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| ***Province*** | ***Législature*** | ***Session*** | ***Type de discours*** | ***Date du discours*** | ***Locuteur*** | ***Fonction du locuteur*** | ***Parti politique*** |
| Manitoba | 29e  | 2e | Discours sur le Budget | 30 Avril 1970 | Saul Cherniack  | Ministre des Finances | New Democratic Party of Manitoba |

Mr. Speaker, Manitoba is now approaching the full realization of her Centennial Year. We are honouring our traditions and proclaiming pride in our past. But 1970 is not a year in which to look only to the past; it is a year to look to the' future.

Governments in Canada have a basic obligation to ensure for each individual citizen the right to participate in and contribute to the creation of a progressive social, political and economic community. This is the continuing challenge. The Government of Manitoba is pledge to make more effective use of economic, financial and social instruments to foster a new concept of life within our borders. We seek development through the harmonious interaction of social and economic enterprise. This harmony of effort will derive, we firmly believe, only when people are made the first consideration.

The quality of life in Manitoba must be enhanced and social justice be made secure as the birthright of every individual citizen. We have full confidence that the people of Manitoba will join with the Government in responding to this challenge. It is from this confidence that I present my Budget Statement.

EVALUATION OF MANITOBA’S ECONOMIC PROGRESS

It has been customary in the past that a budgetary presentation be accompanied by a formal summary examination of the economic conditions which may be said to underlie the revenue expectations and, to some extent, the expenditure requirements of the Government for the fiscal periods covered. I shall follow the usual practice of appending such a summary to my Budget Statement. But this summary is not a complete economic review. It is obvious that the criteria used relate primarily to the private sector performance, but the inter-relationship of gross public and private activity is important and quality assessments and judgments must be made - not alone by Government, but by responsible citizens in all capacities. It has been for too long accepted by many that a Budget - or any financial document - is primarily a casting of quantities and accounts, albeit with some attempt to relate the sums to the things they represent. We have only recently, it seems, become truly concerned to dig underneath comforting "averages" of performance to the realities in the lives of people, It. has been the experience of many governments that the groups of its citizens with the greatest problems tend' to be the: least visible, the least vocal and the least measurable members of the community – the aged are perhaps one of the most obvious examples.

It is noteworthy that the system of programme budgeting and evaluation which is now being implemented by the Government, aims at a far greater emphasis on cost/benefit analysis and at the, development of more revealing information on problems of real concern to our people. This will bear upon all aspects of concern - in respect of our budgeted programmes and in relation to the economy itself. There are many examples of the need to know more about the economy and about the things being done.

It.Is not enough for our purposes to be aware that labour income has increased by approximately 90 percent over the past 8 years. We know also that consumer prices have risen about 23 percent over the same period, thus reducing the apparent increase in labour income from 90 percent to some 54 percent in real terms. The average income of a member of the labour force in Manitoba in 1969 was $4,349. The average income of a farmer in Manitoba in 1969 was $3,960 - and this must be repeated that these are only average figures. Some 30,000 to 35,000 workers in Manitoba earn only the minimum wage. Averages reveal little about under-employed and marginal workers and their problems

We know that, while residential unit construction starts in the province have increased 125 percent in only four years, there are still too many people unable to find adequate homes. Not only are there many families now in need of better housing, there are increasingly large numbers of young adults seeking homes in which to begin family life. The high cost of construction, of land, and of mortgages make their search ever more difficult.

We know that both the average daily admissions and average daily population in our correctional institutions are-increasing - the former by about 19 percent in the past two years and the latter by about 3 percent over the same period.

We know that in 1969, Manitoba had approximately 3; 900 miles of trunk highway and some 7,400 miles of roads - in total, some 140 percent more than the mileage under Provincial administration in 1958 - and these totals do not include many miles of thoroughfare which have been constructed and are maintained on a cost-sharing basis with the municipalities. On the other hand, we also know that these totals do not reveal the need for added construction and improvement of facilities, not only to ensure adequate safe transportation, particularly in remote area of the Province and notably in the north, but also in order to promote vital natural resource development.

We know that while our total welfare case load has been relatively stable, the child welfare service component has been increasing - by 36 percent in two years - and we anticipate a greater demand on us for services in the near future, particularly as the federal government extends its phasing out of support for Indian residential schools. Apparently many of the students of these schools have virtually severed their family ties and will necessarily become wards of the Province. The trend is already evident, in 1965-66 treaty Indian children accounted for 28,000 hours or about 3 percent of care hours provided by the Province; in 1968-69 the total has risen to 48,100 hours or some 5 percent.

We know that in 1969 an estimated 88,300 Manitobans were 65 years of age or older. Our services to these people now include about 1 personal care unit for every 13 citizens in this age group. It is the aim of the Department of Health and Social Development to improve this ration, but at the same time to ensure that the quality of service provided is augmented and not diluted.

We know that full-time university enrolment has increased by 167 percent since 1961 and that over-all university enrolment has increased by 186 percent during the same period. It is predicted that this enrolment pressure will increase. Where only about 5 percent of the population in the 18-24 age group was in full-time attendance at universities in Manitoba 20 years ago, it is expected that 18 percent will be enrolled full-time at Provincial institutions by 1975. In addition, the increasing need for greater technical and related skill capacity in the economy will continue to expand enrolment in Community Colleges and regional vocational institutions. These facilities are vital elements in giving our people new mobility and opportunity.

We know that our per capita hospital bed ratio is increasing. In 1969, Manitoba had 6.83 beds per 1,000 population; in 1970 it is estimated that this ratio should reach 6.94 per 1000. Here, too, we acknowledge that further progress is needed - not only to, improve the ratio but also to upgrade the general services provided in our hospital system. And we must seek bed use more in keeping with need and economy. This is a basic reason for pressing development of convalescent care facilities - and for our efforts to secure federal support for these more economic yet more effective accommodations.

These are only a few examples of the kinds of data which we believe must accompany a traditional review od the economy and government programmes. We must determine whether or not we are providing the services actually needed, and in the most effective way. Ultimately we can only answer the question of efficiency and cost if we can answer these questions of quality in the thing we do.

It is a regrettable but all too common fact that many administration have forgotten that their mandates require not only government by and of the people but also government for the people. As long as this Government may hold office, response to this fully balanced mandate will be our basic task. Our performance – the performance of the Manitoba enterprise – will relate to that mandate, and should be so judged.

PROGRAMME EMPHASIS

The aim of social justice demands a public commitment for both the immediate and the longer term. We have made a very positive first response to meet the most urgent needs of our citizens, particularly those citizens within our community who are in the most dire need of help.

Surely our farmers qualify. The lack of a comprehensive federal agricultural policy, the continuing and increasingly aggravating cost-price squeeze and the uncertainty surrounding the market conditions for each year's crop - all place our grain farmers in an untenable position. Accordingly, we have provided in our Budget this year for new approaches and methods which can best give immediate help to our farmers in these difficult times. A major response is our provision of some $21 million in new agricultural credit capacity of which $6 million was made available last autumn.

We have also sought to respond immediately to the most urgent needs of other Manitobans with special problems. We moved quickly last year to make financing of Medicare more equitable. Other measures are in the first stages of a change in direction and emphasis. Indeed, we are now reshaping the basic concept and impact of public policy for many years ahead. The magnitudes of even the current commitments for health and social services and education in the province - indicated in accompanying tables - show a continuing major emphasis on social development. These expenditures represent such items as improved facilities to care for the physically and mentally ill - new and expanded rehabilitation centres - a broader and decentralized regional approach to the provision of basic, services.

Education is the partner of progress, and the stimulus for opportunity. Among new emphasis this Government wishes to bring to expenditures on education will be aid for student who requires special assistance. This may be by way of better provision for student financial aid, or by technical training in specific skills, or utilization of mew teaching methods and approaches. These and other improvements in education are costly but they are necessary. We are concerned to move as rapidly as possible to relieve property tax of the rising burden of education costs. We know that much must be done as fast as our resources will permit.

We have made provision for expanded anti-pollution measures in recognition of the growing intensity of public determination to defend our natural environment. Advancing urbanization also is making environmental management all the more urgent. Already - not only here but throughout the world - a very different and urgent emphasis on resource economics is beginning to develop.

This Government is committed - in practice as well as spirit - to achieving balanced development throughout Manitoba. We will not merely hope for such balance - we will seek it out and act upon every opportunity to achieve, practical results. Furthermore, we have had to provide against the possibility of a further softening in the national economy having an effect in Manitoba. Therefore, in planning our programme of capital expenditures, other than a basic $129 million for self-sustaining projects, we have obtained authority for $32 million - all of which we do not expect to spend this year, but which will enable a speeding up in our programme if economic conditions demand and warrant such action.

Balanced regional development is expensive, as well as necessary. Roads to the frontiers are never cheap to build. Special education and effective training provision do not come at bargain-basement prices. Decentralized but effective health and social services take substantial money. Therefore, we must-not move with haste, but with care and planning.

When I introduced the Estimates for the new fiscal year, I indicated that we were moving along the path of planned programme budgeting. We have, of course, only begun, If we add to health and social development commitments the educational undertakings for 1970-71, we have accounted for a combined expenditure increase on current account of 16 percent over 1969-70. Yet we have kept the overall growth in the current Budget to 7.6 percent - in comparable terms.

Mr. Speaker, I stress these facts. I believe that we have given vital assurance to our citizens, to our investors here and beyond our borders, to our federal partner and to all who have an interest in this Province, that public policy in Manitoba is responsible and practical - and progressive. The elements are indivisible. The facts are there - and objective evaluation will confirm the substance of sound budgeting.

REGIONAL DEVELOPMENT

We regret that Manitoba has lagged behind in the past in taking more effective action in response to the needs of local regions in the provincial community. Opportunities to take the initiative for urban development and for more effective roles for local government in a modern community have not always been acted upon. To date, the federal government has not indicated any consistent realization of the need for direct federal-provincial participation with our local governments to meet the challenges of the '70's. As our municipalities develop, we must simultaneously develop the skills and capacities of our people - and that includes the skills and capacities of their governments.

We are committed to improvement in provincial-municipal relationships as a vital support for the boarder federal-provincial efforts aimed at eliminating regional imbalance in Canada. But' any delay in settling these broad areas of responsibility will not deter us from our commitment to rationalized municipal government in Metropolitan Winnipeg.

The new Importance of urban life leaves no reasonable choice but to seek new ways of serving the more than 80 percent of our citizens who will live in urban centres by the end of the decade. But there is an equal, indeed a demanding challenge - to meet the needs of a rural and a remote population. These responsibilities involve very large costs but failure will cost much more It is, therefore, absolutely vital for success that the greater strength of the federal partner be joined to the provincial-municipal efforts. That is why, Mr. Speaker, there is no aspect of development policy of this Government - no programme area - no budgetary element in which we seek to work in isolation. The first of our responsibilities is to work in partnership in the total Canadian community, Anything less can only mean failure in responsibility to ourselves as, Manitobans.

Let me deal now with one of the Government's special priorities - the challenge of the North. The Legislative Northern Task Force has tabled its interim Report. In developing our own provincial programmes we will be influenced by the Report of the Task Force. But, more important still – we will respond directly to the views of the Citizens of Northern Manitoba. We have given real and important proof of our intent in road clearing contracts; in the special area approach at The Pas; in the renewed effort to ensure employment for the people of the North; and not least is our concern that Hydro and related developments serve the northern as well as the southern economy and people. We have accelerated the programme of the building of the road to Lynn Lake. And we have given clear indication that communications and transportation, and other services which tie the provincial community together, will be strengthened in our effort to end any sense of isolation in the northern areas.

We have already been able to negotiate with the federal government through the Department Regional Economic Expansion, known as DREE, an agreement (for about $4 million in initial commitment) to assist the Town of The Pas and the surrounding 100 mile area.

We have not neglected the needs of other regions. The comprehensive programmes undertaken under the FRED Agreement have been the basis for new development in the Inter-lake. Although most of the federal legislation establishing the FRED Agreement expires at the end of fiscal 1976-77, we have, already urged our federal partner to recognize the importance of completing the job of development.

 The DREE programmes so far indicated by the federal government have not yet provided the comprehensive approach to regional development that we consider absolutely essential. In the weeks and months ahead, the Government of Manitoba will continue to press the case for the people of our Province to have such' a federal-provincial approach applied in their urgent interests. In this; we believe, lies much of the answer to the elimination of regional disparity and imbalance in Canada.

Federal-Provincial relations

Mr. Speaker, it is appropriate to set out with considerable care the current circumstances surrounding the federal-provincial partnership. The federal budget presented to Parliament, March 12, 1970, was disappointing. The federal government specifically limited assistance to the provinces at a critical point in Canada's development. In the same budget, the federal government offered no meaningful departure from the existing blanket national federal fiscal and monetary policies being used to combat inflation.

We have told the federal government we will co-operate fully in ant real fight against inflation. But we must point out that the present inflation within the Canadian economy has not been adequately defined by the federal government. Therefore, it is not surprising that their use of traditional means of solving inflation do not appear to be the correct response. Certainly, the efforts to date cannot be said to have worked well. Restraint of all regions within the national economy is far too punitive an action, the consequences of which are most harmful.

In its budget, the federal government has painted a disturbing picture for fiscal 1970-71. It anticipates increases in unemployment; prolonged labour strikes; and falling profits.

There are basic questions which the Government of Manitoba puts to those who espouse traditional anti-inflation proposals for restraint. If we must face continuing cutbacks, ceilings on urgent undertakings, and all the other constrictions of a monetary and fiscal strait-jacket, then what does this mean for people?

What indeed must pensioners, the ill, the poverty- struck envisage for their lot? How can they view the prospect of "less still" when they have for far too long been expected to "no more"? How can a man made jobless contribute to the increase in productivity which will eliminate basic economic weakness in Canada? '

The federal position is that unemployment is a "regrettable" but acceptable consequence of its anti-inflation policy. The Manitoba position is that the prime needs of Canadian citizens for jobs, for homes and for baste social justice cannot be deferred without permanent damage to the economy. For us, people come first - not because of sentiment - because only that makes any lasting economic sense.

Together with basic economic hardship, inequitable taxation is a particularly onerous charge for Canadians. There is an urgency in respect of tax reform. Therefore, whatever may be the flaws in the methods the federal government has proposed, the Manitoba Government supports a firm federal commitment to tax reforms. Such reforms must, however, move substantially in the direction of true equity, with particular concern for the low income groups. I have appended to this Address a special statement of the present views of this Government on tax reform which are points of view that I have already given in this House and elsewhere. They represent the basic attitude of the Government of Manitoba in its continuing effort to promote a fair and practical tax system in Canada.

Mr. Speaker, the Premier has agreed that I should table the recently published Report of the Tax Structure Committee to the Conference of First Ministers. I believe that this is vital information for the House. The present Government of Manitoba - whose predecessor helps instigate the publication of this material - was able to persuade the other Governments involved to provide the public with the opportunity to consider the vital fiscal and financial questions, facing every Government in Canada. I commend the Report to the reading of the Honourable Members in its entirety, but I particularly draw to their attention the policy positions stated for the Government of Manitoba. Our views are substantially supported by other Governments - notably in the Atlantic Provinces.

A major element of the Tax Structure Committee work related to shared programme responsibilities. Because the most pressing undertakings to people are provided under these programmes, it is here that the most serious problems in the federal-provincial relationship become specific and frequently painful.

On December 8, 1969, during the course of his introductory remarks to the Third Constitutional Conference in Ottawa, the Premier of Manitoba made the following statement on the subject of joint federal-provincial programming.

"In Manitoba we have been observing with growing concern the federal plans for withdrawing from some of the most important and expensive of our shared-cost programmes.

The disengagement by Ottawa from consultation and direct partnership with the provinces through shared-cost programmes can only lead to the fragmentation of the nation; it will lead to inequities and inefficiencies in programmes across the nation; it will confront all but the wealthiest provinces with the unacceptable prospect of reducing the standards of services provided to their people."

Mr. Speaker, recent federal budgetary decisions have led to a phased or sometimes an abrupt withdrawal by the Government of Canada from participation in health grants, hospital construction grants, the fitness and amateur sport grants, and some, national welfare grants - to name only a few. Other programmes - such as support for-mental health and tuberculosis care services for native people, capital assistance for the construction of adult training facilities, loans from the Central Mortgage and Housing Corporation for municipal sewage projects and the health resources fund disbursements - have been cut back or have been constricted severely by insufficient annual allocations to the provinces. These restrictions have been applied by Ottawa in the name of cost-control. Often the restrictions contradict even federally pronounced priorities.

The future of federal assistance to post-secondary education is even more clouded. Of all the so-called "open-ended" shared programmes, the post-secondary programme seem have been designated most often by the federal government as requiring revision at the earliest possible opportunity.

There are particularly sharp points of concern for us in respect of educational support. Ottawa has indicated an intention to alter the financial basis of its post-secondary education assistance programme when the Federal- Provincial Fiscal Arrangements Act expires at the end of fiscal 1971.

It is essential that the educational services continue to be available and used to their, fullest potential to ensure Manitobans the attainment of higher levels of skill. If the federal government were to decide, for reasons of short-term budgetary expediency, to apply stringent limits to assistance for pose-secondary education, or even to discontinue some assistance altogether, the ramifications for the universities, the technical schools and Grade XII programme in this province would be severe.

The federal Medicare legislation, which is scheduled for extensive revamping from its present form in March, 1973, will almost certainly be redesigned so as to include stringent limitation on federal assistance. Manitoba bas already seen expenditure curbs of this nature in Ottawa's refusal to accept the eligibility of the St. Amant Ward for inclusion in the Canada' Assistance Plan programme. Efforts to secure federal support for other retarded care facilities have also been unavailing. Even the intentions of the federal government in respect of the Hospital Insurance Programme are not clear. Indian services are being cut or summarily shifted to the Provinces. Adult training programmes are being limited even as unemployment raises.

It was suggested in the federal White Paper on Tax Reform that; after the implementation of major reform proposals, a revised "fiscal equivalent" proposal might be-offered to the provinces in an attempt to induce them to accept full responsibility for continuing the major joint programmes. Manitoba has rejected such a concept outright - even if some element of more equalization were included. In our contribution to the Tax Structure Committee Report, we made this position very clear, as I quote:

"Manitoba… (believes) that the Government of Canada has an overall responsibility to continue direct participation with the provinces in shared programmes for social and economic development. The federal government has the only effective capacity to apply the full inventory of national resources In support of programmes to meet the urgent problems of disadvantaged peoples and regions of Canada - problems which threaten social equity, progress and the unity of the nation."

Mr. Speaker, the attitude of this Government toward the problems of joint programme relationships is not negative. Indeed, the Premier of Manitoba has been given specific, commendation for the imaginative and positive proposal which he presented at the December Constitutional Conference outlining an alternative to the present system of shared-cost programming - the concept of "priority option grants". As a solution to the intergovernmental planning conflicts which have characterized the administration of many programmes in the past, the Premier proposed a system of federal grants which would permit the provinces to determine the priorities for their individual jurisdictions from among a broad spectrum of programmes defined within national objectives. I will table the presentation by the First Minister to the Constitutional Conference as an appendix to this Address.

I think it appropriate to emphasize that we are primarily concerned that services to people be effectively delivered. That is the true basis of our federal-provincial policy. In less than two years - at the end of March, 1972 - the federal legislation authorizing the present system of fiscal arrangements between Canada and the provinces will expire. That bears directly on our concern to keep services to people geared to sound social progress. While the current fiscal arrangements have not been entirely satisfactory to Manitoba, at the same ttme they have been the pivot around which the revenue structure of this Province has developed.

We are budgeting this year to receive some $41 million from Ottawa under the equalization formula and some $15 million in residual support under the post-secondary arrangements programme in fiscal 1970.

Overall Federal transfers to the Province - exclusive of our own income taxes - total an estimated $176 million. I include here the Hospital and the Medicare insurance recoveries, because these would have to be replaced if they were withdrawn. Key public services could not be supported if we were suddenly requited to live solely within our own administrative and economic tax capacity. The inter-relationship of the fiscal and programme arrangements with the Government of Canada directly or indirectly affects every aspect of Provincial budgetary and fiscal policy.

We are, therefore, approaching a period of extremely critical negotiations with the federal government. Clearly, much is at stake. The immediate revenue implications are obvious, but there are long-term considerations which are even more important.

Apprehension is justified. The present system of equalization is to undergo a technical review this summer - so some alternatives will almost certainly be offered. The system of tax abatements, upon which our federal-provincial tax collection agreements are based, has also been declared by the federal government to be unsuited to their tax reform proposals. In any case, the proportionate sharing of the major tax fields is certainly affected by the federal tax reform approach. The as yet to be determined direction of federal participation in urban development - and, indeed, in regional development generally - will have an effect on every major programme of the Province.

It bears repeating that the transfer of fiscal equivalents or so-called tax points to the Provinces is no substitute for a direct partnership between the Provinces and Ottawa. Our position on fiscal arrangements is wholly related to our position on shared programmes. We are not asking for more money to spend in our own way. This Government has given its pledge repeatedly to accept a greater exercise of federal taxing power provided we receive a reciprocal acceptance by the federal government of programme responsibility. We ask only that the national government join with us in solving the real problems of our people, of our cities, and of our hinterland.

Mr. Speaker, in recent days, the federal government has joined with, the Government of Manitoba in seeking the best way to share in the cost of meeting the emergency facing, our commercial fishermen, barred from earning income by the pollution of the waters in which they normally operate.

There have been many instances in the past wherein the federal government has responded to the urgent needs of this Province for assistance. We are confident that there will, in fact, be continuing and responsive federal-provincial co-operation. I cite the most recent negotiations on fisherman’s compensation to underline this Government's recognition that the partnership does work. But it takes effort - and it takes mutual respect for the problems of each partner.

We can only pledge Manitoba's diligent search for constant Improvement in the federal-provincial relationship. We know most clearly the importance it has for our people, for our Province - and for the nation.

REVENUES AND EXPENDITURES - FISCAL 1969 AND 1970

Mr. Speaker, while the records for the 1969-70 fiscal period are not yet complete, there is every assurance that, after all adjustments and transfers have been made, we will still be able to show a surplus on current account of about $1 million.

A few weeks ago, I tabled in this Assembly the expenditure estimates of the Government of Manitoba for the fiscal year ending March 31, 1971. These showed that the planned $448 million total for the 1970-71 fiscal year was some $49.6 million higher than the Estimates for the previous 12 months. When the amount of the estimated new expenditure of this Government in respect of the provision of medical care Insurance to the people of Manitoba - some $19.1 million - was deducted from the $49.6 million increase, the resulting budget total served as a far more accurate basis for comparison with the expenditures of the previous year. In these terms, the spending plans for 1970-71, as I have stated, only 7.6 percent over estimated expenditures for the 1969-70 fiscal year.

We are especially pleased with the fact that the revision of Medicare financing which was accomplished in late 1969 was carried out with the least possible complication and delay. A table has been prepared, in an Appendix to the Address, which compares the, provincial income taxes and medical care insurance premium costs of a typical family of four residing in the nine provinces which now have, or soon will have, a medical care insurance programme. The data illustrate clearly the ability-to-pay principle and the very real "cash" advantage which this Government's financing change has brought to the majority of citizens of Manitoba - and particularly to those in low and modest income groups.

The increases in income taxation which took effect on January I, 1970, are evident in revenue estimates for the 1970-71 fiscal year. The total of Provincial Individual Income tax should yield approximately $109.8 million, while revenue from the Provincial corporation income tax is expected to total some $36 million in fiscal 1970.

At this point, Mr. Speaker, I should like to give notice that; shortly, I shall be introducing in the House a bill incorporating a series of technical amendments to the Income Tax Act. This bill will contain provisions which would have the effect of preventing any retroactive application of the 13 percent Provincial corporation tax rate by the federal Department of National Revenue to any portion of a corporation's taxation year which fell within the 1969 calendar year. Changes in the Manitoba Income tax legislation are also required under our Tax Collection Agreement with the Government of Canada in order to ensure that certain key sections of the federal and Provincial Acts remain parallel.

Our revenue equalization receipts are expected to reach some $41.0 million in the 1970-71 fiscal year. In the Budget Address which I presented on September 18th last, I noted that adjustments in equalization can require the Province, to repay amounts In respect of previous overpayments. We have since received word that Manitoba will be required to repay some $6,169,000 for a 1967-68 fiscal year overpayment by Canada. This amount, you may recall, is somewhat higher than had been indicated last Autumn in the preliminary data then available to us.

We are tabling Revenue Estimates for the Government of Manitoba for the 1970-71 fiscal year which total $448,868,819. The Expenditure Estimates for the same period already tabled show a total of $448,043,500. We thus anticipate a small budgetary surplus for the current fiscal year of some $825,000.

I'd like to spend just a moment on debt and finance management, Mr. Speaker.

DEBT AND FINANCE MANAGEMENT

To accomplish the goal of sound social and economic progress we will continue to require capital Investment. We have tried to arrange our financial affairs to take advantage of all of the capital markets available to us. I am happy to say that we have received ready acceptance in each market which we have entered and that each of the four issues sold since the Government took office has been successful.

I have had the experience of being able to meet and talk with investors in Canada, the United States and Europe and have been made aware at first hand of the confidence these investors have in Manitoba's economic growth potential.

In the financial tables and charts which are a part of the Budget Address, I have provided what could be considered to be the historic or traditional statements of Public Debt.

For the purpose of providing full details of direct and self- sustaining issues sold since the Government took office, a separate table of issues marketed since June 25, 1969 is also, provided.

Guaranteed Debt

As is readily evident in the statement of guaranteed debt, the major thrust of expansion and investment in Manitoba is through self-sustaining corporations and agencies.

We anticipate capital borrowing from the public bond market in the order of approximately $125 million. This money along with money available from the Canada Pension Plan, from mortgage funds available through Central Mortgage and Housing Corporation, and from internal moneys generated by the utilities, will provide the capital funds necessary to sustain our programme of planned growth.

We expect Hydro to need some $60 million to carry out its capital programmes and phones to require approximately $14 million.

Local School Districts will require upwards of $23 million and Housing and Urban upwards of $17 million.

Present plans indicate that the Manitoba Development Fund will require between $50 and $60 million. The Agricultural Credit Corporation anticipates direct loans to farmers of approximately $15 million and more.

TAXATION

In keeping with our commitment to review the entire field of taxation in order to bring it as closely as possible in line with the ability-to-pay principle, this Government has been taking a careful look at the present Revenue Tax Act. As has been previously stated, it is our belief that changes in this legislation should aim at providing a substantial tax relief for those in the lower income brackets. We have been looking at various suggested extension of exemptions to accomplish this purpose. We have been giving particular attention to the need for offsetting the impact of all taxation on lower income groups - including the impact of sales tax. The ramifications of any such far-reaching reforms are many and complex and necessary require much time and study. We have decided, therefore, against making any changes in the legislation this year until we have had a greater opportunity to make further studies as to some meaningful and long-term reform of the Act.

There will also be some minor adjustments in the gasoline tax to lift the burden of this levy from commercial fishermen and trappers. And may 1 say in passing there was mention made today of the question of Mining Royalty Tax, the possibility of changes, and I must say we are studying this problem, this question, and are not ruling out any possibility of change for the following fiscal year.

CONCLUSION

Mr. Speaker, this Budget has been presented in a period dominated by change and by problems which people and communities must fact in meeting change. The people of Manitoba have perhaps special opportunities, in a nation of unique challenge, to contribute a significant measure of new understanding to their own and to the national economic and social environment in our Centennial Year, we have an occasion particularly appropriate for this achievement.

We have made a solid commitment to proceed with programmes that will enhance the quality of life for those living within our province. We are endeavouring to secure social justice for all. A progressive and truly, prosperous community cannot exist without this quality. In making a commitment to justice for all citizens, we have pledged ourselves to balanced social and economic development in this Province.

In our relations with other levels 'of government, we will continue to seek their cooperation to help us meet the fundamental needs of Manitoba. And while we speak firmly and clearly in the interests of all our citizens, we know that progress can, truly be made only where there is an effective operating partnership in Canada - among governments and between governments and the people and their enterprise.

Now, as we commemorate our Centennial, we have the renewed opportunity for commitment to such partnership. In this beginning of it new and exciting era, our Centennial must not only be a celebration of our material achievements but a rededication to the human values which alone give lasting quality to any progress we can make. We believe our fellow citizens have the vision and imagination to build a prosperous future on the foundation of achievement in our first 100 years - a future to be shared by all Manitobans in justice and equity.