he must know it, but for the record I'll tell it to whoever may have assisted him in preparing what he had to say.

Well, the first factor that I'd like to stress is what I've already referred to, the progressivity of personal income tax vis-a-vis sales tax. As personal income increases, personal income tax revenues increase as well but more quickly. At the same time, the sales tax is not affected as much since it has no progressive rate features, and I would emphasize, of course, that the personal income tax revenue estimate in the budget is a federal estimate.

Secondly, the personal income will continue to grow, partly as a result of general wage and salary increases which averaged 7.6 percent over the last year. However, increases in personal income for people in lower income levels, which are evident where the income distribution tables of this year's and last year's budget are compared, may be manifested in increased expenditures on non-taxable items - food, rent, mortgage payments. The farm cash income problem is a recurring one and it as well will have an effect on our sales tax revenue.

Thirdly, in addition, a significant proportion of taxable sales represents sales to business and the general slowdown in the corporate sector (and may I add parenthetically, as a result of the Federal Government's economic and fiscal policy across Canada and the resultant drop in expected revenue from corporate tax across Canada). This is expected to affect our revenue tax total.

Finally, Mr. Speaker, we felt that our 1970-71 sales tax revenues were perhaps slightly higher than might have been expected in a year of slowdown in corporate activity and that they were maintained by certain non-recurring phenomena such as the heavy sales to tourists during our Centennial Year, and I thank the Honourable Leader of the Opposition for remembering that this would have been a factor.

So, Mr. Speaker, I think it is clear that our revenue estimates are not overstated, that they can be reconciled with the estimates made by other provinces - and I won't go into that but it can be done. Of course, if Ontario's estimates prove to be used as a basis for Manitoba and therefore our own revenue estimates are low, I would be only too happy to be able to say Yes, you were right; our revenue estimates will be higher in our sales tax, and I will certainly accept the added revenue.

Now with the liquor revenue, there was a question there about the increase in the Liquor Control Commission revenues estimated for the 1971-72 fiscal year. I can only say that a review of interim reports during this last year showed enough of an upward revenue trend to support our present estimate and was confirmed by the Liquor Commission. I might remind members opposite that this current fiscal year will be the first year in which the full effect of recent changes in the Age of Majority Act and in certain Commission regulations will be felt.

Finally in connection with revenues, may I refer to the carry-forward of excesses of revenues over expenditures from one fiscal year to the next. This was referred to by some honourable members and I thought it would be interesting, for the record, to indicate to the members present the precedent of eight consecutive years during the term of office of the previous government when this was done, and I'll give you the table because it should be of

(MR. CHERNIACK cont'd.) some interest.

Now these figures are the carry-forwards of excess of revenue over expenditures for the following years: 1959-60, 3.7 million; 1960-61, 5.2 million; 1961-62, 6.5 million; 1962-63, 7.6 million; 1963-64 the same amount, 7.6 million; 1964-65, 10 million; 1965-66, 10.4 million; 1966-67, 22 million dollars was carried forward by the Roblin Government in that year from the previous year. After that, Mr. Speaker, the Conservative Government did not carry forward, nor did we, until this current year when we are carrying forward 19.3 million, some \$2.7 million less than the peak reach by the Roblin Government.

Well, Mr. Speaker, I'd like now to deal with the accusations about expenditure estimates. The Opposition has said, well, we have not really put forward all of the possible expenditures and we've understated them - and they've referred to specifics: aid to fishermen, transitional financial support to the new Winnipeg City government; winter works expenditures; possible losses to be faced by the Public Auto Insurance Corporation; the mining resource development operation; pulp and paper establishment at The Pas; the Agricultural Credit Corporation and Civil Service salary increases, and I want to touch on these very briefly.

When it comes to the first one, aid to fishermen, I believe that my colleague, the Minister of Mines, Resources and Environmental Management, has already dealt with that. When it comes to winter works, I point out that the \$4 million shown in the estimates which my honourable friends think is an inadequate sum, it represents the special municipal winter works program under that department which is in the process of completion now. A considerable larger portion, of course, of winter works' special development fund is accounted for in the General Purpose Capital Authority which was granted by the last year's Loan Act and sought also in the Capital Estimates now before Committee of Supply. So for the coming year we will have the program to complete of last year's capital supply and the new Capital Authority and, as stated previously, and as we did last year, it's not certain that all of the funds will be spent but at least there will be moneys of a substantial amount to combat unemployment and provide needed facilities for citizens of Manitoba.

Now the Public Auto Insurance Corporation. Really, really, Mr. Speaker, members ought to remember that it was clearly stated by this government that that corporation was to be a separate, self-sustaining corporation, that its financial operations are not part of the Budget. The corporation, of course, will not commence actual insurance operations until November 1st of this year. In any event it is clear that it is our intention that all the costs, including the start-off advances, will be paid by the corporation over a suitable period of time. We've said that and that is our intention.

May I pause for a minute, Mr. Speaker, to state that I've received a letter today from someone referring to the prepayment of the insurance with the driver's licence. And, Mr. Speaker, we're talking now about small amounts of money. To me the separation of payment for that would be much more expensive than the interest that one loses on a \$9.00 investment for five months, say, and Mr. Speaker, the fact is that all Manitobans who have a driver's licence will benefit from the fact that if moneys are paid in advance they will earn interest and the interest will form part of the moneys of the insurance corporation and clearly not moneys of the government, as such, or of his general revenues.

The Agricultural Credit Corporation. Well, there too, surely honourable members know that advances are made to the Agricultural Credit Corporation and that the interest subsidy, which is one that is clearly known, is adequate in the estimates of the Minister of Agriculture. The Corporation is, of course, required to pay interest back to the government on all that's borrowed.

The Mineral Resource Development Corporation. Members of the Opposition, very few of them, but those who entered into the debate on this question, don't even know what is being proposed and yet they're already speculating about losses of the corporation. Well, Mr. Speaker, let me make it clear. The current estimates reveal this year's allocations for a new and exciting program that is being proposed by the Minister of Mines. This year's allocation is the amount provided for this year's program. You can't lose money when you provide it all in the estimates.

With the Churchill Forest Industry, I don't intend to go into it at any great length. The question of liability is now subject of an inquiry and I think it would be inappropriate for me to comment on this other than to say that this is essentially the responsibility of the Manitoba Development Corporation. It pays interest on all advances received from the government and

(MR. CHERNIACK cont'd.) if it suffers loss of interest or principal on its loans it will be expected to make up its losses or to arrange with the government for write-offs over a reasonable time. No adjustments of any kind are expected or anticipated to be necessary this year, and certainly not really until all of the facts are known and the issues resolved.

Then, Mr. Speaker, reference is made to "why didn't you include Civil Service salary increases?" Well, that question just -- Mr. Speaker, the former government, when it walked out on the people of Manitoba in 1969 and called an election without carrying forward and bringing and presenting its estimates to the House, when it did that and left estimates for us to carry through, did not provide anything for Civil Service increases although they were in the midst of negotiations at the very time. Now we weren't critical of them for that. One does not telegraph in advance what one is prepared to estimate as an increased cost to the negotiators before negotiations have been concluded. I didn't fault the previous government then; I don't think they should fault us for following the same practice, because to do that might in itself indicate a floor for negotiations rather than a ceiling, and I apologize not at all for ignoring that aspect.

Now, Mr. Speaker, I'd like to spend a moment on the question of inflation. The present Federal Government policy, of which we have made mention and which has been discussed in this House, has been rejected by us rather emphatically. Current increases in prices show that we seem to be back where we began; our monthly cost-of-living increases are now coming in at a high level, and this so-called victory over inflation by the Federal Government was purchased at immeasurable cost in lost production, in social discontent and the pointless misery of the unemployed, and it has proven not to be a victory at all, even in its own terms.

As mentioned in the Budget Speech, I had suggested last June, at the Ministers of Finance meeting here in Winnipeg, alternative federal policies that could be developed. I pointed out then that dangerous inflationary pressures would still be pervasive in Canada since we are an open economy next to a giant from which prices spill over in hundreds of channels and through a multitude of influences, and we made representations pointing out the importance of this tie-in to inflation in the United States. But if rising prices are so bad in Canada -- and this has to be considered relative to other countries in the world, for that is really the determining criteria -- then Manitoba will support the Federal Government by delegating powers where appropriate and by supporting action at the provincial level where this is the best thing to do, but we will insist on unequivocal commitment to full employment and the explicit repudiation of creating unemployment to offset increasing prices. In addition, we will insist that our support be matched by positive federal commitments to keep urgent social and economic development moving ahead while non-essential and excessive activity is being cured. That means controls which are technically workable and can be relied on to be selectively applied by regions and by sector. This also means that controls must be fair and equitable in their application. That's why we've rejected any discriminatory policy of restraining wage increases.

If controls are necessary, then controls on prices, controls on profits, controls on professional fees, controls on capital gains, rents, interest, dividends, are equally required. Furthermore, Mr. Speaker, we've recommended that any federal action to control inflation be supplemented by a number of other vitally important measures which I've made known to this House before, especially selective investment control to divert scarce capital from less essential private expansion to the support of socially necessary public and private investment in the economy.

Now, Mr. Speaker, there was talk about planning in government. You know, one of the things that amazed us, Mr. Speaker, was when we came into government and we familiarized ourselves with what the former government called Operation Productivity, the introduction of the concept of the Management Committee and Planning and Priorities, what amazed us was the fact that the paper provided for planning and research arm to Cabinet but it was practically unspent. There were people there, each competent, but so few that you could have no trouble counting them, seeing them. Now I'm not really faulting the government, the previous government, for that because they didn't have time, and I'm not really faulting them for the fact that it became necessary for us to find the people that we needed in order to do the very work which their own studies found necessary, and that is a properly organized, properly correlated, properly supported staff to work with the Cabinet committees, both the Management and Planning and Priorities, and there is no question that we went out to look for and find and hire people who were trained and equipped to handle that job, and it was necessary to do it. And I

(MR. CHERNIACK cont'd.) don't think, Mr. Speaker, that we can be faulted, first, for getting that kind of support staff, using that support staff and do some planning. And I'd like to ask: was it bad planning on our part to seek capital authority last year for a reserve shelf in the event of serious unemployment problems? At the time then, I stated I didn't know if we could get it all done but let's get the authority so we can do the planning, so that in the event that there was a need, we could rush it forward. Was it bad planning that we did indeed start using that authority, and is it bad planning now for us to be asking for a new authority at this session? And was it a bad decision for us to undertake a \$33 million public housing program which was cut down because of the fact that the CMHC cut down the amounts available to us? And was it a bad decision to ask for and receive, I believe unanimously, if not, practically unanimously in this House, an authority for an additional \$30 million for related projects in the housing field, designed to create jobs and to provide decent accommodation for a large number of Manitobans? And was it bad planning of this government to be in a position and to put itself into a position to be able to take advantage of the special development loan funds offered by the Federal Government which were meagre but still available? The comparative unemployment rate among provinces today reflects the success of both the planning and programs.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. FROESE: I have trouble hearing because of the disinterest of members on the government side and being so noisy.

MR. CHAIRMAN: The Honourable Minister of Finance.

MR. CHERNIACK: I thank the Honourable Member for Rhineland. Mr. Speaker, they are really behind me and supporting me and that's more than I can say for some of the people in front of me.

You know, Mr. Speaker, I know that it takes quite awhile for some members opposite to really grasp all the value of what I'm saying, but I must ask them rather than to ask me to repeat it tonight that they wait and read it in Hansard, because, Mr. Speaker, I want to talk about what has not been recognized, or if recognized not been admitted by the members opposite of what our real thrust in this session is.

Mr. Speaker, when we took office two years ago, we set ourselves certain tasks on a planned basis. We felt there were certain things we would try to accomplish in a certain sense of priority - our sense of priority. And need I mention what the first session was designed to accomplish? Is there anyone present in this Chamber who is not aware of the thrust of the first session of this government? I don't hear calls from them saying, "You created a massive shift of burden of taxation from a flat regressive premium tax to a progressive income tax on the basis of taking over the burden, or substantial burden of costs, of the health of the people of Manitoba through Medicare." All right, they didn't say it, but I know they were all thinking it, those who were listening to me.

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(MR. CHERNIACK, cont'd.)

In the second session, Mr. Chairman, we took as our thrust a great deal of human rights legislation, a great deal that was still on the shelf from the former government - I don't mean that they were going to bring it forward, I just say it was on the shelf, and we took it off. Some of it they had actually gotten into some form of print; and we brought in a program of automobile insurance which will prove itself to have great benefit to the people of Manitoba, and Mr. Speaker, how many years -- will it be five years before at least another province in Canada has it, or two provinces, and not five years but less? And how long will it be before some of the states of the United States of America will have this form or some modified form of automobile insurance? Is there any doubt in the minds of the members opposite - they won't answer really because they are making all the political and financial capital they can out of that very program.

Well, Mr. Speaker, this session too has a major thrust and that for us has a two-fold thrust on our part and they are related. One is that we undertook and are doing that which -- and I repeat - that the Member for Lakeside said apparently to some reporter, it was reported somewhere, had the courage and I accept credit for our government of having had the courage to do what no previous government really has done and that's really do a job in making more effective and creating a more sensible structure for local government in urban Winnipeg and the other - the Member for Swan River has been quiet for so long I welcome him -- to know that this voice is with us - ten years ago, ten years ago the Roblin government, of which the Member for Swan River was not a member at the time, did carry forward a first step in that very program that we are now continuing but they bogged down after that. They deserted Metro within months after they created Metro, and they left it to flounder for itself. That's not only my opinion, that's my experience, because I was a member of the Metro Council and a citizen of Greater Winnipeg and I lived through the days of desertion, and it so happens and I'll invite the Member for Swan River to come down to my office at ten o'clock this evening for several reasons, one of which will be to look at two cartoons - both of them, both appeared on the first anniversary of Metro and one shows Metro a little baby with a number of people standing around it with great big sticks ready to wallop it. No sign of the Provincial Government. But the second one, the second one shows a baby at the doorstep of Greater Winnipeg and it shows a little man, little boy, in a Boy Scout uniform, tip-toeing away from the threshold where the baby was left planted at Greater Winnipeg, and that was Roblin, the former premier of this province, the former Leader of the Member for Swan River. However, since I can only go seven more minutes, I would like to proceed.

Now the second thrust that this government undertook was to take a step forward in starting, in attempting, in dealing with the burden on the real property taxpayer, and in both of these we are carrying forward and these are the major thrusts in this session, because we realized two years ago when we came into government that we had to undertake to carry out our campaign promise, promise of years back, to rationalize government, and we knew the Greater Winnipeg Investigating Committee report of 1959, the Cumming Report, the Michener Report, the reports of the previous government, the establishment of a Local Government Boundaries Commission as being an indication that even, even the previous government recognized that something had to be done, but no one had undertaken to tackle root causes, although they could be clearly recognized. There was fragmentation of jurisdictions, with lines of authority blurred and confused, and the citizens didn't know who was responsible for what. There was economic capacity fragmented, certain jurisdiction with borrowing power, the intense competition for industry amongst all the jurisdictions, with resulting erosion of any attempt at all to rational overall planning for land use. There is inequitable use of tax base with some areas incapable of tax base expansion, with other areas who are wealthy, by accident of geography or for other reasons, but nevertheless more capable to develop themselves. There's erosion of the urban core of Greater Winnipeg because of the greater burden on circumscribed central areas. There is a community's resources so badly split that it was impossible for the total community to achieve anything near its true potential.

It was impossible for many areas to meet legitimate needs and wants of citizens, unable to mount the kind of program that citizens living in a modern urban community have a right to expect. And Mr. Speaker, we couldn't keep on waiting for the studies again and again, and of course the Conservative Party has a solution to the problem as of today; appoint a commission to study previous commissions' reports and this government's proposals, and a year and a half

(MR. CHERNIACK, cont'd.) from now, or two years from now, they are prepared to move. They are prepared to move.

Mr. Speaker, obviously the people were not prepared to wait for the Opposition to move, as shown by the two by-elections referred to, especially the one in St. Vital, and not to face the fact that Manitoba has the unique structure, because the urban area is the economic hub and the focus of the province. Three quarters of the province's economic activity is centered in or generated by this urban center and is rapidly approaching a concentration of two-thirds of the population. If the urban centre is not functioning effectively, not meeting its rightful potential, the entire province suffers and opposition members from outside of the urban area are fearful. Let them well be fearful of what might well happen if Winnipeg suffers, and what happens? And the Honourable -- oh, the Member for Swan River seems to want to build a wall around Greater Winnipeg, and if that's what he wants that's for him to propose, not for me to promote.

And Mr. Speaker, the paternalistic -- well, if members want to interject, raise their voices when they have no opportunity to speak or to be heard, they if they are misunderstood it is their fault, not mine. Now the paternalistic relationship that has existed in the fact -- oh, there's more catcalls from the other side, the paternalistic relationship between the province and the local government which was traditional, has to be changed and that's part of what we're doing because amalgamation alone is easy and amalgamation, Mr. Speaker, would be acceptable to the majority of the people who live in Greater Winnipeg, but that's an easy thing to do. What we felt was essential was to make sure that we are able to relate the people to their local government, and because of that and because of our commitment for a more realistic and a more meaningful relationship with the urban complex by provincial government and by the people affected, we have decided that we must work hard to bring this about and to involve the Federal Government to the best opportunity we can.

Mr. Speaker, therefore what we are prepared to do in this session by our Urban Bill, Bill No. 36 is to unify the available tax base. We are prepared to equalize, work towards equalization of tax rates. We are prepared to make transitional allowances for these people affected by the fact that they were unequal in the past and being made equal now still affects them, because there is still a sudden increase in their costs and we are prepared to make allowances for that, and we have already acted in the question of the cost of education as a burden on real property taxation and we have made a massive shift in that respect as well, something that the provincial government of the past was not prepared to do and we have done it. Now maybe they would have done it by now too, but they would have done it with our help, because it would have been our prodding that would have produced it. So, Mr. Speaker, the final concept that is so important here is that we are now working on a proper form of tax credit, real property taxation, to be based on ability to pay.

Well Mr. Speaker, we are now waiting to hear from the Federal Government on its tax reform measures so we can see how we can adjust ours. If the announcements which the federal Minister makes are not favourable to us, then this government will be confronted with the need to make even more difficult decisions than it has in the past, not only with respect to its own tax structure, but also with respect to its continuing financial relationships with Canada. But I can assure this House, Mr. Speaker, that if these kinds of decisions must be made, they will not be made in undue haste; they will not be based on short term expedience; but on sound, rational, long term principles intended to insure lasting benefits for all Manitobans. Thank you.

MR. SPEAKER: The hour being 9:30, by our rules I must now put all the questions. The question before you is on the proposed motion of the Honourable Minister of Finance and amendment thereto by the Honourable Leader of the Opposition and the amendment to the amendment by the Honourable Member for Portage la Prairie. The first vote will be on the amendment to the amendment.

MR. SPEAKER put the question and after a voice vote declared the motion lost.

MR. GORDON E. JOHNSTON (Portage la Prairie): Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

A STANDING VOTE was taken, the result being as follows:

YEAS: Messrs. Barkman, Beard, Bilton, Craik, Einarson, Froese, Girard, Graham, Johnston (P. la P.), Johnston (Stur. Creek), Jorgenson, McGill, McGregor, McKellar, McKenzie, Moug, Patrick, Sherman, Spivak, Watt, Weir, and Mrs. Trueman.

NAYS: Messrs. Adam, Allard, Barrow, Borowski, Boyce, Burtiak, Cherniack,

(STANDING VOTE, cont'd.) Desjardins, Doern, Evans, Gonick, Green, Jenkins, Johannson, McBryde, Mackling, Malinowski, Miller, Paulley, Pawley, Petursson, Schreyer, Shafransky, Toupin, Turnbull, Uskiw, Uruski, Walding.

MR. CLERK: Yeas 22; Nays 28.

MR. SPEAKER: I declare the Nays have it; motion lost.

MR. SPEAKER put the question on the amendment to the main motion and after a voice vote declared the motion lost.

-- (Interjection) --

MR. SPEAKER: Is it agreed we have the same division? (Agreed)

MR. SPEAKER put the question on the original motion, and after a voice vote declared the motion carried.

GOVERNMENT BILLS

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, I'm proposing to call Bill No. 31 as the next order of business.

MR. SPEAKER: On the proposed motion of the Honourable Minister of Transportation. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I didn't really realize that we'd be dealing with this particular bill at this hour. However, the Bill No. 31 deals with amending the Highway Traffic Act and it contains quite a number of sections and deals with various principles. To me, this bill spells out more restrictions than what we've had heretofore. There is new definitions and new categories of licensing, the matter of probationary licences included, and so on.

Then we find that the fee schedule is being changed and that the government intends to get more money out of the pockets of the people of this province. One thing that worries me or that I really have a concern for is that in certain connections or certain areas that if you have an inspector coming around and he is not in a good mood, he can turn down an applicant as not doing a proper job in driving, and the person asking for a permit or a licence can be turned down and then he is obliged to pay another \$5.00, and I rather suspect that this can become a racket and we are not doing a service to the people of the province by increasing the fee under these situations, and I for one think we are charging too much already for a right that should not be a privilege. This should be a matter of right.

We find that more and more our rights are becoming privileges, and I disagree with this very strongly. In too many areas we find our rights being taken away and then licenced and thus become privileges with a fee attached.

So, Mr. Speaker, I take strong exceptions to these increases and also to the matter of some of our senior citizens who have trouble in retaining their licences, and I certainly intend to speak on this further when we get to committee. I dwelt on this when we discussed the estimates of the Attorney-General's Department that we're not meting out justice properly, that some of our senior citizens who have perfect health, who have a good driving record, who because of their age certainly don't travel long distances, are more or less just using a vehicle locally, and that they should now all of a sudden become subject to inspection and also to write examinations, certainly I think we should take a more careful look at this whole matter because I think they are discriminated against this way. I have had people come up to me in connection with this very matter; otherwise probably it wouldn't have been drawn to my attention as strongly as it has, so I certainly do not subscribe to that.

The whole matter of the Highway Traffic Act, I think, is becoming more and more restricted as time goes along because of bringing in new programs of driver testing and so on. This tends to have the people in authority bringing in further regulations and thus every time you bring in a regulation, sooner or later this requires another regulation and further restrictions, and this is my objection in principle to the bill before us.

I had made some notes but I haven't got them with me so I'll have to discuss some of them when we come to Committee of the Whole and where we will be discussing the bill in greater detail. So with these few remarks I'll have to satisfy myself at this point.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Transportation. He will be closing debate.

MR. BOROWSKI: Well, Mr. Speaker, I've been sitting here for about 10 days waiting for this opportunity to get this bill across. It's a rather important bill. And during the course of all the speeches made on the other side, stretched over a 10-day period, I must say I don't

(MR. BOROWSKI, cont'd.) remember most of the questions asked, and that's I suppose the risk they run when they deliberately filibuster or drag out a bill as the Member for Souris-Killarney has done when he let it stand for three times, and if I don't answer his questions he'll know why.

Mr. Speaker, I'd like to deal with the statements made by the last speaker first because they are serious enough, I think, to spend a few moments discussing. I believe he stated that if an inspector is in a bad mood he'll fail to pass a person, and all I can say to him if he's serious, if there are such goings-on, I'd like to know about them. I can tell him that inspector is not going to be working for this department the next day. I'd like him to substantiate this. You're casting this statement - it'll hang over the shoulders of every inspector in our department, and I don't think that's fair. I would suggest to the Member for Rhineland if he knows of cases where the inspector has abused his office, of deliberately not giving a person a test, for whatever reason, I'd certainly like to know about it because that's pretty serious. The privilege of driving is economic life and death to a lot of people and if they're deprived of the privilege of driving, then certainly we should know about it.

I jotted down some of the comments made, Mr. Speaker, by the members throughout the debate, and if there's one thing that came out loud and clear, that very few of them read it, or if they did read it, they didn't know what was in it, judging by their comments. Maybe we should submit all future bills in the form of an Order for Return because they certainly read them. One of the members from the Conservative backbench almost memorized one Order for Return that we answered dealing with the number of drivers in Manitoba, and certain drivers over a certain age, but he obviously didn't spend half that time reading the Bill, and when he got up to make a speech he didn't know what he was talking about.

Several members have complained that we have some kind of policy, almost like we hate all old people or old-age pensioners and we are out on some evil scheme to get all the old people off the roads, and that's almost as bad as the Leader of the Opposition saying to the Minister of Mines and Resources that you're going to let the fishermen starve. That's the kind of a statement that gets through, when you read it in the press it appears that this government has some kind of policy that's going to kick all the old people off the roads. Well that is just a lot of nonsense and he knows it and I'd like to tell the members of the Opposition that it was a policy that was started by the previous government. Of course the backbenchers were so dense and out of touch they never knew this. The Conservative Government, when they sat there, they didn't tell the guys on the back bench anything so they get up and they make idiotic speeches, not having any concept of the policy that was followed by the government. That policy was started six or seven years ago, for the information of the backbenchers on that side, and we're continuing it. We think it's a good policy. I think the fact that our death rate and our accident rate is reduced, the largest reduction in North America, is an indication of how successful we were with this program combined with many other programs and we are continuing this. In addition to that we have brought in a complementary or parallel program of where we're starting at the extreme age of say 95 - I don't know if there's any drivers over 95 - and calling them in for tests, because the fact is that -- (Interjection) -- Well, that'd probably apply to him and he'd probably fail, too. -- many of these people never have taken a driver's test for the simple reason that when they started driving in this province or in this country there was no such thing and there was no facilities; it wasn't their fault. Besides that there was very little cars. In the country I suppose there was no cars, there was horse and buggies, and wagons and oxcarts, and what have you, so it wasn't necessary; and we have people today living in the almost jet age you could call it, the speed those cars can go, and people that have lived all their lives are now retired and they take their car and they're going to go to the city to visit their son or daughter who's married and working here, and they come into the city and you know, they're risking their lives because they've never driven in the city. They have never faced the type of a situation. It could be from Swan River, it could be from Dauphin, it could be from any place. You know, I like to consider myself a reasonable driver but when I moved into Winnipeg last year or two years ago (time sure flies) I had a hard time adjusting to city driving. I passed a test in Thompson and Thompson is not exactly a hick town, we have a lot of cars there, but I had a difficult time adjusting to driving in the city myself. Could you imagine what it's like for an older person who has lived in the country where there's no parallel parking, and there's no parking problem, no lights, no roads to speak of, thanks to the Conservatives, and the Liberals before them? So they have a problem.

(MR. BOROWSKI, cont'd.)

And the other thing that we have to remember is that as you get older, let's face it, your vision isn't so good, your hearing isn't too good, your reflexes and your judgment; as a person gets older, you know, these faculties deteriorate and we have to take that into consideration. I think when we take that kind of a person and ask him to have a test, to have a medical, we are actually doing them a favour as you did when you were in office. There are many of them that say, Well, I'm not going to bother because I know I can't pass the medical. Some of them have developed various diseases since that time. We have letters from wives of these people; they said I'm glad you called my husband in for a retest because he has been sick for several years; he's been having blackouts and I've been worried that he may black out some day when he's driving. So they were rather grateful that we called them in for a retest. This is an on-going program which we intend to continue and you know, it's almost ludicrous to call it discrimination against the old because it's not. — (Interjection) —

There was a question raised on the seven classes of licenses by someone in the Opposition and I'd simply like to tell them that all provinces have agreed to this formula; that's one that was worked out with 10 governments with the Federal Government and it'll be coming effective I believe this year, as a result of the final discussions held by the Ministers in Victoria last fall. This is an area that's been worked on for years, I believe when the Conservatives were in office they had discussions with the Federal Government on various licensing. Today for example, if you have a chauffeur's licences - and I have a chauffeur's licence - that chauffeur's licence entitles me to drive the biggest transport truck which is really very foolish, because you know, what do I know about driving a truck or backing it up, and yet that is the system we have today. The minute you get a driver's licence you are entitled to drive any vehicle in the province. So the system is going to be changed; where a person is going to get a certain licence, he's going to have to prove he can handle the vehicle in that category; if it's a long 65 foot truck he's going to have to pass the test where he can actually back and handle those rigs.

One of the main complaints raised by the Opposition is that we are collecting money right now for something we don't have any legislative authority and that's true. But I'd like to point out to the Opposition that nobody has to buy his licence right now, they can wait until the end of June, that's when your licence expires and anyone who says, look I don't want to pay 50 cents because you don't have legislative authority, has the option of waiting until the Bill is passed. He's not forced into it.

I'm really surprised to see the Conservatives bring up this point, because I recall in the two short months I sat in the Opposition they spent \$4 million on a . . . structure for South Indian Lake and that was never approved in this House. That bill never passed this House and they were subsequently defeated; so I suppose, if you want to get technical about it, they should be charged for misappropriation of funds of \$4 million, because that was never passed in this House. If the Opposition feels that there is such a strong public feeling about this, well you know, there's no problem, they can simply wait and everybody line up, come June 30th, everybody can line up at the Licensing Bureau and get their licence. You know they have that option. They didn't have that option when you were in office.

The Member for Assiniboia made quite an impassioned plea on behalf of bad drivers. That's surprising, because he's one of the few members on that side that ever makes any sense when he gets up to talk. I don't have Hansard here, but maybe he should check it, maybe he should change speech writers if it was written by someone else, because the way I understood - and I jotted notes down as he spoke - is that he was pleading on behalf of bad drivers. Well these bad drivers have been getting away with murder for years. We have said time and time again that when we bring in government auto insurance, contrary to what the insurance companies said, that it's going to give it to the bad drivers in the neck, it's not going to be equalization, and this is what they are saying, that the good drivers will subsidize the bad ones. Well we are doing just the opposite and I'm really amazed that the Member for Assiniboia would get up and make those kinds of statements. I think there's about 8,000 drivers - out of 421,000 drivers, 8,000 have over 20 points, so that gives you 2 percent. He's pleading on behalf of the 2 percent, the irresponsible clowns that have been responsible for the majority of the accidents, that have been responsible for taking up badly needed hospital beds and all the other problems, including high insurance premiums. There's only 600 drivers I believe that have over 20 points. Now I really wonder why he should get up in this House and

(MR. BOROWSKI, cont'd.) plead a case on behalf of the bad drivers.

He also made the statement that the insurance industry doesn't charge for offences. Well I'd like to refer him to a letter that Charles Lynch wrote in his daily or weekly Tribune article, where he had one speeding ticket and one going through a stop sign. He paid for the fine and the next thing he knows, he gets a fee increase from the insurance company because of these two offences. -- (Interjection) -- Well I suggest you read that -- you know, if you don't want to believe Charles Lynch that's your business but I have that clipping someplace, I'll bring it for you and you can read it. So what the Member for Assiniboia claims is simply not true, the insurance companies have always charged. The Minister of Municipal Affairs, when he's discussing auto insurance he's going to bring in some facts and figures for the House to understand exactly what the insurance companies are doing.

Mr. Speaker, I notice it's 10:00 o'clock. I'll continue my remarks, my five minute speech tomorrow.

MR. SPEAKER: The hour being 10:00 o'clock, the House is now adjourned until 2:30 tomorrow afternoon.