

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 p.m., Tuesday, April 6, 1976

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 14 students of the Laurier School under the direction of Miss McPhail. This school is located in the constituency of the Honourable Member for Ste. Rose.

On behalf of the honourable members I welcome you here this afternoon.

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

MINISTERIAL STATEMENTS AND TABLING OF REPORTS

HON. HARVEY BOSTROM (Minister of Renewable Resources) (Rupertsland): Mr. Speaker, I have for tabling a Return to an Order for Address No. 2 date March 29th, 1976, on the motion of Mr. Blake, the Honourable Member for Minnedosa.

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

ORAL QUESTIONS

MR. DONALD W. CRAIK (Leader of the Official Opposition) (Riel): Mr. Speaker, my question is to the Minister of Mines, Resources and Environment. I wonder if the Minister can reconfirm his comment during his discussion on the bill shifting environmental responsibility to the municipalities; his statement that it was unnecessary for the City of Winnipeg to come before the Clean Environment Commission for permission on an operation such as larva sighting which is now facing the City of Winnipeg.

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I indicated that for three years the City of Winnipeg considered it unnecessary to come before the Clean Environment Commission. With regard to larva sighting I said that the Commission has always approved of larva sighting, that there was never any difficulty in them conducting a larva sighting program. It was the city who did not want to do as much larva sighting as the Commission wanted them - well, I couldn't say that - as others felt they should do. There was never any problem vis-a-vis an order for larva sighting.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, I wonder if the First Minister has been apprised of the present position of statement by the City of Winnipeg that they are held up in the larva sighting program pending a Clean Environment Commission hearing or meeting that is to be held on April 12th.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, I'm not aware that that is the case. If the city has anything to communicate in that regard I assume that they would communicate through the Minister of Urban Affairs or the Minister for Environmental Management.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. CRAIK: Mr. Speaker, I wonder if it might not . . . to remove all doubt, if it might not be expeditious to handle the bill that is before the House in a manner such as this technicality isn't the issue that prevents it from taking place. And, Mr. Speaker, I would, you know, with your permission, suggest that the indications are that . . .

MR. SPEAKER: Order please. Order please. This is the question period.

MR. CRAIK: Mr. Speaker, I direct a question to the Minister then - if it is not the

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(MR. CRAIK cont'd) case that the larva sighting program will be ineffective unless it is undertaken immediately?

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I think that this is a typical example of politicians who cannot bear the responsibility for their own actions, trying to shift it to the other people. The city had all of the opportunities that they wanted to to apply for a larva sighting program. They have never had any difficulty getting one and they are now trying to shift responsibilities for their own problems to other people. They presently apparently have an application to the Clean Environment Commission. We have not heard of it; I've read of it in the papers the same as my honourable friend. I presume that the application will be dealt with in due course.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, my question is to the First Minister. I wonder if he's in a position to confirm the report in the National Finances by the Canadian Tax Foundation that would indicate that corporation tax for the fiscal year 1975-76 will be \$60 million, \$10 million less than projected in the revenues last year for this year.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: No, Mr. Speaker, but I'd be quite prepared to look at those figures and compare them with our own findings.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, I direct a question to the Honourable the Minister of Mines and Natural Resources. I wonder if the Minister could indicate to the House, in view of the disastrous and costly flood that has occurred in the Village of Waskada, I wonder can he tell the House just what surveys have been taken in that area anticipating the flood that has occurred in the Village of Waskada.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I think that the normal flood prediction process has been used. I can't give my honourable friend today any particulars with regards to the Village of Waskada, but I'll take notice of the question.

MR. WATT: Mr. Speaker, I direct a question to the Minister of Highways. I wonder if the Minister of Highways can tell us, in view of the fact that assistance was asked for from the Highways Branch and no assistance was given to that village during the past three days of flooding, could the Minister indicate why assistance was not forthcoming to the village.

MR. SPEAKER: The question is argumentative really.

MR. WATT: Mr. Speaker, water is not argumentative. I suggest to you on a point of order this question is not . . .

MR. SPEAKER: Order please. Order please. The Honourable Member for River Heights.

MR. SPIVAK: My question is to the Minister of Industry . . .

MR. SPEAKER: The Honourable Member for Arthur have his . . .

MR. WATT: Mr. Speaker, my question is to the Minister of Highways. Can the Minister indicate to the House if any assistance was forthcoming from the Department of Highways to alleviate or to stop the flooding that occurred in the Town of Waskada over the past weekend?

MR. SPEAKER: The Honourable Minister of Highways.

HON. PETER BURTNIAK (Minister of Highways) (Dauphin): Mr. Chairman, I am not aware of any assistance that was asked for, it didn't come to my office. However, I will certainly take that question as notice and investigate.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce. I wonder if he can indicate to the House whether his department has reviewed the economic affairs of the province and his position to account for the reduction in corporation tax estimated to be received by the province as to whether in fact it reflects a business downturn over the period of the last period of time.

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MR. SPEAKER: The Honourable First Minister state his point of order.

MR. SCHREYER: That is the precise same question that was addressed to me. I've undertaken to check to see whether those figures are accurate or inaccurate, by degree.

MR. SPEAKER: The point is well taken. The Honourable Member for River Heights.

MR. SPIVAK: Well, let me rephrase the question to the Minister in another way. Has his department made a review of the economic position of Manitoba over the past year, and is he . . .

MR. SPEAKER: Order please. May I suggest if the honourable members wish to have information they would ask their questions and not preface them with a number of conditions which automatically become debatable and consequently make the question invalid. Now if the members have a question, would they stick to the rules. The Honourable Member for River Heights.

MR. SPIVAK: I wonder if the Minister can confirm that his department has in fact studied the economic situation in Manitoba and has presented a report to the Department of Finance with respect to the downturn in the economy.

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce and responsible for Transportation Services) (Gladstone): Mr. Speaker, the department is continuously providing reviews of the economic situation in the province and comparing the provincial situation with other provinces in Canada. I would dare say that most of this information, as a matter of interest, is public information, it's information that's available from Statistics Canada and anybody's free to utilize that information as they so choose.

MR. SPIVAK: I wonder if the Minister can indicate whether his department received the information from the Department of Finance of projected estimates incomes of revenue as an indicator as to the state of the economy and whether that's reviewed by his department.

MR. EVANS: Mr. Speaker, I'm not sure what particular report the honourable member is referring to, but if it is some sort of an internal document I don't know whether I would want to discuss it at any rate.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the First Minister. I would like to ask the First Minister if the Attorney-General was stating government policy this morning when, as reported on the news media, that there was an increase made for electronic surveillance in the collection of evidence in the Province of Manitoba.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I wouldn't comment on the basis of hearsay, I'll have to speak to the Attorney-General directly.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Health. I wonder if he can indicate whether his department has studied the possibility of the conversions of the Schools of Nursing in the City of Winnipeg into Extended Care Service facilities.

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, I'm sure that in certain areas this is being considered but there's no decision as yet.

MR. SPIVAK: Well, I wonder if the Minister can confirm whether the studies are being undertaken by his department or by the Health Services Commission.

MR. DESJARDINS: Probably be by both, Mr. Speaker.

MR. SPEAKER: The Honourable First Minister.

TABLING OF REPORTS

MR. SCHREYER: Mr. Speaker, yesterday an honourable member asked for a copy of the study that was released by the Province of Ontario with respect to the Federal

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(MR. SCHREYER cont'd) Guaranteed Annual Income proposal. I believe this has been cleared with the Province of Ontario and accordingly I table a copy of that study.

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

ORAL QUESTIONS cont'd

MR. BOB BANMAN (La Verendrye): Thank you, Mr. Speaker. I direct my question to the Minister of Agriculture and would ask the Minister if the Government of Manitoba has made representation to the Federal Government with regards to increasing the compensation paid to farmers who have to dispose of their dairy herds because of TB reactors.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): Thank you, Mr. Speaker. I do recall discussions with respect to a series of problems in this connection on a number of occasions, but I can't be more specific than that. I'd have to research the files. But we did have these matters under discussion at a number of Federal-Provincial meetings.

MR. BANMAN: A supplementary question to the same Minister, Mr. Speaker. I wonder if the government is planning any supplementary assistance to farmers who have to dispose of their herds because of TB, something like the Ontario Government has presently enacted.

MR. USKIW: That particular problem has not come to the attention of my department. I don't know that there is a serious problem in this province, and if there is it hasn't been raised with me.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, may I ask the Minister of Corrections and Rehabilitations as to whether or not he has a reply to my question of last Friday afternoon?

MR. SPEAKER: The Honourable Minister for Corrections.

HON. J.R. (Bud) BOYCE (Minister responsible for Corrections and Rehabilitation) (Winnipeg Centre): Mr. Speaker, we are looking into it. As soon as I get all the facts I'll give them to the House. It's very interesting that one of the incidents that was drawn to my attention was that some inmates had filled grapefruit with vodka and smuggled them into the institution last year.

MR. BILTON: Do I understand the Minister to say that he is going to give us a report in due course with the corrections that he brought to bear because of the problems he found?

MR. BOYCE: As I had mentioned in my early response to the question of the Member for Swan River, these kinds of problems are problems of all institutions and I undertook to give a report, and as soon as I have it I'll give it to the House.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Consumer Affairs, responsible for the Telephone System. The report that appeared in one of today's newspapers about the probable cancellation of one of the cable systems due to Manitoba Telephone System wanting to attach a closed circuit hook-up between two hospitals, I wonder if the Minister could clarify in fact what is the position the Manitoba Telephone System is taking in relation to the cable system and have they applied for a licence for this short circuit system?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

HON. IAN TURNBULL (Minister of Consumer, Corporate and Internal Services) (Osborne): Mr. Speaker, the position of the Manitoba Telephone System is to use broad band cable for other services than the provision of entertainment signal or T.V. signal, and in accordance with that policy they are using cable installations between the Health Sciences Centre and the St. Boniface Hospital to provide medical information on a two-way basis between those two medical centres. In order to provide messages between the two centres on a two-way basis they have to change the amplifiers which were already on the cable. The

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(MR. TURNBULL cont'd) amplifiers are being changed in accordance with a contract that was signed between MTS and the cable companies in 1967, I believe that the cable company itself, even though the cable is being used for the provision of medical information, the cable company is still under obligation to carry out its obligations under the CRTC licence and to continue to provide a TV signal to its subscribers.

MR. AXWORTHY: A supplementary, Mr. Speaker. Can the Minister then clarify on what basis the cable companies indicate they may have to cancel services because their present CRTC licence doesn't allow them to carry this closed circuit communication between the hospitals.

MR. TURNBULL: Mr. Speaker, I believe that the cable operator would be ignoring the contract that he has with the Manitoba Telephone System, that contract signed in 1967. Secondly, that is his interpretation of CRTC regulations made twelve months ago or so, regulations which at that time prohibited the use of cable by other users, by third parties, and at the time the CRTC made those regulations the Province of Manitoba challenged them by intervention.

MR. AXWORTHY: A supplementary, Mr. Speaker. Can the Minister indicate whether he intends to apply to the CRTC for a clarification of this seeming confusion, interpretation of the regulations, or at the same time apply for any regulatory permission that would be required for MTS to use the cable lines for purposes other than entertainment?

MR. TURNBULL: Mr. Speaker, that is really a very involved question. It is a matter of constitutional jurisdiction and I would not want to comment on it now.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I wonder if he can confirm whether the Prime Minister has forwarded a letter to him in connection with three options for repatriation of the constitution to be considered by the premiers of the country?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Yes, affirmative, Mr. Speaker, the letter was received yesterday.

MR. SPIVAK: I wonder if the First Minister is in a position to confirm the determination of the First Minister to repatriate the constitution within the next year or year and a half?

MR. SCHREYER: Yes Mr. Speaker, there certainly seems to be a determination, or perhaps I should say at least an obvious desire on the part of the Prime Minister to so do. However, that is perhaps not taking into account what I believe are anticipated problems as viewed by certain provinces and perhaps even by some Federal Ministers of the Crown.

MR. SPIVAK: Mr. Speaker, I appreciate what the First Minister has replied to, but I wonder if he is in a position to indicate that his reply will be consistent with the statements that he has made with respect to repatriation of the constitution and Manitoba's position as expressed by him at this point?

MR. SCHREYER: If by that the Honourable Member is asking whether our position will likely be similar to or consistent with our position on this question in 1971 at the time of the Victoria Conference I would say that the answer is very likely yes, we have just received the letter yesterday. There are some new and perhaps major new aspects being proposed and my colleagues and I will have to have an opportunity to review that, presumably sometime in the next 30 days.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: I wonder, by way of a supplementary, whether the First Minister would be in a position once the new proposals are made public - and I assume that it will be made public because I believe the Prime Minister will be tabling his letter - once that's made public, to allow a debate in this House for consideration by members on all sides to be able to recommend to him and influence the final decision-making with respect to the proposals.

MR. SCHREYER: Mr. Speaker, certainly the purpose of this Assembly is to determine priorities for debate and then to debate those matters. I would assume that the Honourable Member for River Heights will take advantage of the first opportunity under the rules to debate that, and I would hope with him that that will be possible sometime before any

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(MR. SCHREYER cont'd) conference on patriation.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Attorney-General. Can the Minister indicate whether the Human Rights Commission is investigating the charges made by the Canadian Civil Liberties Union that welfare recipients are being denied basic liberties, a study that was conducted in the last year, included welfare recipients in the City of Winnipeg?

MR. SPEAKER: The Honourable Attorney-General.

HON. HOWARD PAWLEY (Attorney-General) (Selkirk): Mr. Speaker, I would have to take that question as notice because I'm not aware of whether or not they are so investigating. I gather a question was asked earlier by the Honourable Member for Birtle-Russell and which the Premier took as notice, in regard to a speech that I gave this morning dealing with crime detection and prevention. And the basis of the comments that I made is, that in an age of growth in crimes, particularly white-collar and other types of crimes, that there is a constant need for improvement insofar as crime detection methods. However, at the same time we must always maintain a balance between the techniques that we must use in order to ensure that we don't fight jet-age crime with a horse and buggy type of equipment. As against that we must constantly be on guard that there is no abuse, or on the other hand that there is unnecessary infringement upon the rights of the individual. So that balance must be obtained at all times.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: A supplementary question then to the reply given by the Attorney-General. In the maintenance of that balance, who is going to determine what degree of rights of the individual under privacy and what are the rights of the state in their investigation, who is going to make the determination as to what the rights of the individual as opposed to the state?

MR. PAWLEY: Mr. Speaker, if the honourable member would refer to Section 178, sub-section (1) to, I believe, 18 of the Criminal Code, he will note that it is spelled out very clearly the existing laws insofar as the Dominion of Canada is concerned in connection with electric surveillance. So that this is just one example of the methods which are used by parliament, by the elected representatives of parliament to attempt to ensure that there is that proper balance. In fact in that particular instance those provisions are presently under debate in the Parliament of Canada.

MR. GRAHAM: A further supplementary then to the Honourable Attorney-General. Seeing as how those changes are presently under review by the House of Commons in Ottawa, what representation is the Attorney-General going to make to the Solicitor-General and the Minister of Justice regarding changes in the wire tapping laws in the Canadian Government?

MR. PAWLEY: Mr. Speaker, any representations we have made have been made at the, as I indicated in earlier to similar questions, have been made at conferences of Attorneys-General and I certainly would be prepared to discuss those during my Estimate review.

MR. GRAHAM: A further supplementary. Then the Attorney-General has no intention of making any further representation to Ottawa on this matter?

MR. PAWLEY: Mr. Speaker, I don't think there is too much point in repeating the representations that were made at meetings which were called purposely to hear the representations of the Attorneys-General to both the Minister of Justice and the Solicitor-General.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, yesterday the Honourable Member for Fort Rouge asked whether any specific proposals had been made by the Government of Canada with respect to possible changes in the cost-sharing of post-secondary education. I would reply by referring the honourable member to Page 10 of the text of the statement made by the Federal Minister of Finance, the summary of which is really that it was in his opinion premature to discuss this until after the First Ministers' Conference in early May, and I believe that that's really where it stands at the moment.

MR. SPEAKER: The Honourable Member for Wolseley.

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MR. ROBERT G. WILSON (Wolseley): Mr. Speaker, to the Minister of Tourism. Would the Minister indicate what Provincial Parks the government is building summer cottages in?

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

HON. RENE TOUPIN (Minister of Tourism, Recreation and Cultural Affairs) (Springfield): Mr. Speaker, we dealt with some of the locations in last year's Estimates. I intend to be more specific pertaining to those contemplated to be constructed in the fiscal year we're now in during the Estimates of the department. It's quite difficult during the Question Period to start indicating where all of those log cabins will be situated.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have a question for the Minister of Health and Social Development. I wonder if the Minister can indicate whether his department participated in or co-operated in the study that was done by the Civil Liberties Association on the individual rights of welfare recipients.

MR. SPEAKER: The Honourable Minister of Health.

MR. DESJARDINS: Not officially, not certainly as far as I recall.

MR. SPEAKER: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Speaker. I have a question for the Attorney-General. Quite some time ago he indicated he was expecting a report from the Law Society of Manitoba on the information that had been turned over to them in the Pilutik affair. Has the Minister received a report back from them on that matter?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: No, Mr. Speaker, I believe they have not finalized their own proceedings on the matter.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, perhaps I could reply to one question that was asked earlier today by the Honourable Member for River Heights. In his reference to the publication known as the National Finances put out by the Canadian Tax Foundation, I'm advised upon checking that the corporation tax revenues are down, but I'm also advised that they are down in each of the ten provinces. I think the Honourable Member for River Heights knows this, that the corporation tax estimates that are used by the provinces are taken from the Federal Department of Finance and Revenue Canada's own estimates. And that was the case. There has been in effect a case of perhaps an over-optimistic estimate by the Federal Department of Finance with respect to corporation profits and therefore corporation taxes insofar as they apply to the '75-76 fiscal year. I would not however like that to be taken as veiled criticism of the Federal Department of Finance, at least not in that regard, because their estimates have, most times, been quite close.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, I thank the First Minister for the information and I would assume that the estimate at this point would appear to be the correct one for the fiscal year '75-76. I wonder then if he can indicate whether, if one takes the difference of \$10 million and adds the amount that the Provincial Government will be receiving less than estimated with respect to equalization and guaranteed revenue, that in effect the deficit for the year '75-76 will be in the neighbourhood of 20 to 25 million dollars.

MR. SCHREYER: Well, Mr. Speaker, since it's only a matter of a few days now until I bring forward the budget for '76-77, along with its budget papers, I would ask my honourable friend to contain his curiosity and then have the full gamut of information available to him.

MR. SPIVAK: Mr. Speaker, maybe I can frame the question another way so there may be a more definitive answer by the First Minister, albeit although I do not believe I will get the budget information without knowing at this point the nature of the amount of expenditures for this past fiscal year. I indicate to the First Minister whether the proposition that in estimated revenue the province will receive something less than \$25 million is accurate based on the information he's released so far to the

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(MR. SPIVAK cont'd) House, with the additional information that we now know of the corporation tax being \$10 million less.

MR. SCHREYER: Mr. Speaker, that question is festooned with certain numbers and figures which I would think be more prudent to take as notice.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, I have a question for the Honourable Minister of Tourism, Recreation and Cultural Affairs. I wonder if the Honourable Minister can advise the House who sets the price of liquor and wines for the consumers, the Public Utility Board or the Liquor Commission?

MR. SPEAKER: The Honourable Minister of Tourism.

MR. TOUPIN: Mr. Speaker, the prices of liquor are determined by three factors mainly, one being the government itself, the Liquor Control Commission, and there is a provision for the Public Utilities Board to play.

MR. MCKENZIE: I wonder, could the Honourable Minister advise the House, does the same formula apply with the price of beer to consumers?

MR. TOUPIN: Yes, Mr. Speaker.

MR. SPEAKER: The Honourable House Leader.

GOVERNMENT BILLS - SECOND READING

MR. GREEN: Mr. Speaker, I wonder if you would proceed with adjourned debates on second readings which are on the Order Paper.

MR. SPEAKER: Thank you. Bill No. 23 proposed by the Honourable Minister of Agriculture. The Honourable Member for Arthur.

MR. WATT: Mr. Speaker, could I have this stand?

MR. SPEAKER: Bill No. 30, proposed by the Honourable Minister of Mines. The Honourable Member for St. James.

MR. MINAKER: Mr. Speaker, may I have this stand until tomorrow?

MR. SPEAKER: Bill No. 36, proposed by the Honourable Attorney-General. The Honourable Member for Arthur.

BILL NO. 36 - AN ACT TO AMEND THE MUNICIPAL ACT

MR. WATT: Mr. Speaker, I held this bill for a few days until I had a chance to talk with some of the people from rural municipalities, and I have discussed the matter with the President of the Rural Municipalities Union. Also I have had discussions with the Mayor from Thompson and his solicitor and we have found no reason, Mr. Speaker, to hold up this bill. In fact there is no point in quarreling with the Minister of Municipal Affairs on this, because it is a little difficult to quarrel with a Minister that generally is getting along pretty well. In fact he is unique on that side of the House as a Minister that is amiable and easy to get along with, and right now I want to say --(Interjections)--

MR. SPEAKER: Order please.

MR. WATT: I'm finished, yes. The Minister, Mr. Speaker, in discussions with Mr. Chapman, the President of the Union of Municipalities, he finds no fault with the bill, particularly with that section dealing with municipalities doing custom work with Public Works equipment. He does, and I see his point, have some, not reservation actually, but would like a little more clarification on 51 sub-section 4, where the section refers to private works, and that doesn't appear to spell out clearly exactly what private works includes. I note by the Minister's comments on second reading that it is not exactly spelled out clearly, although the intent I believe is there, that Public Works' machinery could be used for the construction of lanes and probably short sections of road or digging dug-outs and this sort of thing for private citizens. And I believe the intent of the bill is that a municipality could do this work in adjacent municipalities.

Now there is some concern on behalf of the President of the Union and those municipalities that he has spoken with and his executive, that it might put municipalities

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(MR. WATT cont'd) in a position where they could conceivably get into large construction and go some distance from their own municipalities and get into the construction business. They have just mentioned this to me that there is this possibility and they asked if I would convey to the Minister in my remarks that there is some slight concern in this area, although they have not made a particular issue of it.

Mr. Speaker, I don't think that there is any further comments that I have to make on the balance of the bill, it's mostly housekeeping and the Minister of Municipal Affairs is considerably better at housekeeping than some of his colleagues on the other side of the House. I think at this moment now I'll particularly refer to the Minister of Labour, since he would like to get into the . . . Since he probably would like to make some division between myself and the Minister of Municipal Affairs, and since the Minister of Municipal Affairs and I have been getting along fairly well, I don't think that any effort on the part of the Minister of Labour is liable to make any upset between he and I, but I would like to continue to be at variance or whatever you would like to call it with the Minister of Labour.

Mr. Speaker, I think I should suggest at this time that I am a little disappointed that there was not another clause in this bill which would exempt municipalities from the five percent sales tax on heavy equipment. And since I have the Federal bill before me, Bill C 40 which was effected in 1947 - the bill that the Minister is bringing before us now is really a bill in my opinion complementing the Federal bill, which indicates that the municipalities may do custom work for private individuals and still not be subject to the Federal Excise Tax. I'm sure that the Minister of Municipal Affairs will agree with me, that since the Federal Government do not feel that that level of government should be taxing a lower level of government, that is, the municipalities, that possibly the Minister and the government might consider that the Provincial Government should not be taxing a lower level of government, namely the municipalities; and since the provincial sales tax does apply to heavy equipment and since it runs into really a lot of money when you consider that many municipalities have an investment of up to a million dollars and much more, if they were exempt that five percent sales tax it would go a long way to building and maintaining, which we badly need. The Minister of Highways is not in his seat, we will be talking about that later. However, I think the Minister and the government should have a close look at the sales tax as it now applies to heavy equipment purchased by municipalities. I don't think, Mr. Speaker, that I have anything further to say on it in discussion with the members of our caucus. I think we're agreed that the bill should go to Committee and that any further comments that we may have will come at that time. Thank you.

QUESTION put, MOTION carried.

MR. SPEAKER: The Honourable Acting House Leader.

MR. PAULLEY: Mr. Speaker, I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider the Supply to be granted to Her Majesty.

MOTION presented and carried and the House resolved itself into a Committee of Supply with the Honourable Member for Logan in the Chair.

COMMITTEE OF SUPPLY - DEPARTMENT OF NORTHERN AFFAIRS

MR. CHAIRMAN: I would refer honourable members to page 45, Resolution 97(a)(1), Minister's Compensation - Salary and Representation Allowance. The Honourable Member for St. James.

MR. MINAKER: Thank you, Mr. Chairman. I would like to make a few additional comments at this time. First I would like to thank the Minister for bearing with me during the covering of his Estimates with some of the persistent questioning that I had on certain areas of his budget. But I would hope the Honourable Minister would understand that of the \$16 million that we're looking at, that something like 34 percent of the Estimates were in that one particular item, Other Expenditures, and in my thinking that is not right, that so much of the Estimates would be just covered with that one phraseology, Other Expenditures. I think if we are approving moneys in the

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(MR. MINAKER cont'd) order of some \$5.7 million that we should have some information on to what this money is being spent.

The one thing I would like to comment on is, that early in the covering of the Estimates in the debate I indicated to the Honourable Minister that it appeared his department had become a travel and talk department and it seems that it is continuing in that particular vein. In particular, under the travel part of his expenditures in this year's Estimates he has more than doubled his spending on travelling in the north between what we have received as information in the Public Accounts ending March 31, 1975, which was somewhere in the order of \$600,000 for travel; we're now looking at over \$1½ million for travel in his department. When we also take into account that there's something in excess of \$100,000 for transportation, which it's my understanding is money allotted to people other than the Northern Affairs Department officials or employees, it would appear that the department is again on its way to a "Travel and Talk" affair for the coming year.

Mr. Chairman, I would like to comment at this time that it would appear there is a commitment on the department and the Honourable Minister to supply revenue to the Manitoba Air Division. I don't know exactly how many dollars there is in his Estimates that would directly go to the Air Division, but I would say that it must be close to one and a half million dollars.

If we look at the Renewable Resources Estimates which are being dealt with at the present time, we see that there is a figure in there for something like \$1.9 million appropriation from other sources. So I would hazard a guess that these recoverables of \$1.9 million, almost \$2 million, I would think that probably 90 percent of them or thereabouts would probably come from the Northern Affairs, or at least \$1½ million when one counts the travel estimates that we've covered to date, as well as the transportation and as well as the freight costs that were included in his Estimates, because we haven't even totalled that into those particular figures.

So I can see what is happening, Mr. Chairman. It happened at the City of Winnipeg when I was there. They had a department known as the Parks Department and it had a budget of something like \$2 million; but when we started to look at the overall expenditures of the department, they were in actual fact somewhere in the neighborhood of I think - I could be corrected on this figure - something like \$3 million or plus. What was happening is exactly what's happening here between these two departments, that they were showing recoverables from another department to the tune of something like a million dollars. But what happens when this occurs, is that the Minister is obligated to spend that travel account so that he can hand it over to the Air Services Division. Because they in turn say, if you're going to spend this amount of dollars this year, we need this many pilots, we need this many airplanes, and they're tied into a locked contract whether they want to expend these dollars or not - as the Honourable Minister of Mines and Resources has often said, well, we're just really changing the money from one pocket to the other.

But the actual fact is, Mr. Chairman, is that this money is not necessarily of benefit to Northern Manitoba if it's going to pay for an aircraft sitting in a hangar at Winnipeg or a pilot sitting at the coffee bar at Thompson, Manitoba airport. That if we get locked into this commitment to one department or the other department, that it makes it very difficult for the Minister to run his department efficiently and to make sure that the funds that are estimated for are properly spent and are going to the use that the objectives and the policies of the department have been set out to do.

Mr. Chairman, I would also like to comment on the fact that the department again has taken on the role of the job creator in the north, and we can understand that; that there are jobs required in the North and we would much rather see people working than collecting welfare, even though the Minister indicated that 42 percent I believe of the income in the north to individuals is welfare. But the problem I see is, if I understood the Minister correctly, one of the major criteria that is used on the basis of government projects in the north, is its social cost benefit. And what does this lead to? If we look at the Churchill Prefab Plant that the Minister stated that well, the plant would

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(MR. MINAKER cont'd) be shut down when we see that the loss exceeds the social cost benefit of whether we should have the employees on welfare or whether we should have them working and the plant losing money.

The other thing is that when this occurs what kind of initiative do you really create for that employee that is working in that plant? He ends up thinking, well, you know if the plant doesn't go next year then I guess we'll go on welfare. This is what happens, there seems to be no initiative for the individual. And really isn't that the reason that the department exists, Mr. Chairman, is to try and develop the north, that when we look at developing the north really we're talking about developing the individuals, because a community is made up of individuals, the north is made up of individuals. If I understood the Minister correctly, the basic programs that he is setting out in his department and the objectives is to develop the individual, to give him greater responsibility, to get him to accept the technological advances of our way of life today, to have the same equal rights as we have here in southern Manitoba. When we start to look at the overall program, what is actually happening to that individual? The department has the job training programs which are very necessary to bring the individual up to the level of knowledge of technical advancement of the different jobs that are available in either the north or the south as well as to prepare him for other responsibilities and decisions. But what in actual fact is happening to some of these individuals? What is in actual fact, when you look at the overall picture, happening? That we're training the individuals and then all of a sudden they're sitting and waiting for next year's project to come along that they might have an opportunity to work. Or if that fails, then what's left? Frustration.

The Minister indicated the problem of delinquency in some areas, that when it runs loose in communities at times that it seems to sort of blow up. Delinquency is no different anywhere, whether it's in southern Manitoba or northern Manitoba. Primarily and normally it's caused by frustrations of the individuals, that they feel they have certain abilities or they can't communicate; they can't get that job responsibility or they cannot satisfy themselves. And this obviously is what is happening with the programs, that we train the individuals, they become very dependent on government projects, and when a restraint period occurs or there's no more need for certain programs that the government feels are necessary, then what happens? What will happen to the plant at Churchill when the government decides, MHRC or CMHC or the Federal Government, we don't need any further houses for our departments. Or no, we're in inflationary times, or the taxes are too high, we have to cut back our spending. Then what happens to that individual in that prefab plant? He knows that he will go on welfare. And this is what is happening. I suggest why it is happening, is that there is a lack of private development in the north. Now I don't know whether, if there was a better political climate that encouraged private development, whether there would be more, but I would think there would at least be a better chance, but at the present time this government does not encourage private development in the north. So as a result this individual that we train to take on the responsibilities of our way of life today sits and waits for the next government project to come along. Or what can he do if the government project doesn't come along? He can go on welfare. Or what else can he do? Well, he can move to an urban centre, I guess, and try his luck there. But then we're defeating the problem of the development of the north and encouraging the people in the north to stay there. I suggest Mr. Chairman, that one of the main reasons is that the private development is not taking place in the north as it should. I would suggest that one of the main reasons is that the Honourable Minister sitting across the room there, the Honourable Minister of Mines and Natural Resources with some of the legislation that he has brought into the house - I would presume as a responsible Minister he probably has spearheaded it, because of his philosophies has discouraged the development in the North.

But I can understand that, Mr. Chairman, because the Honourable Minister and his government wants to encourage government dependency on the people of the north because they feel that the resources should completely be processed and mined by people working for the public. He also believes, I would presume from the amendments

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(MR. MINAKER cont'd) to The Co-operative Economics Development Act this year, that he and his government endorses the right of the Development Fund to own property, develop, buy and sell, whatever it wants. So again this discourages that private investment or that private development, again builds up that dependency on the government.

The other major problem that I have run across is that there is definitely politically oriented thinking in the department. I've often heard the Honourable Minister of Mines indicate, well, if you're going to select a board why wouldn't you select people that support your particular party, and it only makes sense I guess. But I suggest that again, it could be stated well, we have five seats in the north, obviously the majority of the people vote NDP anyways in the north, and I suggest, Mr. Chairman, that particular strong supporters are sought out for key positions to work in the Northern Affairs Department. Again there is that undertow or that feeling that this exists in the department, it's quite obvious that it does exist to some extent, and this does not help the development of the north in my opinion. It obviously helps the development of the NDP Party --(Interjection)-- correction, the ND Party in the north, but I suggest that that is not good use of public funds, and it is not helping to develop the north.

I suggest, Mr. Chairman, that being dependent on the government as an employer is not necessarily beneficial to the individual in the north, because the Honourable Minister even indicated in his Estimates that Manitoba Hydro was not as good an employer as INCO. We also know that Saunders wasn't as good an employer as was sought out to be, because we know that some of the labourers at Saunders went to the Labour Board. I think three, four, maybe five times complaining about how they were treated. And not only that, Flyer was on strike for how long? I'm sure the Honourable Minister responsible for MDC knows how long. So that, you know, being employed by the government is not necessarily better employment than by the private enterprise, and I think the Honourable Minister of Northern Affairs very clearly pointed that out with regards to Hydro and INCO. So why not bring back that private development in the north?

Mr. Chairman, also an open cheque book is not the answer. A lot of people might think it's the answer and obviously the Honourable Minister of Northern Affairs does and the Honourable Member from River Heights does. But it is not the answer. Because we can spend money till it goes out of style in the north and that won't necessarily develop the north, it won't develop the individuals. I can cite an example - you can put in a fairly complicated sewage treatment plant or pumping station and if the individuals in the communities who are looking after this do not fully understand them or are properly trained, or have no initiative to look after them, well, it won't be long before it's flooded and the next thing you know you have additional expenses on your hands, and maybe the capital cost to install these pumping stations will be exceeded by the replacement costs. So that an open cheque book is not the answer to developing the individuals in our northern area.

The other area that comes into importance, when a large segment of our population and area of our province is completely dependent on the north, is that what happens in restraint periods? What happens when the government is the mining industry? What are they going to do? How are they going to afford? How is this Minister going to get from his Cabinet the moneys that are required for the development and continual development of that northern region and that mining industry? How will he find those millions of dollars so that he can create those jobs? Or what happens when we look at the Churchill Pre-Fab Plant when this restraint program comes in? There is no future for those individual employees. They realize they become so dependent on the government that if at the stroke of the pen they decide to cut back their spending because the inflation times are here and high taxes, then everybody will be affected that our government employed. So what do they do then if they're laid off? I guess they go back onto welfare. And again we have that, where is the initiative? Right now it appears to be - the initiative is that social economic cost, the benefit. Is it of more benefit to lose money and lose a little less than we put out on welfare, or do we put

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(MR. MINAKER cont'd) them on welfare? I suggest, Mr. Chairman, that this basic criteria has to change because when that happens - really what we're doing is we're bringing the individual up that step ladder to success and we get him up so high and then all of a sudden because of economic conditions relating to the government, he's kicked off it, down one or two steps, but he's kicked off it because the government cannot afford to keep that program or programs going to keep that plant operating.

So Mr. Chairman, I would suggest that the answer is to change the general climate in the north, encourage that private development again. And that can only come with a different attitude towards the overall development of our resources, and we won't argue who owns the resources, we do, the people of Manitoba do. That it is not necessary that they can produce and process and most efficiently, because I question whether they can. Obviously the Minister must have greater efficiency in the administration of his funds, and as long as he's committed in this trade dollars with the Air Service in the north, a commitment of a million and a half, I question how he can really show the accountability of his funds and to administrate them to the greatest efficiency for the people.

I would also suggest that next year hopefully, that instead of seeing 34 percent of his Estimates in Other Expenditures, that they might be detailed to some greater degree. I would hope that the Minister can convince the government and Cabinet that, let's get away from this criteria of Social Cost Benefit Analysis thinking that's throughout the whole north that can only lead to no initiative by the individual. And also bring the citizens into the main stream like he was talking about, give them the decision-making that they want so they get rid of this frustration; let them have some of the input into the overall planning and also let them own their own home if they want, or their own properties, give them the same rights. Because that maybe is not that important on the home bit, but if they want to develop a business - the Minister will recognize this, that the banks or the financial bodies that back these particular projects, private projects - look at a mortgage. They want to see that title to properties, and not necessarily a lease.

So these are the type of things I think the Minister has to look at and has to see that his department changes and corrects if we want to see an even more rapid development of the north than we are seeing now, so that the individuals in our province will get a better equalization of responsibilities and rights and opportunities, that we all benefit in the southern regions.

MR CHAIRMAN: The Honourable Minister of Northern Affairs.

HON. RONALD McBRYDE (Minister of Northern Affairs) (The Pas): Mr. Chairman, I suppose I should feel some satisfaction that the official critic for Northern Affairs for the Conservative opposition really had very little to say in terms of criticism of the department or the efforts being made by the department, and that the argument he did have to make was not a very accurate one or a very logical one in terms of the situation in northern Manitoba. I certainly appreciated the member's effort to understand what was taking place, as he asked very many questions as we proceeded with the debate. But obviously he is still stuck with some preconceived notions that he had at the start, and therefore it may be satisfying that he didn't have that much to say but also disappointing that he didn't understand the type of things that were being talked about.

The Other Expenditures section listed in the Budget book, is the method and format set out for all departments? There was an attempt last year to bring in the Estimates on a different format and the opposition didn't think that was any better approach. This department is no different from others in how they are set out, and we don't make the final decision really, it's a method of showing all government departments and how they are set out within the Budget book as to how this item appears.

One of the suppositions that the member started with and one that he has kept throughout his discussions has been the idea that he started with in terms of travel costs and that somehow the Department of Northern Affairs' purpose was to keep Manitoba Government Air Services going. Well, Mr. Chairman, this is certainly not

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(MR. McBRYDE cont'd) correct and maybe I can bring an up-date of some of the figures for the member that I didn't have completely broken down, although we had some of the information the other day.

The member mentioned again the statistics that I used in the first day. I was not completely accurate in my use of those statistics the first day when I introduced my Estimates. More accurately, the 42 percent of the remote communities' income comes from transfer payments which includes welfare, family allowance, unemployment insurance and those type of items. The actual figure for the welfare payments of the remote communities on average is more like 20 percent. However, there are a number of communities that have dependency on welfare to the extent of 50 to 70 percent of their income but that is not the average, some communities have that situation. So I would like to take advantage, Mr. Chairman, to correct those figures which I used incorrectly to some extent on the first day of the introduction of my Estimates.

But let's get back for a minute, Mr. Chairman, to the travel costs. I would like to break those down further in some detail for the member because he had a specific interest in that because he thought it would support some assumptions that he had on Day One of the discussion of the Estimates. The executive of Northern Affairs, the travel budget breaks down as follows: Manitoba Government Air Services \$4,500; scheduled service \$16,500; meals and accomodation \$11,000; vehicles \$2,000.00.

The Planning and Policy for the Northlands Agreement, a section of the department, the Northlands Planning and Policy section: Manitoba Government Air Services \$5,600; scheduled air service \$10,200; meals and accommodation \$13,500; employee relocation, that's another item that appears under travel in the Estimates, is when a person is transferred from one area to another or a person is newly hired and has to receive transportation assistance to move his household goods to a new location; or even in the government policy of assisting when a person is transferred and the legal cost of selling his home, that is also included in the travel section of the budget. Vehicles for the Northlands part of Planning and Policy is \$5,900.

The Planning and Policy outside of the Northlands: Government Air Services amount is \$18,500; scheduled air carrier amount is \$12,200; meals and accommodation is \$9,200; employee relocation is \$1,700 and vehicles is \$6,000.00.

The Administration section of the Department of Northern Affairs: their use of Manitoba Government Air Services anticipated for the upcoming year is \$10,000; their use of scheduled air service is \$30,000; their estimate of meals and accommodation is \$33,900; their amount budgeted for employee relocation is \$4,000 and their vehicles is \$7,000.00.

The Special ARDA section of the budget: the Manitoba Government Air Services section is \$2,300; the other charter outside of Manitoba Government Air Service is \$1,100; their scheduled service budget is \$9,200; meals and accommodation \$12,100; vehicles \$6,200.00.

The Engineering section of the department, their travel budget is broken down as follows: \$12,000 for Manitoba Government Air Service charter; \$17,100 for other charter; scheduled service \$13,000; meals and accommodation \$13,000; employee relocation \$4,000; vehicles \$3,000.00.

Airport Operation and Maintenance: Manitoba Government Air Service \$13,000; other charter \$17,000; scheduled service \$14,000; meals and accommodation \$14,000; employee relocation \$5,000; vehicles \$3,000.00.

The Equipment branch of the Engineering of Northern Affairs: \$21,000 for Manitoba Government Air Service charter; \$15,000 for other charter; \$20,000 for scheduled flights; \$15,000 for meals and accommodation; \$4,000 for employee relocation; \$3,000 for vehicles.

Northern Manpower Corps: \$76,000 for Manitoba Government Air Service; \$5,000 for other charter; \$60,000 for scheduled service; \$60,000 for meals and accommodation; \$94,000 for vehicles.

Local Government Development Extension division: \$20,000 for Manitoba Government Air Service, \$10,000 for other charter; \$40,000 for scheduled service; \$16,400 for

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(MR. McBRYDE cont'd) meals and accommodation; \$25,000 for vehicles.

Community Services section of Local Government Development: \$40,000 for Manitoba Government Air Service; \$60,000 for scheduled services; \$40,000 for meals and accommodation; \$5,000 for employee relocation; \$25,000 for vehicles.

The Training Services: \$5,000 for Manitoba Government Air Service; \$5,000 for scheduled service; \$9,200 for meals and accommodation and \$8,000 for vehicles.

As the member can see if he looks at those figures, it doesn't leave too much for his argument that the travel budget within the Department of Northern Affairs is there for the purpose of subsidizing Manitoba Government Air Services or maintaining that operation at a certain level of services.

The other point that the member made that is incorrect, Mr. Chairman, was his saying that there has been an increase in the travel budget, because if I didn't explain it to him once, I explained it ten times, that there was a change in the appropriation numbering that affected all departments. And some types of charter in the past appeared under Equipment and some under Travel. This department and all other departments now operating under the new code show all travel as Travel and there is not travel included in the Equipment costs.

What are the total figures then, Mr. Chairman? The total travel breakdown for the entire department, all sections, is \$1,053,700 and that breaks down in the following way, the totals of the figures I gave earlier: \$227,900 for Manitoba Government Air Service charter; \$75,200 for other charter; \$290,100 for scheduled air service. So, Mr. Chairman, I think the member would be more accurate to argue that the purpose of the Department of Northern Affairs following his argument, is to support Transair as opposed to supporting Manitoba Government Air Service. Total accommodation and meals \$27,300; employee relocation \$27,900 and vehicles \$188,300, for the total that I gave to the honourable member.

So, Mr. Chairman, the member has argued in a general way about the travelling expenses, has argued that the purpose is to support Manitoba Government Air Division, which can clearly be shown is not the case. What he did not do, and we gave him the breakdown for each section of the department, is come up with a recommendation, in which category of service to the communities in northern Manitoba should we stop providing this service? Should we cut out the accounting people that go into community councils and have to travel by expensive charter means to assist them with their book-keeping? Should we cut out the equipment repair people who go into remote communities to repair equipment? If the member is concerned about the travel then maybe he should say to us: you should cut out this period and therefore you can save X dollars, if he has all the figures in front of him as to how much each section is paying for travel costs. But instead we have a very general criticism which in effect, Mr. Chairman, is inaccurate.

Now, Mr. Chairman, the other general nature of what the member had to say relates to the economic development, and this is the main point that I have tried to get across in my Estimates, is the fact that there has to be a multi-pronged approach to creating employment and job opportunities for people from remote communities. If the figure is 20 percent, is the average or the welfare payments for the remote communities 42 percent for total transfer payments, then it only makes logical sense that perhaps the government has to spend some dollars now to create something meaningful as opposed to some dollars later to create dependency. And the member - and maybe here's where we come into a philosophical difference - was in my opinion entirely wrong when he said the approach we're taking creates dependency. The approach I am taking, this government is taking, is to end dependency, is to break the dependency on government, the worst type of dependency, which is a welfare dependency. That is not an acceptable situation to us and we want to take steps to overcome that situation. And that's why we're proposing, not just a government become an employer, but all avenues of creating economic development and employment opportunities must be fully developed. Mr. Chairman, I've repeated that very many times but I don't think the member understood, or he wants to isolate one particular aspect of it.

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(MR. McBRYDE cont'd)

A big part of the program as you look through our budget has been concerned with job placement and relocation for job placement. It's concerned with the Tawow Project, it's concerned with the Thompson Relocation Project. It is concerned with having individuals in a community when a job order comes through, they can go find someone who is qualified for that job and is willing to move to that job. And that is to take advantage of present employment that exists in northern Manitoba. In the past, as I said, Hydro might not have been any better an employer than Inco. In the past few years they have at least caught up and perhaps passed Inco in their ability to employ people from the remote areas on a long-term and productive basis. But the approach that must be used cannot be limited to one approach, otherwise it won't work. The problems are varied and difficult and the people are varied and difficult, so that if you tie yourself to one approach, if you put all your eggs in one basket, then you're not going to get very far. And that's what I think the Member from River Heights, who stands alone, mentioned, and that is the point that I think the Member for Swan River was getting at and that is certainly the point that I was trying to get at, is that we must take advantage of every single opportunity. I don't know if I should outline again, Mr. Chairman, all those types of opportunities that we might take advantage of, the opportunity to utilize - even though it's now fairly marginal - the fishing and trapping to its most extent. The opportunity of whenever there is a government project or any type of project close to these communities, that the people in these communities be given the full opportunity to take advantage of those jobs through training and through placement and through preference of some type to make sure that they're employed on that type of job.

Now, as I said, we have to take all different kinds of approaches, and in fact the government through the Communities Economic Development and through the Special ARDA program is in fact providing funds to private enterprise to create employment. Now this is of a smaller type of employment that is run by or employs a majority of people from remote communities. But we are not hung-up, we are not saying, no, it has to be under Bill 17, or it has to be under co-ops or it has to be under private enterprise, whatever is going to work under those circumstances. I have repeated a number of times, Mr. Chairman, whatever approach is going to work for that community under those circumstances is the approach we have to use.

It is my opinion that this approach will lessen dependence upon government and lessen dependence on the welfare or transfer payments to people in the remote communities. And the initiative has not been taken from people by the programs we have developed. If the honourable member would have had the opportunity to go to Moose Lake when the Conservative government started a logger training program and seen the pride that people had in the fact that they had now become loggers, that they were real loggers and that they made themselves headed crests to wear on their jackets, had "Moose Lake Loggers" on the back of it; and the intense interest and a sort of a whole change in their attitude and their outlook on that occasion.

And that has applied to every project that we've been involved in. The atmosphere and the outlook of the people at Churchill, and for the most part - and Churchill I suppose is an example because it is in the extremes - and that is for many reasons. There has been employment opportunities at Churchill before. The National Harbours Board hires all kinds of people during the shipping season. Very few of those people were local people from Churchill, most of them were people from Saskatchewan and southern Manitoba that go to work for the National Harbours Board during the shipping season, because for some reason the local people, most of whom happen to be native people, could not make the connection between that job opportunity. And the fact is that when the Churchill Pre-Fab Plant started operation for many months, we had to spend a considerable amount of time Monday mornings going down to the courthouse to get people who were appearing before the court to explain that they were in fact employed and could remain employed if they were able to be released on their own recognizance or probation or however the court works these kinds of things out. But

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(MR. McBRYDE cont'd)the majority of the people that were employed in that plant were people who had not had steady employment before and some who had not been employed before. The fact that those people had become fully productive and participatory members now in the Churchill society is a very dramatic change.

I talked about social cost benefit analysis. I don't know if you can measure some of that social cost. You can measure the change in welfare payments; you can measure to some extent the change in police costs to that community or court costs, but how do you measure the fact that someone who was unable to be employed before is now quite proud to be a fully contributing member and a productive member of society. It is an impossible type of thing to measure and yet it is a very significant change and a very significant kind of development. It's the kind of development that those members who have been into the remote communities in Northern Manitoba and who are a little bit sensitive can see what has happened. I am hopeful that the Member for Swan River has seen that kind of change and I am hopeful that the Member for River Heights has seen that kind of change and I am hopeful that the Member for St. James will see that type of change as he has more opportunity to see what is going on in the remote northern communities.

The programs, the developments are all aimed at the development of the people and their independence and not at creating a dependency. It is aimed at ending a dependency. As the Member for Swan River outlined the other day, when him and I were talking through you, Mr. Chairman, in many cases there is an attitude of dependency or what I call a "welfare psychology" and that has to be overcome and changed. And that has in many cases been overcome and changed when people had the opportunity and things were done in a certain way. They developed some pride and some satisfaction that they had become fully producing members.

So where do we get to when we follow the comments of the Member for St. James? This is what I find, Mr. Chairman, sort of frightening because where in the end do we get to when we get the official Conservative policy when it comes to northern Manitoba. I assume that the Member for St. James, being the spokesman on Northern Affairs, gives us the official Conservative policy. What he says is that, what the policy should be is to improve the economic climate so private enterprise will develop in northern Manitoba.

Well, Mr. Chairman, we have had a lot of private enterprise economic development in Northern Manitoba and only with a consistent government pressure, encouragement, discussion, has that private enterprise began to employ and hire local residents. Even with that effort it's not going to go very far towards solving the problems of people in remote communities. Now what the honourable member then is saying, as I understand it that the Conservative program is: what can we do different to encourage economic development of the private enterprise in Northern Manitoba? Whenever there is an opportunity now there, small entrepreneurs are moving in and taking advantage of it. Most of it at this time is in the service sector to the resource industries that are based there and private people are not hesitant to take advantage of those opportunities when they are there.

The present policy of the Province of Manitoba in terms of mining taxation and mineral royalties is not the sole program of the Minister of Mines and Resources. Mr. Chairman, that policy and that program has passed through the Cabinet, has passed through the caucus and has been agreed on to by all of us sitting on this side of the House. The program is that the people of Manitoba should get the benefit of the resources that are there, that belong to Manitoba, that exist in Manitoba. The mining companies are going to come in and mine those deposits where the ore is, if they can make a buck doing so.

That is what they are doing now, Mr. Chairman. The fact is that with anomalies that show there might be uranium the mining companies are lining up at the door and they don't seem to be worried about all the things that the Member for St. James is worried about. They didn't even send a telegram or a letter about the thing; they started lining up at the door to get in on the advantage because there is some mineral deposit in

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(MR. McBRYDE cont'd)Manitoba. When they came to try and be the ones to get in on that anomaly to see if it was worthwhile, they didn't come in first to complain about the mineral policies and say if you change them we'll come into Manitoba and look at your uranium deposit. They said, please let us be the ones to come in and do it.

So the only option, I guess, left open to change the economic climate is to enter into a program of massive giveaway. Mr. Chairman, that is just not acceptable and it hasn't worked in other areas. But I'm afraid that that's the only policy that I can decipher from what the member said when it comes to Northern Manitoba, is a giveaway policy to encourage the private development of Northern Manitoba. That's the only policy position I can see. It's consistent with the statements of their out-of-the-House Leader in terms of his attitude to northern development and it's consistent with past history and how it's affected people from remote communities in the north in the past. Mr. Chairman, as I said, I find it a little bit frightening that that appears to be the only policy of the Conservative government and one that if, Heaven forbid, they ever came back to office would be a go back 15 or 20 years and leave the remote communities the way they are and give away to the big multi-national corporations a good part of the province, of Northern Manitoba, because then we would have right climate in Northern Manitoba. Now, Mr. Chairman, that is what the Member for St. James said; that's what he was asking for. I'm not sure that the Member for Swan River agrees with that in its entirety and I know that the Member for River Heights stands alone on their side.

MR. CHAIRMAN: The Member for River Heights.

MR. SPIVAK: Mr. Chairman, I want to indicate directly to the Minister that I believe that private enterprise is not encouraged in the north by the present government and I believe that that is one of the failures. I want to address myself to that and a number of other matters that he talked about.

But I have to say to the Member for St. James that private enterprise doesn't build a sewage system and private enterprise doesn't run a sewage system and if in fact there's a requirement in the north or any remote community for proper water and sewage supply, that's the responsibility of government and it's not a question of an open cheque book, it's a question of fairness; it's a question of recognition of the plight of people, to recognize the responsibility the government must undertake not for a blank cheque but to do the things that are necessary to provide for the proper health of the people in remote communities whose liability is that they live in the remote communities and not in the organized communities in the south and who are entitled, based on the history of the past - and that's not government history of the past - the history of the people of the past in Manitoba, who are entitled to be brought up into a situation which would provide them with all the contemporary features of our society in the south.

Now I agree that there are problems because you build a sewage system and maybe the persons involved will not be able to operate it. But that surely is training. That surely is planning. That surely is organization. That surely is the ability to be able to marshal all the forces to accomplish that objective and I believe that that can be done and if that's done then the infant mortality that exists in the north, which is very high, would be reduced; the health of the people would be higher and the ability for them to be able to enjoy, along with all the other amenities that should be provided to them to enjoy, a quality of human condition - which is the terminology used by the First Minister so often - will in fact be able to be achieved.

But having said that to the Minister and having sort of in one sense indicated a confirmation of a position which is consistent with his and having said that I believe these things should be done now rather than to allow the plight of these people to remain as we debate year after year after year a small portion of Estimates contributing towards their well-being, rather than have the accomplishment in the main achieved in a shorter period of time, this does not mean that there cannot be and should not be an analysis of the department and the government's position and an assessment made. I think in this respect there is both good news and bad news for the Minister as there is praise for the government in certain areas and criticism in others. I want to, if I may, deal with both. I think that the thrusts of certain things that have happened have been correct and I think

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(MR. SPIVAK cont'd)that in many respects the evolution of government programs that would have developed and should have developed as more moneys became available to governments for use in terms of government programs for people. But I think the criticism that has to be levelled is the fact that so much of what has taken place has been so poorly managed.

The greatest criticism of the government is that there in fact has been poor management in the execution of the objectives that they have set and it's demonstrated over and over again if you examine what has happened. There are problem areas all over and to suggest that you need a multi-pronged approach, yes, you do need a multi-pronged approach. To suggest that you have to spend dollars to create something meaningful, yes, you have to spend dollars to create something meaningful. To suggest that you require all avenues for creating employment, yes, you have to do all of those things. But then having said that, at this point surely we should start making some assessment of what has really happened and what has been achieved and understand whether there is criticism to be levelled of the government or entirely nothing but praise and whether in fact improvements can occur, and whether in fact there is a very real possibility that we on this side could do better, do better in managing a direction --(Interjection)--Yes, yes. We on this side could do better at managing and we'll go through this.

To begin with, Mr. Chairman, one of the things we have to recognize is that although the Minister is involved in the Department of Northern Affairs it involves the co-ordination of other departments. He has suggested this as well. If we look at the north door, these are the departments who are working in the north and whose activities directly affect the north. There is Northern Affairs; there's Highways; there's Industry and Commerce; there's Renewable Resources; there's Manitoba Housing and Renewal Corporation; there's Tourism; there's Co-op Development; there's the Communities Economic Development Fund; there's Hydro and there's Mines and Natural Resources and I would suggest that all of these are generally in the economic field. We then have the Department of Health and the Department of Education which are involved in the essential social service field and there are assessments to make of the efforts in those departments.

But looking now at the economic fields, the opportunities, the sort of multi-pronged approach that has to be taken to the north. We've got Northern Affairs with its various programs; we've got Highways; we've Industry and Commerce who have certain programs; we've Renewable Resources; we've Manitoba Housing and Renewal Corporation; we've Tourism; we've Co-op Development; we have the CEDF; we have Hydro and we have Mines and Natural Resources. Can one really say in making an assessment of all of these activities of government in the north that there has been success, good success, reasonable success, pretty good success? Well how do you judge? How do you make the assessment? --(Interjection)--Oh. Success by comparison to what happens before. I wonder whether success should not be measured on the basis of what programs have been undertaken and the actual results of those programs and the assessment of what really has happened.

Now, you know there is a tendency for the members opposite to forget that they produced for the 1973 election two documents: one which was the draft report of the Guidelines for the Seventies which has been used in this House and the other which was the published Guidelines for the Seventies which was essentially a program of commitment on the part of the government in a number of the areas of government activity. In dealing with the Guidelines for the Seventies on regional perspectives in the north, in the summary conclusion there are certain paragraphs that are pretty important. I read them only because after I read them I would like to make the assessment with the Minister of these programs to basically see what has happened. When we finish I think he'll agree that the whole thing has been messed up by the civil servants who have been responsible for carrying out these programs, who in fact have failed the very people that they were supposed to serve. And it's not just the Department of Northern Affairs that's involved, it's the whole government that's involved. But my point in mentioning it now in the Department of Northern Affairs, the Minister's Salary, is that he is right when he

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(MR. SPIVAK cont'd)says that I am the Minister involved in the remote communities concerned with co-ordination of activities, not directly responsible with specifics but in general trying to do certain things and I think the assessment has to be made.

Now in this summary in the Guidelines, it says that in the remote communities an array of instruments could be used to promote community orientated economic development - very similar to the words that the Minister used, "a multi-pronged approach." The development of renewable natural resources in particular can provide an economic base for many remote communities. The development of renewable natural resources in particular can provide an economic base for many remote communities. That hasn't happened yet.

Crown corporations. The Communities Economic Development Fund. All one, Mr. Chairman, has to do is look at the CEDF to see that in almost all cases those loans have gone belly up and that nothing has been accomplished. If one examines the initial period of time of why those loans were not successful --(Interjection)--Oh, they were doing so good? The reason why those loans were not successful had to do with the civil servants who were working in the CEDF who were responsible for the co-ordination and who were responsible for all the activity of the government in supervising people who were not sophisticated, who needed from the government the kind of assistance and co-operation and help that could have provided for them the opportunity economically to do something better for themselves.

Now there have been corrections of this. All one has to do is look at the Provincial Auditor's Report to recognize that there are changes that are taking place now. But those changes are taking place after several years and after debates in this House. During this period of time the management, the co-ordination, the whole thrust, the execution of it, was handled badly. Municipal development corporations, yet to come.

The Department of Co-operative Development. Do you want to go on with that? The fact is that insofar as the Department of Co-operative Development is concerned all the fishing co-ops who relied on the multi-pronged approach of the government, who relied on spending dollars to rate something meaningful, who wanted to use one of the avenues of creating employment, all of those have failed. Approximately \$1,300,000 of the \$1,600,000 that was loaned has now had to be paid out of the Consolidated Fund. The fishermen, many of them are in debt to the Manitoba Agricultural Credit Corporation and will never be able to pay it back. Why? Because of the people themselves? No. Because the people who were hired by the government and who were retained by them and who were supervised by them and who were co-ordinated by them were incompetent in handling the responsibilities that they had and as a result there was failure right through.

Now I go back to Crown corporations. Well I guess the Churchill Pre-Fab is a Crown corporation. It's not? Well it's another activity.--(Interjection)--Well Moose Lake Loggers hasn't cost us that much I guess. All right. Let's just go over what the Churchill Pre-Fab has cost us. The Provincial Auditor indicates that we are going to have to put in--(Interjection)--No, it's more than a million. We're going to have to put in \$2-1/2 million.--(Interjection)--Well you can't have it both ways. No one is arguing that money should not have been spent to do the things required; no one is suggesting that in effect the Churchill Pre-Fab or the other activities should not have been undertaken. But when one looks at the results, one looks at failures of management; one looks at supreme failures of management - and the blank cheque that my Honourable Member for St. James was talking about is the blank cheque that the government knows it has on the public purse to be able to pay for those errors. But the truth of the matter is, in terms of economic matters, in terms of assessment of what really has happened, that the failures have accomplished two things. Those failures themselves, Mr. Chairman, have resulted in the loss of tremendous amounts and tremendous sums of public money, but they're also if anything frustrated the very people whom you were trying to help. Because of the lack of sophistication and because of the necessary dependence on the government personnel who are supposed to be in a position to guide them and who is supposed to provide the expertise but who failed them, because of that these people have been put in a more severe position than they were before.

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(MR. SPIVAK cont'd)

So Mr. Speaker: "The Department of Co-operative Development and all the other corporations are some of the vehicles" - this is from the Guidelines from the Seventies - "some of the vehicles that can provide the expertise and mobilize the capital" - whose capital? The capital of government. Well I can tell you, all they can do, these expertise that the government had, was to squander the capital because that's really what they did. They squandered the capital. They squandered the capital that was provided to them. Now the question at this point is why were they allowed to do this? Why was it allowed to be frittered away? Why? And then I say to you and to the Minister and to all the members on the government who have to take some collective responsibility for it, that the failure was the failure of your own organization. The failure was the failure of believing that because your direction was correct, and because your objectives were correct, that it did not mean that you had to worry about the execution, but it would happen by itself. And the lack of control exercised from the First Minister down, by the Minister and by all the others, has been responsible for a tremendous waste of money and I think has minimized the direct success that could have been achieved and should have been achieved from the proper direction.

Now maybe that's tough criticism for the Minister to take and he may say, well, so what. But the truth is it's pointed out by the facts, it's known by the people of the north, it's part of the general frustration with him personally, and with the Department of Northern Affairs that exists in the north. And that's not meant as a personal situation. I'm simply saying that this is my analysis of the problem area. Because the frustrations that exist in those remote communities and the difficulties that have occurred are discussed and talked about in the north with the people who are in the more organized communities, and it becomes a very difficult thing to try and justify it based on the desire and the achievements that should have been incurred.

I want to finish this if I may, and then I'll make some other comments: "The Department of Co-operative Development and all the other corporations are some of the vehicles that can provide the expertise and mobilize the capital, if you give those that have been traditionally involved in fishing, trapping and forestry an equal footing with new entrance to these industries. Tourism is another industry in which these vehicles can ensure that the benefits of development will accrue to the residents of the north."

Well I know there's been some effort to encourage tourism and I know the . . . with loans to encourage tourism, but I don't see any major northern activity with respect to tourist development. I don't see any major program.--(Interjection)--Yes. I don't see any kind of effort.--(Interjection)--I'm sorry? --(Interjection)--Well, but I don't see any . . . But the problem at this point goes to the whole question as to when does the government try to draw what it is doing into some kind of comprehensive program which will in fact accomplish everything? Because you see the Minister talks about a multi-pronged approach, he has to talk about a multi-pronged approach which would include tourism. If he wants to talk about spending dollars to create something meaningful, tourism is part of it, and it's a question of whether you just do a little or whether you do something more significant or whether you plan something more significant. And my impression from the Minister is that what we have done is we have negotiated with the Federal Government, and further studies will be continued, and we will go through and over and over this again; and this more or less postpones the decision-making that has to be undertaken and the real work that has to be done in trying to set priorities with respect to the north. These approaches would be pursued in parallel, both these approaches, to allow a meaningful range of free choice so as not to replace one type of coercion with another.

So we have a problem. I suggest to you that the climate for private enterprise is not as great as it should be in the north, and that to a large extent is a reflection of government policy and it's waffling on its policy statements in the last period of time. I indicated before in discussing this department that I think that there is great uncertainty and apprehension in the north with respect to the future policies and the direct effect present policies will have on some of the mining communities and their future.

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(MR. SPIVAK cont'd)

I suggest to the Minister that although there is certain praise that can be given for programs, there is no praise to be given for the management of these programs, and it's supported by all the evidence that's forthcoming whenever a report is presented with respect to the kinds of activities that have taken place up north. There is continual loss of public money. There are explanations of the fact that people involved are not so sophisticated, but it's not the people involved who are losing the money, it is the civil servants who have been given the responsibility for managing who have lost it.

When we had the debate in the Department of Co-operative Development, the Minister argued, well, we never really managed it, it was always the co-operatives that had the responsibility and made the decisions. Yet the truth is that the members of the department had powers of attorney; the truth is that they formed their own Co-operative Federation, that is the members of the department, to buy goods themselves and then sell it to the co-operatives that they controlled by way of Power of Attorney. The truth is that they had the books; the truth is that they had cheques; the truth is that they negotiated with the banks; the truth is that they did all the things, and the fact is that they lost all the money for the fishermen. And now you've got a problem which you're trying to solve and which the Federal Government is being asked to bail out, really a failure on the part of the provincial responsibility.

Now having said all of this, and having said that there is some agreement with respect to the Minister's objective, at this point in time - and there may be another point in time where something different could be said - the failure of the government is one of management; the failure is one of getting organized, the failure is one of doing the things that are required so that the losses that may be borne in some of these things, because there are bound to be losses, would be at minimal and the results would be more impressive than they are today. Having said that, that does not take away from the direction, that does not take away from the effort, and that does not take away from the actions that have to be undertaken along with the opportunity for the encouragement generally of private enterprise in the total north, whose direct effect in the north will - and whose actions and activities - would in effect be of great benefit to the people in remote communities and would assist them in the economic development. But along with this is the necessity to do the things now in those remote communities so that the minimum kinds of services that they are entitled to be provided to them, it will in effect as I've indicated be cheaper than the way we're paying the money out now and in effect will be much more humane than the attitude that has occurred over a period of time; and it's an attitude that I believe exists in every province as it deals with its northern problem; and at the same time, Mr. Chairman, it will effectively mean that in the long run there will be greater hope.

But to the Minister and to the government may I simply say, get yourself organized. You can't manage these affairs the way you have in the past, and if you haven't got competent people, get competent advice; and if you can't get competent advice, then let us do it.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Thank you, Mr. Chairman. I just wish to make a few points on this department. I've asked a few questions before.

Mr. Chairman, I know it's quite well to talk about industry in the north and I think that we should talk about it and encourage it. But I think that we cannot measure the success, how many new businesses we're going to develop up north, and I think if we are going to develop any businesses, I think that these will need assistance. They will need some kind of low interest loans, and I think it's up to the government to establish some kind of a northern loan agency or a northern bank so we can attract industry.

As well we can attract tourist industry in there. There is a potential, I think there's great potential. But I think the way that we can measure the success in northern Manitoba, is what are you doing for the local people? What are you doing for the native people? How many are you employing at the present time? Mr. Chairman, I think that the Minister took some pride a little while ago when he said, well, nobody in the opposition has criticized our programs. Well that may be true, but Mr. Chairman, I think

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(MR. PATRICK cont'd)we've got to start questioning the success of the programs. In my opinion, the manpower development in the north is not successful. The training program, on the job training, on the plant training, how successful are they? Perhaps the Minister can indicate to us? Can he tell us? Job training - I would like to hear from the Minister - maybe he can give us some indication how many people are employed. How many native people are employed in these institutions? We have the Churchill Forest Industries. We have the Churchill Pre-Fab Housing. We were just told that Hydro is the poorest employer in Manitoba, and still Manitoba Hydro, the biggest developer in Manitoba today, have spent more money probably than anybody else in this province, and still we're just told that they're just the poorest employers, they employ no local people. They're the biggest developers in northern Manitoba, in the remote areas.

So if the Minister's Northern Manpower Program is a success, and I know he's spending \$4 million or \$5 million - close to 5, it's shared with the Federal Government - I think that's where he should zero in. That's the program where he should spend more money and see what he can do for the local people, the native people. How many are working in the Churchill Forest Industries? How many are working in the Churchill Pre-Fab Housing? I would like to know. How many are working in the northern remote hydro development areas? And then you can start measuring the success. Because when we did have an opportunity to travel through the CFI plant, I specifically asked every manager, I said, "How many native people working?" - and I'll tell you, it was very few. It wasn't successful then.

Perhaps the Minister is on the right track when he says we're on the job training, job relocation, manpower development, that's fine, I think that's great. But let's start measuring what success is the Minister having, and I think that's the area that he can zero in on. So that's some of the questions I wish to ask. Sure, I think we should be quite excited about new industry in the north and quite excited about tourist industry because I think there is a potential in that area. And there should be a potential. But you will have no one go up there, start an industry which is very seasonal, the chances of success are marginal at times, so you won't have private capital just go there. If you're going to support small industry, I think that you have to support it, and I see nowhere in the government at the present time where there is such an agency, a northern bank or a northern loan agency and low interest rate that will assist these small people, small private entrepreneurs, to go up there and go into service industry. So that's a consideration that the Minister should give.

The other point, I still believe that there should be a wage differential, that there should be a better wage in northern Manitoba because of the higher cost of living in some areas as high as 80 percent higher. It'll attract if there's a shortage of manpower, it'll attract some people.

Another point, I think there should be a tax differential between northern Manitoba and here, then you will have employees and you will have businesses go up there. I think there should be a tax differential, Mr. Chairman. I heard from somebody on that side that perhaps it's a better system than the wage differential that there should be a tax differential. So I was glad that during the debates on the Private Members' Resolution we had here a while ago, that somebody on that side even said, yes, we would sooner agree to a tax differential. So I hope that some consideration would be given to that, Mr. Chairman.

I believe the transportation cost from remote areas in northern Manitoba should be assisted and should be subsidized, Mr. Chairman. I really believe that.

The other point, Mr. Chairman,--(Interjection)--well, I'm not the government in here. You know, I wonder if the Minister is communicating with the Federal Minister. --(Interjection)--It's up to him. I wonder if the Minister has ever met with the management of INCO and said, look, you're producing as much nickel as anywhere else, have you ever thought of establishing the Canadian Head Office in Winnipeg, in western Canada? Why should it be out east? --(Interjection)--Or in Thompson. Or in Thompson. That's fine. That's fine. But I wonder if the Minister has made that request? Has he talked

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(MR. PATRICK cont'd)about it? I think that surely the Minister could communicate with International Nickel people and say, why should you have your head offices in Toronto when you're doing most of your work in northern Manitoba? --(Interjection)-- That's not the federal. That's not the federal. It's the Minister, he's responsible, the Minister of Mines and Natural Resources. Maybe the Minister of Northern Affairs can communicate with the Minister of Mines and Natural Resources. But what has happened? I don't know if the Minister talks to the management, because I'm told - one Minister tells me that they're all lining up to explore, and I'm told by most mining people that the exploration has almost ceased in northern Manitoba. In 1975, tell us how much more has it been?

MR. CHAIRMAN: I think the honourable member should come back to Northern Affairs. And I would caution other members who have been speaking, they've been into Tourism, they've been into Co-operative Development, they've been all over the map, but I think we should come back to Northern Affairs. Mining and Co-operative Development, these can be discussed in the proper Estimates. Would the honourable member come back to Northern Development.

MR. PATRICK: Mr. Chairman, all the things that I'm referring to has been referred to the Minister, and I cannot see why I can't make any reference to what the Minister has talked about. And that's what I'm talking about.

So I feel that there is an area and there should be a great potential in northern Manitoba that we can develop. We can develop industry. We can develop tourism. But it's going to be difficult if you won't assist some of the small entrepreneurs with some assistance of loans, low interest loans, or some kind of assistance.

The other point, perhaps the Department of Northern Affairs can be split into two areas. Maybe there should be an office in Northern Manitoba that will plan, that will create a policy, because it's pretty difficult for people to be here, living in here and saying we can create the policies and formulate policies for northern Manitoba. I think it's quite difficult. Let's have the people who are experts in their field in certain areas live up north, be northerners, and advocate a policy to the government, to the Minister. So maybe it's time that he had his department, many of his people, living in northern Manitoba in the offices in INCO - I mean in Thompson or Churchill or somewhere, I don't care where. Mr. Chairman, I said to the Minister a little while ago that it's time that the Minister communicate with some of the officials of INCO and say why haven't you got an office in Manitoba? You're doing the majority of the business in Canada in this area, why not have your head office here? The Minister, I understand, he said he hasn't communicated, he hasn't asked that. Maybe he can ask the Minister of Mines and Natural Resources to do that.

The other point is educational facilities, how easy it is for people in remote areas to educational facilities. And there's difficulty for those people. Have they got money to be living, say, in areas like The Pas and so to receive education when they come from remote areas? Has the Minister given consideration to that? So there's many areas that I think that - and I'm not being critical of the Minister, because some of the programs were good, but when he says that nobody has criticized our policies and he takes pride and is satisfied, I say the only way we can measure how successful the programs have been, what has happened, how many people are working - and maybe that's more important to see how many people are employed, native people employed in many of these areas instead of saying how many new businesses we can accumulate.

MR. CHAIRMAN: The Honourable Minister of Northern Affairs.

MR. McBRYDE: Mr. Chairman, I'll just make a few brief comments. First of all, the Member for River Heights - and again, when I'm dealing with the comments by the Member for River Heights, I am not dealing with the comments of the Conservative Party. As I understand it, the policy of the Conservative Party is to go back to the way things were 20 years ago and that's a pretty good situation to be in. But the Member for River Heights, I'll deal with him as an individual, and I have to say to him that on occasions where people have stood alone in the past, history has shown them to be correct. So the member should not get discouraged, sometimes people who stand alone end up being correct in the long run.

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(MR. McBRYDE cont'd)

But basically the argument of the Member for River Heights reminds me of being a little kid and saying: my Dad's tougher than your Dad - and the other kid: No no, my Dad's tougher than your Dad. What we're saying here is, I'm a better manager than you are; no no, I'm a better manager than you are. And there is no evidence, Mr. Chairman, to show that the Member for River Heights - and I don't know if it matters whether the rest would be better managers, because they're not going to do anything up north anyway. Whether the Member for River Heights, if he had his own party and formed his own government would in fact be a better manager, there is no evidence of that from their past experience when they were in government. I think they did prove at CFI that they could manage very well; the one or two cases where they did get into involving themselves in remote communities, there was failure. Now I'm not criticizing them for that, you know, that's at least better than they're proposing to do now, at least they tried at that time. A few occasions during their term in office they did try. But they had some very serious failures. The only reason why there are more problems now is because there are more projects undertaken. But if you look at the fact that they went into six or seven projects and six of the seven failed, that's a pretty high failure rate and it doesn't demonstrate any particular ability to manage. And I think we can look at what the Federal Government has attempted in remote communities, and their success rate has been no better. We can look at what the Conservative Government of Ontario has tried to do in a few cases where they have tried to assist the remote communities in their economic development, and their rate of success has been no better.

So, Mr. Chairman, all I can tell the Member for River Heights, is that I think that we are managing quite well and that we're managing better than he would manage it if he were in office, and I thank him for his support for the general direction that has been taken.

The Member for Assiniboia brought in a few items and he hasn't had the opportunity probably because of other committees and stuff to attend fulltime to the Estimate review, and a number of figures and detailed figures have been given but only as they relate to the projects within the jurisdiction of the Department of Northern Affairs. I haven't summarized the employment figures for some of the other projects that are ongoing. And just glancing through my stuff quickly I don't have the placement figures which is one of the functions that we do in relation to the northern remote communities in connection with Canada Manpower. It is in terms of attempting to place people in jobs and assist them to remain on those jobs.

I can just briefly tell him that Churchill Pre-Fab Plant which he asked about, will create 38,224 man-days which, without calculating, it's about 65 fulltime jobs of that operation. Minago Contractors 6,051 man-days; The Pas RTM Plant 3,475 man-days; Cranberry Loggers 5,127 man-days, which is only about 240 jobs on a yearly basis. And that's, you know, that's not a tremendous record. It's a considerable progress over zero or the small number that was created before. But then again this is only one of the parts of an overall approach and overall program, is the 240 jobs created under that. In my introductory remarks I quoted the placement figures but I just can't find them glancing through the other information I have here, but when the various departments that the member mentioned, when CEDF and Tourism, etc., I'm sure they'll be able to talk about the employment creation and the number of native people placed within their departments.

The other thing that the member mentioned was there should be more of the department in northern Manitoba. About 82 percent of the department now is outside of the City of Winnipeg in the northern area of Manitoba, and there is anticipation that there will be still further decentralization. But if he had of caught the initial debates between myself and the Member for River Heights, who recommended that the Minister and the whole department move up north, with the present system of government as an entirety it's not a very practical solution, and I won't go into all the long debate on that that we've had already, but it's not very practical. So 80 to 90 percent of the staff in the north is a very high percentage.

MR. CHAIRMAN: Resolution 97(a)(1) . . . I wonder in view of the time being 4:30, I'm interrupting the proceedings of the Committee for Private Members' Hour. The Committee will resume at eight o'clock with the Deputy Chairman in the Chair.

PRIVATE MEMBERS' HOURPRIVATE BILLS - SECOND READING

MR. SPEAKER: The first item, Tuesday, on Private Members' is bills.

Bill No. 35 proposed by the Honourable Member for Point Douglas. The Honourable Member for Brandon West.

BILL NO. 35 - AN ACT TO AMEND AN ACT INCORPORATING
"FORT GARRY TRUST COMPANY"

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, we have had an opportunity to examine the bill and to listen to the explanations of the Honourable Member for Point Douglas who advises that at the committee stage the representatives of the Corporation will be in attendance to answer any questions which we may have. So we're prepared to pass this on to consideration by the committee. We note one mechanical error in the reference to the original statute incorporating the Fort Garry Trust Company but that of course can be corrected at the committee stage.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 21 proposed by the Honourable Member for Fort Rouge. The Honourable Member for St. Matthews.

MR. WALLY JOHANNSON (St. Matthews): Stand? (Agreed)

RESOLUTION NO. 12

MR. SPEAKER: Resolutions. Resolution No. 12. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I beg to move, seconded by the Honourable Member for Fort Rouge,

WHEREAS existing tariff structures are discriminatory against the prairie provinces,

AND WHEREAS the Economic Council of Canada has recommended that trade barriers be removed;

BE IT THEREFORE RESOLVED that this House request the Federal Government to endorse the concept of elimination of trade barriers with the European economic community and United States, as recommended by the Economic Council of Canada,

AND BE IT FURTHER RESOLVED that this House request the Federal Government to take initiatives toward implementation of the Economic Council of Canada's report on trade barriers, subject to the need for essential government assistance during the transition period.

MOTION presented.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I know that for many years western Canadians have complained that they pay a very high price to remain and to be in Confederation. As consumers they have to pay more money for the products which have to be brought in, some fifteen to sixteen or eighteen hundred miles from the east, while at the same time the same products could be obtained much closer to home for much less, approximately 30 percent in many instances. Many people from the prairies have consistently for many years asked for a reduction of trade barriers. But it has been difficult to bring any significant changes in this area.

I know that many farmers many years ago, in the '20s and '30s, were not prepared to pay the high differential in costs so they used to go to the United States, buy their farm equipment, bring it back and be prepared to pay the high import duty and said, let the government get the duty instead of paying the high price to the corporations in eastern Canada on a protective market. Well at the same time when the farmers sell their products they sell it on a world market price so there is a problem, Mr. Speaker.

I know consumer goods sold in Canada cost anywhere from 20 to 30 percent more than the same article sells for in the United States. Some economic experts predict

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(MR. PATRICK cont'd) things are going to get worse, a lot worse, unless trade barriers between Canada and the United States are removed. The price of many consumer goods from cars, coloured TV sets, to washing machines, to shirts, would sharply drop, Mr. Speaker, if the tariffs would be removed or reduced. According to the Economic Council of Canada free trade with the U.S. could save every man, woman and child as much as \$650 per year.

However, Mr. Speaker, there are other economists who are quick to point out that there are certain drawbacks to this proposal. The free trade proposal comes from the Economic Council of Canada who are experts, experts that advise the Canadian government on long-term economic strategy and long-term economic policies, Mr. Speaker. The Economic Council has provided an opportunity for debate in this area, Mr. Speaker. What to do about Canada's long-range economic problem. How to increase industrial productivity. How to encourage capital investment into Canadian areas and into Canadian factories. How to ease unemployment in such areas as Newfoundland and the Maritimes. The Economic Council feels that ten years period of adjustment, free trade with our trading partners, would increase Canada's economic growth and improve the Canadian living standard. The Economic Council also indicates that because of the high wage and low productivity, Canada in the early '80s can experience a very stagnant and slow growth and will have a decline in the living standards in this country. That's the report from the Economic Council of Canada, Mr. Speaker.

So how can we reverse the gradual economic decline? According to the Economic Council of Canada tariffs should be removed. The Council also indicates that progress in removing barriers has already been too slow. What I'm indicating here is that if we can't remove total tariff barriers, maybe we can remove them gradually and remove them to a certain extent at maybe a slower rate. However, the Economic Council of Canada, Mr. Speaker, indicated in its report that they want total abolition of tariffs, total removal which would be perhaps in a very quick time impractical.

Another area that we can concern ourselves and maybe this can be done as far as western Canada is concerned, maybe there can be total removal of trade barriers within a certain region and still there could be some protection to the people in eastern Canada. We know that every article that we buy, be it a TV, a radio or a car, or any utensil that comes from that area of the eastern triangle, at the same time we can purchase many of those articles right across the line at 30 percent less. Because of the trade barriers we have to import them or buy them from eastern Canada at a much higher cost to western Canadians.

Mr. Speaker, unless we succeed removing trade barriers with our major trading partners, I think Canadian manufacturing will be stunted to a very tiny market in Canada. The Economic Council states that foreign ownership of Canadian industry has been encouraged by our present tariff structures. To get over our tariff barriers, U.S. manufacturers have established branch plant operations in Canada. The Economic Council also feels that free trade could lead to reduction of foreign U.S. investment in this country.

Mr. Speaker, the farm products and oil apparently will not be affected with this removal of trade barriers because they have been excluded from the free trade plans as indicated by the Economic Council. The oil and natural gas has been excluded because of the price fixing by the OPEC countries. The Council notes that the most protected segment of Canadian industry is manufacturing which is 22 percent of the labour force in manufacturing and only a small portion of the employees would be affected if we should remove the trade barriers.

The other point made by the Council is that workers and manufacturers have been declining in recent years in Canada and the situation will be much, much more serious if we don't improve our productivity in the manufacturing sector.

The Council suggests a ten year change-over period for industries and forms of assistance to help companies switch to new products. Well, Mr. Speaker, many would ask what would Canada gain. First, consumers could enjoy prices on some articles as much as 50 percent reduction. Savings could be as high as \$650 per person. Western and Atlantic provinces historically have opposed protectionism because it has resulted in

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(MR. PATRICK cont'd) higher prices for many manufactured items. Protectionism has tended to make raw materials exported by the not-have provinces. With free trade barriers, regional irritation, Mr. Speaker, would disappear.

I know that this may create some problems. The Canadian Manufacturers' Association have responded to the Economic Council's report that, in their view, it would have some very strong damaging repercussions as far as the manufacturers' industries are concerned. I know that the electronic industry, there's only one it really would affect very badly, would be Electrohome, the Canadian one. They also were concerned. There are the others that have welcomed this news from the Economic Council of Canada, such as the aluminum industry, the mining industry, the metals, the nickel and the steel. They have all indicated it would have no effect on them at all, in fact it would improve their situation. So again the only one that it would affect, Mr. Speaker, would be the Canadian Manufacturing Industry in Canada.

So, Mr. Speaker, I hope that this will create some debate. I know it has created a considerable amount of debate in Canada within the industries themselves in Ontario and Quebec particularly. Perhaps the Minister of Industry and Commerce can have some of his people in his department look at this proposal, see what would the benefits be to Manitoba and see what would be the disadvantages to Manitoba as well. This is something that's not recent, something that's not new, it has been debated for many many years. As I've indicated, Mr. Speaker, western Canada, particularly the western provinces, for many years have demanded and requested reduction of trade barriers. I've indicated that in the early years, in the '20s and '30s they used to go across the line to buy their equipment and be prepared to pay the import duty and not buy the eastern equipment which was higher in price at that time and pay the high tariffs at that time. So there has always been this friction between western Canada and eastern Canada, particularly on protectionism in those days, Mr. Speaker.

So I believe this is a good policy. I think the proposals, Mr. Speaker, come from the experts in the field, from the Economic Council of Canada, who are experts and give advice to the government and give advice to the Federal Government for their long-range policies. I think it's something to think about, if we are told and indicated from their statistics that each one, each one could have as much a saving as \$650 to \$700 a year per person. Some indications - and the report indicated - that it would be as much as \$1,000. I'm using the lower figure. Mr. Speaker, this is a considerable saving.

The other point that the Council makes is if there isn't some reduction of trade barriers the employment in the manufacturing sector, by just protecting the manufacturing sector, and some of them operating in an inefficient manner and not getting more efficient and not upgrading their productivity, that employment is going to continue to drop and by 1984-85 will probably be half what it is today and it is 22 percent today. So this is another serious consideration, Mr. Speaker, that the politicians in this country have to take note of, if that's one way that we can improve our productivity within the manufacturing sector.

The other point that the Economic Council makes in its report, that there will only be a slight reduction which - it will affect some manufacturers and people in the manufacturing industry - there will only be a slight reduction in employment because of this policy if it should be adopted.

With some assistance and brought in for a ten-year period I think it is worthwhile to discuss it; it's worthwhile to debate it and I hope that the Minister of Industry and Commerce would put some of his experts in his department to work and see what benefits would accrue to Manitoba and if there would be any disadvantages. I would doubt very much, Mr. Speaker, that it would give us any disadvantage. All we would get is benefit and reduction in our cost of living and reduction in many articles that we consume. It may be a disadvantage to some manufacturers in eastern Canada. But if it could be phased in through a period of years I think it is worthwhile to look at, it's worthwhile to debate this point and I hope that the Minister of Industry and Commerce will definitely take note and put some experts in his department to work and see what benefits can accrue to Manitoba.

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

MR. EVANS: Mr. Speaker, I must begin by saying that I have the pleasure of standing here on this side to indicate my agreement with most of remarks made by my honourable friend, the Member from Assiniboia. We do see eye to eye on a number of things and in this particular case we definitely have some common ground.

The only comment I would make at the beginning, Mr. Speaker, is that the honourable member's request is a bit out of date. It is a bit out of date because the Federal Government, as you may know and I guess as you referred to, is engaged in with the other members of GATT, namely those nations that belong to the General Agreement on Tariffs and Trade. The provinces of Canada, along with manufacturers and other interested groups, were asked to make representation and the Manitoba Government did make representation to the Federal Government and also the western provinces made representation to the Federal Government. So I want to indicate to you that the staff of the Department of Industry have looked into this; we have looked into it in cooperation with our sister provinces in Western Canada and to the extent that we have submitted a joint brief on behalf of the Western Canadian provinces, namely British Columbia, Alberta, Saskatchewan and Manitoba. We have seen eye to eye on this particular matter.

As a matter of fact I have some copies here and I will be pleased to give the honourable member a copy of this as well as any other member that may be interested. It is not that long and it's very much to the point. It's entitled, "Submissions by the Governments of the Provinces of Manitoba, Saskatchewan, Alberta and British Columbia to the Government of Canada with Respect to Canada's Participation in Negotiations to be Conducted Under the Auspices of the General Agreement on Tariffs and Trade." This was submitted in February of 1975.

In addition the Government of Manitoba submitted to the Federal Government its own paper but essentially it is the same position, of course, as was expressed in the joint paper. Of course, each of the individual western provinces submitted their own which also, of course, were in harmony with the consensus paper. There was no substantial degree of difference even in detail.

We have also looked at the position expressed by the Economic Council of Canada which is referred to in the member's resolution and generally speaking our position paper agrees with the Economic Council of Canada's position. There are some differences but these are perhaps of degree. We recognize for example that the Economic Council does not stress the non-tariff barriers to trade, you know, a health regulation for example. A safety regulation within a particular country may very effectively inhibit trade and these are normally referred to as non-tariff barriers. But nevertheless they had the same effect of restricting the trade.

Also we do stress the matter of regional differentiation of tariffs which I appreciate my friend from Assiniboia has made reference to and has I presume mentioned for consideration and I think that is a reasonable approach. The Economic Council says across the board let there be free trade. We have said in our brief, in the Western Canadian brief, we say well, let's proceed towards free trade. We want freer trade. We don't know whether we can get free trade overnight. We're not as radical I suppose as the Economic Council and we have said maybe there is room for some regional tariffs and particularly a tariff for Central Canada, namely the Provinces of Ontario and Quebec. I would point out, Mr. Speaker, the differences between the western provinces and the Economic Council relating to the current GATT negotiations and the involvement of the provinces in these negotiations - which brings me to a very important point that I would like to make and that we made in our joint submission to the Federal Government. If I might, Mr. Speaker, I would like to read these two paragraphs: paragraph 12 and paragraph 13 in the Western Canadian brief to the Federal Government, which is, in a way putting its finger on a real problem that we have, that all of us have I believe in Western Canada and maybe to some extent in other parts of Canada. I am quoting from the Western Canadian brief submitted February, 1975, to the Federal Government.

"Despite repeated requests the Federal Government has so far made no arrangements for discussion with the provinces about the mechanism of consultation during the

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(MR. EVANS cont'd) course of the actual negotiations." The negotiations with the GATT countries will go on for many months and perhaps a couple of years, and there are mechanisms in place, or people in Geneva feeding back information to Ottawa and so on.

At any rate, we go on to say, "It is essential that the provinces not only be kept fully informed but also be consulted concerning the inevitable trade-offs that will develop during the negotiations. A mechanism must be established to ensure prompt and complete discussions between Federal policy makers and the western provinces in all matters considered during the negotiating process. In addition it is essential that the western provinces be granted observer status to the Canadian delegation." You know we recognize that this is a federal responsibility, national responsibility and it is the National Government that must negotiate. We simply ask that there be an opportunity, if we so wish, to have an observer present again to facilitate communication really.

Going on and I'm quoting again, "There has been some concern that detail consultations on the GATT negotiations would not be kept confidential by the provinces. This concern has resulted in a situation where the provinces receive no more information than any other interested party from the private sector. This situation is unacceptable. The provincial governments have received confidential information such as Statistics Canada reports on activities of corporations, all the provinces for years with no greater incidence of breaking confidentiality than that demonstrated by the Federal Government. Provincial officials privy to confidential information are subject to the same oaths as federal officials."

The point I am making, Mr. Speaker, is that we feel a great sense of frustration. We submitted this brief on behalf of the western provinces; we submitted the Manitoba Brief which in large measure is along the lines of the arguments made by my friend, the Honourable Member from Assiniboia. The frustration is that talk as we may, brief as we may, as many representations as we may wish to make to the federal apparatus in Ottawa, the feedback we get is very minimal and the reaction we get is not necessarily negative and is not necessarily positive. In fact it's almost an air of indifference which brings me, as I said, to the nub of the problem.

I really doubt, Mr. Speaker, whether we have any influence at all with the Federal Government in this matter. Now you know I'm sure there will be some people on the Ottawa side who would say, well no, we received your brief and we've considered it and so forth and so on. But my information is in spite of all the expressions of good intentions and so on, you know, we might as well have saved our efforts. I have not yet received an official - well maybe we've received an acknowledgment - but there's been no response from the Federal Government. I'm talking about a brief, not only a brief from the Province of Manitoba but I'm talking about a submission from half of Canada virtually, at least in terms of geography just about half of Canada, a good chunk of Canada, four provinces, without really any significant response. I'm really wondering, therefore, what the value of the resolution is.

I think the value of the resolution is for you and I and others to stand up and to discuss the matter and to see where we might agree and see where we might disagree. I would hope that this House would pass the honourable member's resolution. There may be others on this side who may have other views; there may be others on your side who may have other views. I think you will find people who are protectionists and free traders in various parties. You know it used to be said, Mr. Speaker, at one time that all protectionists were in the Conservatives, among the Conservatives, and all the free traders were to be found among the Liberals. But I really don't think that is the case. I really think you find both in those two parties and perhaps you find them also in the New Democratic Party. For all I know maybe you find them in the Social Credit Party.

But what I say, Mr. Speaker, is that we have a great sense of frustration; we don't seem to have that consultative process in place that the western provinces said that should be in place as a useful working mechanism. I'm afraid that I must say, and I don't want to forever appear to be critical of federal ministers or the Federal Government, but I must say that there are certain people at Ottawa that singularly ignore western Canadian interests.

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(MR. EVANS cont'd)

The fact is what the Member from Assiniboia says is very true. The present Canadian tariff policy, and we've said this in our brief, essentially benefits central Canada and we've got to recognize this. We have done some estimates, I don't know how good they are, they're estimates because there's certainly no statistics kept of it, that we in Manitoba pay a price for being subject to this tariff which benefits central Canada. We've estimated that we pay at least \$120 million a year. I think that's an under-estimation, but we figure on the conservative side, if I might use that expression, at least \$120 million a year extra for those goods that --(Interjection)-- Could use worse terms. We pay \$120 million because of this protective situation. In the case of the western provinces we have made an estimate in co-operation with the other western provincial Departments of Industry and we feel that there's at least an unrecognized transfer payment of \$800 million per annum from western Canada primarily to central Canadian producers and distributors because of the present tariff situation.

So we've said, Mr. Speaker, I suppose in the good tradition of John Daffoe and many others that have gone before us, that we in the west would be much better off if we could have a lower tariff than exists at the present time. Now we recognize that you can't do this overnight, there will be certain dislocations even within Manitoba. There are some people who would be affected by complete removal of the tariff as advocated by the Economic Council of Canada. So we think we do have to recognize that and I'm sure my friend, the Member from Assiniboia, recognizes this too and it is a matter of phasing, a matter of accommodating and so on. But we do sincerely wish that we could move towards this freer trade position.

We feel that there are disadvantages not only to the direct consumer in Manitoba but there are disadvantages to the manufacturer, to the processor in Manitoba who has to buy machine tools and other equipment that are subject to a tariff. In other words a particular manufacturer in Canada has to purchase certain machine tools - or rather in Manitoba - they have to purchase certain machine tools at a higher price because of the Canadian tariff and we would be far better off, we believe, if that person or that manufacturer could buy freely from the United States, from Germany, Great Britain, Japan or wherever. We also feel that one reason we have such great difficulty in selling Manitoba-made goods in other countries is because Canada relatively speaking, does have a high tariff position. We believe that if Canada demonstrated its willingness to reduce the tariffs then in the GATT negotiations some headway might be made with the major trading partners in the reduction of their tariff situation.

MR. SPEAKER: Four minutes.

MR. EVANS: Four minutes? Thank you, Mr. Speaker.

So I would say in conclusion, Mr. Speaker, that we welcome the Economic Council of Canada's proposal for new trading strategy for Canada; we believe the liberalization and expansion of trade through the progressive dismantling of obstacles will bring benefits to all regions and all people of Canada. We would go further though. We would say, as the Member for Assiniboia said, there may be room for a regional tariff, perhaps there should be some protection there, so be it, but let us in the west trade freely if we so desire, as we do desire. But I repeat, Mr. Speaker, that we can pass the resolution. In fact I hope we do. But I don't know what good it's going to do. We've presented briefs in the past year and we've had no response of any significant kind and I really feel that we are barking up the wrong tree or putting it another way, we're bashing our head against a stone wall. I'm very cynical about dealing with our friends in Ottawa, and that's non-political statement. --(Interjection)--

There are 80 percent or whatever of the MPs from central Canada and that is a very real fact. In fact I would go so far as to observe that this is what makes the existence of provincial governments of every political stripe more significant than ever before. Because it's the provincial governments that are going to have to look after regions of Canada. Because knowing as we do the fact that the Houses of Parliament, the House of Commons in particular, is dominated by members from Ontario and Quebec, the fact is that the House of Commons is going to be very reflective and very responsive of

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(MR. EVANS cont'd) the needs of that area. Unfortunately - I regret to say this - the statistics show that there's even greater industrialization, greater concentration of manufacturing in central Canada than ever before. This I submit, Mr. Speaker, is because of federal policies. We would like to see those changed and maybe if we do pass this resolution somebody there might listen. But I have my very grave doubts. Thank you.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Speaker. First of all let me say that I think everybody sort of has a sense of frustration and you don't have to go looking for it. It's found, I think, with most manufacturers and most people trying to promote industry in Manitoba or in any of the western provinces.

Now the Minister just very briefly in his closing remarks touched on one of the biggest problems I think and that is you're spotting somebody like Quebec 70 seats before you're even going into an election. The government in power today just has to splinter all across Canada and as long as they retain their base over there, they'll be okay. I think that's pointed out by events over the last little while. We see that DREE, for instance, contributed 46 percent of the capital projects - in the last six years of DREEs life 46 percent of the moneys have gone into Quebec, which means that as the Minister mentioned, instead of diversifying we're concentrating even more industry into that particular area.

However, when looking at the resolution we have to realize two things. It's one of these things where it's hard to win and it's tough, when you implement it, you're losing. What is happening is that you can't have it both ways. If our productivity, for instance, if we believe the reports that we've been receiving, that our productivity is slipping this means that our competitiveness as far as the United States is concerned is also not as strong as it should be. So the productivity is slipping. No. 2 is that with the removal of the tariffs the Canadian companies would have to compete much more aggressively with the United States companies for that business. We all know that in the midwestern states and even when you run into California the labour rates there are lower than they are here and the productivity is higher. So if you combine those two things I think I would say that a lot of our Canadian industries would have trouble competing with the United States.

All we have to do is take a look at some of the items coming in, and maybe because I've been involved with automobiles for a while and the recent discussion and criticism of the Autopac Agreement signed between Canada and the United States, I would note that as high as up to 30 percent of the imported cars that come into here have tariffs on them of 12 percent federal sales tax and 17 percent import tax, which means that almost 30 percent of the price is taxed.

Now the Autopac Agreement I think shows us very clearly what has happened to some of our Canadian industry when we signed that thing. We'll notice that the people involved in selling parts and that type of thing, manufacturing parts, now this year have increased their deficit position with our neighbor to the south, to \$2.6 million, up from \$2 million last year. Now this is, I think, indicative of what possibly could happen if we just suddenly, bang, opened the border and we'd be thrown into that pot.

The other thing is that we've seen what happens when we impose certain tariffs or certain restrictions on just agricultural products for instance. We saw what happened in the beef industry. We created a lot of problems with that particular industry because of the different tactics used to try and limit the amount of beef flowing in and out, and that has caused a considerable problem for the beef people.

The other problem that we face of course in the prairies is that we don't have the number of consumers that they do in larger centres like out east or even down in Los Angeles. For instance, in the California area you've got 20 million people, as many people as we do have in Canada, in a much smaller geographical area which means that when these people are going ahead producing or manufacturing, they are manufacturing for a large group of people and they don't have the problems of freight that we encounter here. I'd say this is one of the biggest problems that we have, and that is the transportation

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(MR. BANMAN cont'd) problem. We're looking at shipping goods from Vancouver to Toronto or Toronto to Vancouver cheaper than we're shipping from Toronto to Winnipeg. So many of the people are asking themselves, why should we be subsidizing feed grains and having to pay high freight costs for any refrigerators, stoves or automobiles that we bring in from the east. This is causing considerable problems.

I notice that the resolution mentions basically the European - I would imagine the European common market - and the United States. I think they are, as far as productivity and cost comparisons, are very much closer to us than some of the other - for instance the Hong Kong or Japanese countries are. If we just look at what's happening as far as the garment industry in Canada or the electronics industry, there is no way that we can compete with products being brought in from Hong Kong or Japan because the labour rate there is so much cheaper and the production costs are a lot less than here and as a result our industries in no shape or form can compete with that. It would mean that we would have to really really lower our labour paid to the people employed in these factories and as a result would, I think, end up in a total lowering of the standard of living in Canada.

The other problem that we face is that to a certain extent when we enter into different agreements as far as market share of quotas with the Federal Government, we're sort of selling our natural birthright. The prairies' mainstay is agriculture and I think that's the thing that we're best suited and adapted to excel in. However what is happening is that by signing agreements with the Federal Government, whether it be in the egg industry, poultry industry, we're precluding ourselves from certain expansion and all we have to look at is the problems we're facing today with the milk industry.

We only produce about four percent of the milk in Canada and that is about our market quota of the total overall picture. Now what has happened is that we've been precluded from expanding any further because of the quotas allotted to each province. Now the argument put forward is, you know the eggs served at breakfast time in a Toronto restaurant should come from Manitoba because we're buying their automobiles; we're buying their refrigerators. They're manufacturing the goods; we should be able to supply them with some of the things that we naturally can manufacture better in the prairies.

So, Mr. Speaker, the problem is fairly complex. It's not an easy solution. Another thing that we have to be concerned about is dumping which is happening in certain areas and of course the countries are watching this very closely. But you could have the situation, and we have the problem right now, we're selling, for instance, powdered milk cheaper to other countries than we are over here in an effort to get rid of it. This very same thing could happen with regards to any manufactured items at all. Say that a company has a surplus of a certain type of appliance, it could very easily by reducing the price and trying to reduce the stock, could dump it onto the market in another country where there were no trade restrictions and of course that puts the industries in that particular country at a severe disadvantage.

So, Mr. Speaker, in conclusion let me say I think that the resolution by the member has a lot of merit and I think that what should be undertaken is a slow phasing in of a tariff, sort of a decreasing tariff scale. In this way it wouldn't be a sudden shock to either labour or industry in Canada. I think it would maybe provide some of the people with an incentive to become more productive, that our productivity would rise and would also possibly put us on better terms with the neighbor to the south. Our trade boundaries are more natural north-south than they are east-west and I think that's been the topic of many a study. Our neighbors to the south in the midwestern states are much more natural for us to trade with and I think some of our farm machinery companies who are not paying any duty are finding that out. For instance, Versatile is doing a big business down in the States.

So I think the resolution in its form is a good subject of debate in the House and the implementation of that particular lowering of the tariffs I think should be done on a gradual scale as not to hurt - and I stress this - labour as well as industry because as I mentioned before the labour rates would definitely have to drop here or we'd have to drastically increase our productivity. And the productivity angle of it, I'm all for it.

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(MR. BANMAN cont'd) Anything we can do to help our gross national product I think we should do.

So with those few words I would say that the resolution meets with my approval.

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

MR. JOHANNSON: Mr. Speaker, that is certainly one of the most obscure statements I've ever heard on tariff policy. The Honourable member made one thing clear though, and that is that he's trying to straddle the fence and trying to avoid taking any clear position.

I happened to read the newspaper today and there was an article about the Leader of the Conservative Party. --(Interjection)-- Which one? Mr. Lyon. Apparently having private conversations among little gatherings - and there are only little gatherings in the Tory party - of party faithful and telling them that the Tories should avoid taking firm positions because if they took firm and clear positions then the NDP would shoot them full of holes. It seems pretty obvious that the Honourable Member for La Verendrye has been listening to one of his leaders. He certainly avoided taking a clear position on this question. --(Interjection)--

Yes, I'm going to take a clear position. I'm going to basically support the resolution and the concept of movement towards freer trade. The honourable member --(Interjection)-- Well, the honourable member did at the end of his speech. But in the middle of his speech he was expressing all kinds of concerns about how free trade would affect the garment industry. I assume he is trying to protect the Tories who are involved in the garment industry. He has a concern also for people working in the garment industry. I understand there is one in Winkler, there is a factory there. There is perhaps one in Steinbach, is there? But the honourable member was extremely fuzzy. He was expressing concerns about harms that can be caused by free trade. Finally he came out saying that the resolution has a lot of merit but it should be phased in. So the only thing that was clear about his speech was its obscurity.

This is an interesting change in the Tory party because the Tory party historically has had a very clear position on the tariffs. --(Interjection)-- No, it used to be called the Conservative Party. Under Sir John A. Macdonald they didn't worry about labels like "Progressive", they called themselves the Conservative Party. They came out also not only with a clear party name but a clear party policy on the question of protection and the tariff. In 1878 the Tories, the Conservatives, came out with the national policy - well they started talking about it a few years before that - but this was their election plank. The national policy consisted of protective tariffs, the building of a railway to western Canada, to the west coast and settlement of the prairies.

Now the Tory party was very clear on --(Interjection)-- Pardon? You know, Mr. Speaker, there was no competition with the C.N. In fact the CPR which is always held up as a model of free enterprise was given all kinds of concessions: land; \$25 million; \$38 million worth of completed track; land concessions --(Interjection)-- Yes, 25 million - exemptions from tariff duties; exemptions from taxation and also exemption from competition in the prairies, in the western area, for twenty years.

In this area Macdonald was very clear. He believed in government support of free enterprise, unlike the Honourable Member for Morris who abhors this kind of thing. But Macdonald was concerned with building a country and he came out with a clear policy to build the country. The effect of this of course was to convert the western prairies into a quasi colony of central Canada, of Ontario and Quebec, and this was the intention. The intention was to build industry in central Canada which could then be shipped by the railway to western Canada, which would form the market. The western prairies which were supposed to be populated within a reasonable period of time would send back raw materials. This was the national policy. And the national policy, there is now a debate about the relative effectiveness of it, but it certainly did hold the country together. But it did also create quasi colonies or semi colonies in the west and this was the kind of development that occurred in the west created by a Conservative government.

Now the Liberals of course at that time stood for free trade. The Liberals opposed Macdonald's national policy and they have stood for free trade for a century.

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(MR. JOHANNSON cont'd) Their basic posture has been one of free trade for a century. --(Interjection)-- Yes, vocally. This has been the material written in their party platforms, in documents that they don't seem to look at terribly frequently. But this has been the theory. In fact this has been the central, certainly one of the central, tenets of the Liberal Party for a century in Canada. You know, the Liberals sometimes call the CCFers and the NDPers, Liberals in a hurry. Well, judging by this particular fact about the Liberal Party, the Liberals certainly aren't in a hurry. They have been --(Interjection)-- Pardon? They're still doing a study. They have been in power in Canada for most of the last century. When you look at the history of the country for the last 80 years with a few short interregnums, the Liberals have been ruling this country, the Liberals have been ruling this country for the last 80 years, virtually.

Mr. Speaker, when this country was created, when this country was created, various powers were allocated to the provinces but tariffs was not one of them. On the question of the tariffs there was no question about jurisdiction. The jurisdiction over tariffs is clearly with the Federal Government. So since 1867 the Federal Government has had exclusive power over tariffs. Since 1896 the Liberals have been in power, almost exclusively.

In the last couple of years we had a different leader of the Liberal Party who has since departed from this House and one of his principal tenets was to renegotiate Confederation. Like the Liberal Party he had certain documents and he had made certain statements and one of his principal tenets was to renegotiate Confederation to give the west a better deal. One of the aspects of this renegotiation of Confederation would be, of course, a move towards free trade. Well, of course, he seemed to have no effect on the Federal Government. Now the Economic Council of Canada comes out for free trade and recommends this to the Federal Government.

So what do the Liberal MLAs do? They come to the Legislature and ask the Provincial Government again to ask the Federal Government to bring in free trade. The Minister of Industry and Commerce has already pointed out that the province, and the three prairie provinces and B.C., has already asked the Federal Government, largely to implement the --(Interjection)-- Well, there is a difference. Yes, there is a difference. But of course the Legislature operates on the principle of the majority making decisions and we are the majority and therefore we can effectively win a vote on a resolution like this.

So the Liberals in the Legislature, the Liberals in the Legislature come to the Provincial Government once again and ask it to ask the Federal Government to bring in free trade. They're members of the Federal Liberal Party as I said the other day; they have a Manitoba Liberal in the Federal Cabinet. The Liberals also happen to have a majority in the Federal Parliament and it's a very large majority. The Liberals can effectively bring in any policy that they want to bring in, given the majority that they have. The philosophy of the Liberal Party is supposed to be free trade. The Economic Council of Canada recommends free trade. The Liberal MLAs in Manitoba want free trade. The three prairie provinces and B.C. want free trade. We know who has jurisdiction in this area, in the area of tariffs and trade. It's the Federal Government. And, of course, we also know, and the Minister pointed this out, the Member for La Verendrye pointed this out, we also know why the Federal Liberal Government is doing nothing about these urgent requests for free trade. And the reason is very clear as the Member for La Verendrye pointed out. The Liberals have a solid block of seats from Quebec; they also have a good number of seats from Ontario. Industry is located in Quebec and Ontario. The seats of power are located in Quebec and Ontario. The Liberals have what? Two members in western Canada or do they have more? Four?

But, Mr. Speaker, I think the facts of political life are that the base of the Liberal Party federally is Quebec and some representation from Ontario. The Liberal Party very clearly, judging by its recent actions, is writing off the west. They don't give a damn about the west. They can win the Federal Government. They can govern this country without the west and therefore they're not listening to the west. And they certainly are not listening to the Liberal MLAs in this Legislature. The one thing that

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(MR. JOHANNSON cont'd) this debate proves, the one thing that this debate proves above all, is that the Liberal MLAs in this House are total failures within their own party. --(Interjections)-- They're total failures, Mr. Speaker, within their own party.

MR. SPEAKER: Order please.

MR. JOHANNSON: Because their own party federally will not listen to them, they've come to the Legislature and asked the Legislature to rescue them. Mr. Speaker, the one very clear thing that emerges out of this debate is that the Manitoba Liberal Party is in a pathetic state.

MR. SPEAKER: The hour being 5:30, the honourable member will have another five minutes the next time we get to this resolution.

I am now leaving the Chair and the House will reconvene at 8 p.m. with the Deputy Speaker in the Chair in Committee of Supply.