

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Thursday, April 11, 1968

Opening Prayer by Mr. Speaker

MR. SPEAKER: Presenting Petitions

MRS. CAROLYNE MORRISON (Pembina): Mr. Speaker, I beg to present the petition of Jacob A. Johnson and Donald M. Johnson praying for the passing of an Act for the release of Jacob A. Johnson and Donald M. Johnson.

MR. SPEAKER: Order, please. Reading and Receiving Petitions.

MR. CLERK: The petition of the Psychiatric Nurses Association of Manitoba praying for the passing of an Act to amend an Act to incorporate the Psychiatric Nurses Association of Manitoba.

MR. SPEAKER: Presenting Reports by Standing and Special Committees

Notices of Motion

Introduction of Bills

Orders of the Day

The Honourable Provincial Treasurer.

HON. GURNEY EVANS (Provincial Treasurer) (Fort Rouge): Before you proceed with the Orders of the Day I would like to tell the Honourable Member from Lakeside that as required I advised the Agricultural Credit Corporation of the rate at which the province could borrow money if indeed it was borrowing money for its own accounts. I think it's customary for the Agricultural Credit Corporation to pick a rate something like a quarter in excess of what the provincial rate would be on that -- at about the same time. I wrote such a letter to the Manitoba Agricultural Corporation on the 27th of March this year. My advice to him of course is on my best opinion as advised by my Treasury staff and those in the investment world who are in our investment syndicate and so on. So it's on a study of what I regard as the best opinion as to the current rates for a province such as Manitoba even though we're not borrowing at that time.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Speaker, if I may ask a supplementary question of the Honourable Provincial Treasurer. This would mean would it that the best opinion of the Treasury staff is that if it were in the market at the present time the Province of Manitoba would have to pay approximately 7 1/4 percent for its money?

MR. EVANS: Perhaps rather more, Mr. Speaker, because in addition to the effective rate at that point there is an amount that must be added for the cost of floating the loan, such as the commission. That quite often comes to oh about .10 or .12 of a yield point and usually is added and I think the rate might be more nearly 7 1/2 than 7 1/4.

HON. SIDNEY SPIVAK, Q.C. (Minister of Industry & Commerce) (River Heights): Mr. Speaker, on Monday the Honourable Member from Hamiota asked whether a member of the staff of the Information Center had been doing some photography work in conjunction with the TV at Dauphin for a local event that is to take place. Mr. Speaker, the answer is not to the knowledge of the department.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Speaker, will the Minister of Agriculture be making a statement on the Agricultural Credit Corporation? He indicated yesterday that he was hoping to make one yesterday afternoon. Will he make one this morning?

HON. HARRY J. ENNS (Minister of Agriculture and Conservation) (Rockwood-Iberville): Yes, Mr. Speaker. A release will be made from the Credit Corporation itself today publicly outlining the increases in interest as I announced -- or as became public yesterday. It was my intention to do it in that manner. I can elaborate further to the question that was asked yesterday, that the interest rates have been changed by that amount from 4 3/4 to 6 1/4 percent for the young farmer category and 7 3/4 percent thereafter; and from 6 percent to 7 3/4 percent for the 35 and over - the 35 and over aged applicant. A release has been prepared by the Manitoba Credit Corporation. It is my understanding that that is being released to the news media some time today.

MR. MOLGAT: Mr. Speaker, I wonder if I could ask a specific question of the Minister. Let us assume a situation where a farmer has a loan from the Corporation of say \$16,000 at whatever rate existed then, say 6 percent. He now goes back to the Corporation to borrow more money to purchase more land. It is approved by the Corporation for an extra \$8,000.00. Is it correct that the Corporation then expects the new rate of interest to apply to the original

(MR. MOLGAT cont'd.) 16 as well, meaning that the whole of the loan will be at the new rate?

MR. ENNS: Mr. Speaker, the general practice that is followed by the Credit Corporation is they do encourage the rewriting of the loan when a supplementary loan of that nature described by the Honourable Leader of the Opposition is made. The farmer has of course the option of viewing it at that particular time to either run -- have the hypothetical \$16,000 continue at the agreed upon rate of interest at the time the loan was made. But in the event that he agrees or applies for a supplementary loan it is my understanding that a new loan is written out for the extended amount with the present rates of interest applying.

MR. MOLGAT: Mr. Speaker, a subsequent question then. On that basis the 7 3/4 rate would apply on the whole \$24,000.00? Does the Minister consider that as fair? Does he consider it is right to impose a new rate on the previous loan which was passed and accepted?

MR. ENNS: Mr. Speaker, it's not a matter of questioning whether I consider it fair. I consider it certainly being one of the problems that the farmers have to face but I must point out that he isn't alone in this field and at a time of rising interest rates and rising costs of money this is one of the hard facts of life.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, a supplementary question. Does this not -- to the same Minister -- does this not also apply to those farmers who are receiving loans as young farmers and if they want to get additional money and in the meantime they've gone over the age limit, therefore the whole loan is switched from the low percentage to the high percentage as well? Is this not correct?

MR. ENNS: Mr. Speaker, the classification of either young or old farmer goes back to the time the application was made and approved or accepted by the Corporation -- not necessarily approved; accepted by the Corporation.

MR. SPEAKER: Orders of the Day. The Honourable Leader of the Opposition.

MR. MOLGAT: . . . point. But if the age changes -- let's assume a young farmer had a loan of say \$16,000.00. He comes and applies for a new \$8,000 but meanwhile his age has changed. Will he be forced to pay the new 7 3/4 rate on the full amount?

MR. ENNS: Well as the honourable members know the rates change to the full amount after five years. The subsidized rate of interest applies only to the first five years of the term of the loan; it thereafter is at the current rate of the Credit Corporation. All young farmer loans after a period of five years pay on that full rate.

MR. BEN HANUSCHAK (Burrows): Mr. Speaker, I wish to direct my question to the Honourable Minister of Highways. We're approaching that time of year when many people in Manitoba are often victimized by floods and floods resulting from ice jams and there are many areas in Manitoba where this frequently happens. Could the Minister advise the House whether any precautionary measures could be taken to, if not eliminate at least minimize the likelihood of ice jams at those areas which have been known to suffer from that situation?

MR. ENNS: Mr. Speaker, I believe the members are well aware that fortunately this particular year we are not faced with any problems of high water. The Red River has crested in the city some two days ago and is now going down. It may well be a question of looking for water in some parts of the province as the summer wears on. The department is always surveying this situation. They have as you know in the past done different things, not always with a great amount of success in attempts to moving the ice jams that do occur. I refer to the dynamiting procedures that they have attempted. They have also tried experimental processes of putting some kind of a black substance, soot, on the ice in an effort to have that attract more heat and melt quickly, more rapidly. Different means are constantly under surveillance by the department as to how we can overcome this problem.

I think we have to recognize though that it's a problem that Mother Nature has left us with in the nature of our streams and rivers; it's not a particularly easy one to solve in terms of the resources that are available to us for this kind of thing. We would hope that with the further flood control structures that are nearing completion throughout our system that this will have an effect on the gravity of these future jams. I know the area that the honourable member refers to is primarily in the approach to Lake Winnipeg, the final stages of the Red River. I can only say that we don't anticipate any severe problems this year and hope for the best.

MR. HANUSCHAK: Mr. Speaker, a supplementary question. But is it not true -- the Minister made reference to the low water level this year -- but is it not true that flooding as

(MR. HANUSCHAK cont'd.) a result of ice jams occurs even when the level of water is relatively low because of the blocking of free passage of water and hence you have flooding. And secondly, is it not true that ice jams occur most frequently at the location of some of our bridges? In other words, is it not the design of the bridge and the approach to it that causes ice jams?

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Addressing my question to the Honourable Minister of Agriculture. Dealing with the possibility of an ice jam north of the Town of Selkirk and the approaches to Lake Winnipeg, did I understand you correctly to say that your engineers or the experts in your department do not anticipate any ice jam this year?

MR. ENNS: Well, Mr. Speaker, I believe the Member for Selkirk is aware that we have a perennial problem in that particular location. It also involves a problem that we have with the approach to the bridge structure there. When I say we don't anticipate flooding difficulties, it is a general statement that I think is applicable to the province generally. That is we don't anticipate any severe floodings in the Assiniboine, the approach of the Assiniboine in its course to the Red or indeed to the major parts of the Red River Valley. The specific problem that the Honourable Member from Selkirk refers to I think hardly a year passes that some flooding doesn't occur there. Some investigations are underway; they fall into the area of something that we've lived with in the past. It would be nice if we can correct it some time in the future and it would be my hope that perhaps we can.

MR. HILLHOUSE: Well is the Honourable Minister's experts keeping this matter under cognizance and if they are would they take steps earlier this year than they have in the past to do blasting.

MR. SPEAKER: The Honourable Member for Brokenhead.

MR. SAMUEL USKIW (Brokenhead): Yes, a supplementary question to the Minister of Agriculture. Has the department provided facilities and sand or sandbags for people that might be subsequently hit by flood if the river does jam at the mouth of the river?

MR. ENNS: Sandbags and other equipment has been sent out to these areas some two weeks ago is my understanding. A request was received by the department and this was looked after I believe fairly promptly.

MR. PHILIP PETURSSON (Wellington): Mr. Speaker, may I ask the Honourable Minister, in connection with the Lake Winnipeg levels, what is the present level of Lake Winnipeg to the best of your knowledge?

MR. ENNS: I'm not sure. I get these levels on my desk every month. The Honourable Member from Gimli here might -- he says it's 713.7. The level of course is a matter of some consideration by the Commission right now.

MR. PETURSSON: May I ask a supplementary question in connection with the control being set in at Warrens' Landing or the Warrens' Landing Control. Has work been done in that area? There are no obstructions or anything else holding water back at that point?

MR. ENNS: No, Mr. Speaker, there are no fingers in the dike at the moment here.

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, I'd like to direct a question to the Minister of Health. I understand it is the intention of the government to set up a Manitoba Health Services Authority which will enable the University Grants Commission to oversee the development and the running of the medical expansion plan to the Medical College in the vicinity of Winnipeg General Hospital. Will the legislation be forthcoming at this Session?

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): No, Mr. Speaker, other methods are being devised.

MR. FROESE: Mr. Speaker, I'd like to address a question to the Honourable the Minister of Agriculture. Has any progress been made in securing a date with the federal authorities re the Pembina development work and will work be commencing on the project this year?

MR. ENNS: Mr. Speaker, I have tentative agreements to meet with the Honourable Minister Pepin in Ottawa next week to discuss general matters concerning the involvement of PFRA here in the province, the subject mentioned by the Honourable Member for Rhineland being one of them. We are of course very concerned about the developments that have been on the Order Paper for some time in the southwest part of the province and it is my intention to meet with the Honourable Mr. Pepin and see whether or not we can't break some of the log jam that seems to be in the PFRA organization at this time to enable us to proceed with

(MR. ENNS cont'd.) some of these very needed water conservation projects. I refer particularly to the southwest.

There is some indication from the PFRA headquarters in Regina that some basic changes in policy have been made although not publicly announced. I have no firm information about this. This is one of the reasons why I would like to speak with the Federal Minister and his officials to determine under what conditions or what are the further plans and how we can best work our plans in with the future plans that PFRA has in this regard.

MR. FROESE: Mr. Speaker, a supplementary question. Has he any knowledge whether the United States government is proceeding with their part of the work?

MR. ENNS: I have no firm knowledge as to what the American Governments are doing in this regard.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I'd like to direct a question to the Honourable the Minister of Conservation. What is the latest estimated cost of the Portage Diversion?

MR. ENNS: I believe that would be material for an Order for Return.

MR. GUTTORMSON: Mr. Speaker, in reply to my question, the Minister said "Other methods are being devised." Will legislation be brought in at this session for those other methods that the Minister refers to?

MR. WITNEY: No. Mr. Speaker.

ORDERS OF THE DAY

MR. SPEAKER: Orders of the day. The adjourned debate on the proposed motion of the Honourable the Provincial Treasurer. The Honourable Leader of the Opposition.

MR. MOLGAT: Mr. Speaker, I would first like to thank the House for extending this debate yesterday. The rules, as changed, I did not realize affected this particular debate but on checking it through I see that it does. The problem with this debate at the moment is that with only eight days it does not permit very much delay in any case and I do not want to be in a position where I delay other members who wish to speak. So I will proceed this morning, Mr. Speaker.

On reading further the document that was presented to us the other day and analyzing the position taken by the province, Mr. Speaker, I think the only way that one can describe this budget is one that is "passing the buck". It's an attempt to blame everybody else for the failures of this government. First of all they start obviously by the favourite target and they blame Ottawa. Ottawa just isn't giving enough money. That's step Number 1. That's the first approach. However, that having been used before on virtually every budget presented, this year they have a second one.

The other one then is that they're really giving too much to the municipalities. So they're being starved by Ottawa on the one hand, and then their benevolence on the other hand just absolutely straps them - they're giving everything away to the municipalities. And in between sits this government; there it is - pure, unsullied, untouched. In fact, Mr. Speaker, there it sits, dead - completely dead. That's the problem. I will admit they've taken the first step to burying it in their choice this year. That's step number 1. But there it is. And when you read the material provided to us this year by the Provincial Treasurer, if one has a sense of humour and wasn't overly concerned with the problems of Manitoba, you could find this almost a series of jokes.

It starts off by telling us that we've reached a turning point. After 10 years in office, Mr. Speaker, of a government that was going to revolutionize the Province of Manitoba, after 10 years we've reached a turning point!

Then he tells us that all we've done so far in the 10 years is we've built a foundation. Now that we've got the foundation, we can get going, is the new theme. Now at that rate, Mr. Speaker, if it takes 10 years to build the foundation, all of us will be dead long before there's any indication of a building or even a scaffolding by this government, and the people of Manitoba better beware. They'd better take the warnings of this government very seriously because he now tells us that the first 10 years, which were the foundation program, were the easy ones. He warns us that the next 10 will be much more difficult in many ways.

Well, the poor taxpayers of this province, who are groaning under the load imposed by my honourable friends opposite, are certainly going to be disturbed if it takes 10 years to build a foundation, if it costs as much in debt and taxes as the foundation has cost, and now

(MR. MOLGAT cont'd.) told, "Just wait, boys, it's going to be worse" - the future prospects are pretty grim indeed.

The government also this year has brought in another new concept which they used last year in education. They've now decided that we're operating in stages. In education it was in phases. We suddenly decided that after some eight years of education that we needed a plan, so the Minister of Education, some two years ago in his presentation, suddenly came out with a basis where he had just gone through Phase 1 and was going to start Phase 2. Nobody had ever heard of Phase 1 before but that was the new concept to indicate some planning. Well, now we're starting, according to the Provincial Treasurer, Stage 2 in Manitoba. Stage 1 takes 10 years to build a foundation, costs a lot of money, not much to show for it but now we're going to start Stage 2.

Well then the uncooperative force behind this is Ottawa. When you read the presentation of the Minister you find that out of 32 pages something like 12 or 15 are used to lament about Ottawa. It might almost be termed "Walter's Lament". In fact, Mr. Speaker, all he's lacking is the bagpipes which his predecessor had which would probably give the better atmosphere for it.

But we're going through this, and all the way through, at times merely by an insert, indications like "the lack of genuine prior consultation with the provinces exhibited in many Federal fields" and so on, then on to full sections of the speech, deal strictly with what Ottawa has not done for this provincial government. Well, Mr. Speaker, I'm not here to defend the Federal Government; no intention whatever of defending them, but I think it's fair on the other hand that the people of Manitoba have a clear indication of what is going on in the province, not the type of presentation that this budget speech gives us. I think it might be fair to start off by looking at what Ottawa gives the Province of Manitoba. And I'm not saying it's not earned by the Province of Manitoba or they shouldn't give it to us but I think we should be realistic and recognize whatever the figures are. Well, if you go through the budget you'll find that, in fact, Ottawa, according to the figures of my honourable friend, - if they're not correct then I would like him to present them in a more explanatory fashion in his budget in the future - but if you go to Page 34 of Revenue Estimates of Manitoba, fiscal 1967, you have Income and Succession Duties, which are part of our deal with Ottawa, \$74.8 million; we have National Equalization, \$29.5 million; we have federal post-secondary education payments, \$16.9 million and we have Shared Cost receipts, \$75.4 million. The total of this amount is \$196.6. Now I presume that those are in fact in one form or another, transfer payments from Ottawa to the Province of Manitoba. That's 196 million in 1967.

If you go two pages beyond, to Page 36, and you take the same items, you find that they have increased between '67 and '68 from 196.6 million to 218.9 million - an increase of 22.3 million in the course of one year.

Now my honourable friend might say, well, there are other items in there that are not directly related to the Federal Government. I have then gone to the other calculation that's the one that I can get out of the Revenue figures, also given to us the other evening, and on a calculation there, I come from a direct breakdown to an increase of at least 17 million - 17.7 to be precise, in the past year, in the receipts from Ottawa.

Now if you compare that and what my honourable friend says he is giving the municipalities, he stated the other day that half, if I recall correctly of the provincial budget goes to aid the municipalities -- that is of course provided you assume that the municipalities should be responsible for all education costs and all health costs and all welfare costs. But let's assume that that's so. By the same token if you take these federal figures, if this year they are giving us 218.9 million, then they are giving us well over half the provincial budget of Manitoba.

So, I think these figures should be set out clearly in the budget. Members on this side of the House have no means of getting all these details unless the government sets them out. And if they are going to blame Ottawa, then I think they should set out here in a table exactly what the receipts are, chapter and verse, from the Federal Government, then we can analyze them properly. On the face of it, I frankly don't see that they are -- I'm not saying that we shouldn't be getting more -- but to say that they are getting nothing, is a far cry from that.

To turn as well to other receipts from Ottawa, we find for example, the Canada Pension Plan. Under the Canada Pension Plan, the figures that I have, that in the past year, 1967, that's based on January to December, in the year 1967 the Province of Manitoba received or

(MR. MOLGAT cont'd.) had funds made available from the Canada Pension Plan, in the amount of 38.8 million. Now these are funds available to the province for its purposes on a capital basis, but nevertheless, funds available to Manitoba.

The other complaint then, of the Minister, was that there was lack of consultation, that the Federal Government was proceeding and cancelling programs without consulting with the Province of Manitoba. That may be. If it is, then it's high time it was changed; but it might be, too, that my honourable friend might consider what his methods of consultation are with the municipalities of Manitoba. Does he consider, for example, that writing a letter some two weeks ago to the Municipal Corporations of this province and telling them "You will now have to increase your mill rate by 4.1 mill, effective now" - does he consider that to be consultation with the municipalities? Does he consider that just at the last minute when these municipalities have virtually completed their budgets, when they've been struggling to hold the line, when they have cut programs that they dearly wanted to put in in order to not put too much of a load on their taxpayers, they suddenly get a letter from this government without "by your leave" or anything of the sort, telling them "add 4.1 mills on the equalized assessment - does my honourable friend consider that to be consultation? I certainly don't.

Then the government complains about the cancellation of shared cost programs and on Page 3 of the Budget they are listed, the various programs that have been cancelled. The list includes here five items - I'm not going to run over all of them, Mr. Speaker. I'd like to cover a couple of those items. Because when I hear this government complain to the Federal Government because apparently there has been a reduction or a change in the vocational training program, then I'm appalled. Mr. Speaker, these people in this province, this government, has more nerve than Jesse James ever thought of having. They could be a teacher. Because they're the very government that held up the vocational training program. No other province in Canada has as dismal a record on vocational training as the Province of Manitoba. Mr. Speaker, it got so bad that the Federal Government had to extend the program so that this government could get under it. The Federal Program was going to expire, and the Province of Manitoba had not used the funds that were available to it. The Federal Government extended the program in order to accommodate this province - and I agree with that extension. It was the right thing to do. We need that assistance in the Province of Manitoba.

We're sitting here, at the moment, we look at the Province of Ontario, for example - you go to Kenora, go to Dryden, go to Fort Frances, small centres similar to many in the Province of Manitoba. They have their composite vocational academic high schools partially paid for by federal funds. Is there such a single high school in the Province of Manitoba? Not one at this time. My honourable friends had promised during the course of the election campaign, what was it? - Ten or 12 vocational schools? What was the amount? Either one. We've had to plead with them for years to build any. When we started our pleadings the only one that existed was the Institute here in Winnipeg. Subsequently by prodding constantly from this side of the House, two further were added at The Pas and in Brandon. Then the election came along and 10 or 12 were promised. What's happening, Mr. Speaker? Where are they going to be? What decisions are going to be made in that regard? It's obvious one's going to be in Dauphin, from the statements of the Provincial Secretary. It's obvious too that the Boundaries Commission set up to decide where they were going to be, will have no say in the matter because the Minister from Dauphin states that: "Don't kid yourselves, boys. We in the Cabinet are going to make that decision." Don't have any illusions that these independent commissions, made up of defeated Tory candidates are going to be allowed any leeway in any case because the Cabinet will decide. But where are they going to be, Mr. Speaker? What's the decision? So far none has come down.

And then we hear, after that dismal record, the Provincial Treasurer tell us that Ottawa has cancelled this program or has changed it, has done something to it. This government is extremely fortunate that Ottawa is giving them any money for vocational training in the light of their record.

Then we go on to another item, there, Water Control Projects. The complaint there again is that the Federal Government has done something to the water control arrangement - I don't know what. It's not detailed. I wish it were - but something has been done that doesn't please my honourable friends opposite. Well, I don't want to run over the whole programs of the past but when you look at the Federal Government assistance for the Greater Winnipeg

(MR. MOLGAT cont'd.) Floodway, the Federal Government assistance for the Shellmouth Dam and Reservoir on the Assiniboine, for the Portage Diversion, amounting to tens of millions of dollars, it seems that there has been, to date, a substantial amount of assistance. I'm not saying that more is not needed. But, Mr. Speaker, here again, it's this very government here in Manitoba who held up for about two years, the signing of the agreement between Canada and the three prairie provinces to proceed with an inventory of water resources in the west; an inventory, Mr. Speaker, that is of greatest benefit to us in Manitoba. We are the recipients of western waters. The Province of Alberta could quite properly, acting on its own interests, take the position that it wants nothing to do with joint water programs in the west. It is the headwater area. It can hold its water. It need not share it with the others. The Province of Saskatchewan is not quite as fortunate but it's still in a better position than we are. Both those governments, Mr. Speaker, signed that agreement. The Federal Government was prepared to sign the agreement. And who was holding back? The Province of Manitoba; none other. And yet, in this budget speech we hear from the Provincial Treasurer that the Federal Government is at fault in whatever they're doing in the water control projects. Once again, if the co-operation of this government is any indication, I'm not surprised that Ottawa would be revising some of the projects.

Well, Mr. Speaker, we'll be heading into some new agreements with Ottawa. Our tax agreements will come at an end this year. I don't think it's enough for the Province of Manitoba to be moaning that we're not getting enough money from Ottawa. I think it's up to us to make a sound case for what we need. I think, Mr. Speaker, the time has come for us to review the position that we have taken in the past. We have taken the position, and the Provincial Treasurer repeated it now, that we should be getting a larger share on a percentage basis of the income tax and the corporation tax.

I wonder, Mr. Speaker, if when we say that we are not really working in the interests of the big wealthy provinces; because when we ask for that share, it's a share of what is raised in Manitoba; when we ask for a greater percentage of the income tax, it's at the income tax levied in Manitoba. And yet, Mr. Speaker, when we do that, we are saying to the Federal Government as well, you must give other provinces obviously the same share because you can't make a logical case for giving Manitoba 50% or 75% of the income tax collected in the province and not do the same for British Columbia or Ontario; and so, when you take that position you are in fact eroding substantially the federal income, building up substantially the income particularly of the wealthy provinces but not doing that much more for the province of Manitoba.

I wonder if we shouldn't look at that situation over again and whether the approach from a Manitoba standpoint should not be much more emphasis on the tax equalization payments, on the one side and on the other side, on specific programs geared to our region. When you come to the equalization payments, these take into consideration the needs of different areas and this is the possibility of having an area like our own which has greater needs and lesser opportunity at the moment of satisfying those needs, of being considered; when you deal on an across-the-board percentage tax sharing you don't take into consideration the needs of areas; all that takes into consideration really is the wealth of areas.

So it seems to me that we should change our approach - and take for example the matter of higher education. Last year and the year before I asked the government to undertake a study of our losses annually in Manitoba of trained people. We know that we are exporting a large number of people from this province elsewhere, people who are trained in our technical school or trained at our universities. It's true that we have some reverse flow. The Manitoba Economic Consultative Board had some figures on this some two years ago. I ask that there be a full study made of this because it seems to me that here is an area where we can properly approach the Federal Government provided we have the facts; and if we have the facts, showing exactly what our losses are, and therefore our contribution to the national economy, by training people, then I think we have a logical claim for some special consideration. And I think on that basis, areas like the Maritimes who have been exporting people for years as well, provinces like Manitoba can demand from the federal government a different proposition insofar as higher education, because we have a different circumstance. Provinces like Ontario who don't have the same erosion would have no case for greater assistance, but it seems to me that on this sort of an approach the federal government which has the same problem as a provincial government, that when you treat one individual or one

(MR. MOLGAT cont'd.) province, you must treat the others equally, having the information that the situation isn't equal, would be in a position to make grants to compensate.

I think that in other ways we could approach again the problem from a regional standpoint. Why shouldn't we be considering a Prairie Provinces Development Fund? In the same way as the federal government have established an Atlantic Provinces Development Fund, why not one for the Prairie Provinces, where money would be available to us for some joint use projects.

This system is apparently working in the Maritimes. It's certainly an approach that again gets away from having to have the universal Canadian approach, can treat regional problems as they exist. This is one of the matters that we must recognize in Canada, that it is a nation of regions, that there are disparities between the regions and yet that the health of the whole of the country is based directly on the health of each region. I accept this, and I can say that recently in the events that we were engaged in in Ottawa, and prior to that in my conversations with any of the hopefuls who came to Manitoba, and all did, this is one of the items that I pointed out most forcefully.

We made it a point during that campaign for my colleagues, my caucus and myself, to meet with each one of these individuals and to point out to them this very real and very serious question of regionalism and to point out that the health of the country and the unity of the country depended a great deal on the health of each region. We wanted to make sure that they recognized the problems of Manitoba in this regard.

Now establishing a Prairie Provinces Development Fund, which would be a federal measure, doesn't mean that there isn't a great deal more that we can do on our own at the provincial level, Mr. Speaker. I think that we have to move much more rapidly with much more enthusiasm in the field of cooperation between the three prairie provinces.

The Prairie Economic Council which is made up basically of the three premiers of the prairie provinces, seems to me has been more of a talking project rather than an action operation. I would like to see that changed, Mr. Speaker, to really make it a part of western development. I think that this Prairie Economic Council could be tied to a Prairie Provinces Development Fund and that working the two together, we could develop it into a major instrument of regional development. Meanwhile - and this may take some time to accomplish - the three prairie governments must move much more quickly. We have the same basic economy; we have the same type of population, almost the same in size by province, in fact, with the exception of Alberta which is somewhat larger; our people have the same ethnic background; we have roughly the same interests, the same education systems; we have the same climate. We are really one economic unit. The boundaries that have been set up are artificial boundaries. They do not take into consideration either geography or economics. With the changes going on in the world today and particularly on the economic field, the Kennedy Round, the opening up of that vast area to the south of us, for markets for us - but also let's recognize it, the opening up of our market to them - I think that our three prairie provinces stand to gain a great deal in working together; working together on markets, working together on such things as tourism. Is it not possible, Mr. Speaker, for the three provinces here and possibly some assist from one portion of Ontario at least, which in my opinion, really belongs to Manitoba, that we couldn't have a joint program to entice that population to the south of us, to come here, come for example through northwest Ontario and then through Manitoba and Saskatchewan on to the Rockies, circle tours of that sort, or in the other direction; operations that would get our provinces working together instead of competing against each other frequently for the same dollars.

What about in the field of education? We speak more and more about mobility. We know that we have to be more mobile in the future and yet we have artificial barriers to mobility. You cannot move from Manitoba to Saskatchewan and have your children fit into the same education system, and yet our three prairie provinces are basically branch cities and there is a great deal of movement between our people, but rather than facilitate that movement, we have barriers to it. While I could see education across Canada hopefully as one plan I think that the hopes in the near future are pretty slim. Surely between the three prairie provinces, this is something that could be done. Now it will mean compromise and it will mean adjustments, but if it can be done in the Province of Ontario with a population of some 5 1/2 to 6 million, if they can operate one school system for the whole of that province, is it impossible for the three prairie provinces with a population of some 3 1/2 million, is it impossible for

(MR. MOLGAT cont'd.) them to do the same?

And on in other areas, and I won't cover them all. I have spoken previously on traffic laws for example. Why is it not possible to have the same traffic laws in the three prairie provinces? From an economic standpoint, why isn't it possible to have the same basic commercial laws. We sit here and discuss various laws that we put through, whether it's a Securities Act or whether its Protection to the Consumer or the Mortgage Act or what have you. Why can't we have the three prairie provinces basically on the same law, so that again people moving from one to the other, would have a simplification, where a business could be done much more easily, where a business wouldn't have to have different solicitors in every province. Now some of my colleagues may not agree with that proposition, but these are the sort of things we have to do, Mr. Speaker. Because if we don't do them, then we won't be competitive in the world; if we don't do them, we won't be putting ourselves in a position to compete in a world that's getting ever more competitive, and rather than be in a position to take advantage of the Kennedy Round, we could well be the ones who suffer from it. The opportunity is there for us, Mr. Speaker, but we have to act on it. It's not enough to ask the federal government to do it; there are many things that are completely within our own jurisdiction.

Now I want to return to Manitoba itself, Mr. Speaker, and to the budget. The Provincial Treasurer referred to debt. Well I was tempted, Mr. Speaker, to read to the new premier the definition of debt that his predecessor gave us some years ago, but having done so on some occasions previously, and in view of the fact that he's been a cabinet minister almost since the beginning of that administration, I'm sure that he is well aware of the teachings of his predecessor, and it won't be necessary for me to read to him in detail the difference between dead-weight and gross and net and self-sustaining and the various types of debt, because the teaching was very simple. Really it said: "It doesn't matter what you call them, there is only one kind of debt and that's the one that we have to pay as taxpayers." That was the nub of his predecessor's approach. Now in that very simple term then I'm sure that my honourable friend will agree that I don't need to re-read the whole of that prose.

So I appeal to the government once again - as I have on many occasions in the past - to give us clear-cut simple statements as to what our debt position is. This year the Provincial Treasurer tells us that he is going to simplify it. He starts off by saying that "many have been confused by the variety of ways that the public debt of our province has been shown in various publications throughout Canada" - and he is going to simplify this, Mr. Speaker. He is going to simplify it, after reading it, mainly by reducing the amount, at least on paper. That's the big simplification. Rather than show a figure that is higher, he is showing a figure that is lower. What other simplification has gone on I fail to see. Why couldn't my honourable friend, Mr. Speaker, go to the definition that the Canadian Tax Foundation uses. A very simple straightforward -- I'm not again going to read to my friends who is the Canadian Tax Foundation. They know it. But the big thing about the Canadian Tax Foundation is that it treats every province equally, Mr. Speaker; it has no preference. Now if the Provincial Treasurer of Manitoba has a preference obviously it's to show the provincial debt of Manitoba as low as he can. This year for example he tells us that he has been able to get the net direct public debt down to \$102 million, and that means a per capita debt of the province of just over \$100.00. Sounds good doesn't it? Great statement.

Well I must say the Canadian Tax Foundation had somewhat different ideas. Their latest report which is for 1967 has the figures as at March 31st, 1965, and it shows for the Province of Manitoba direct debt per capita, \$372 per person. That is 1965. We know the province has borrowed a lot of money between '65 and '67. The Provincial Treasurer tells us that the per capita debt in '67, two years after this figure, is \$100.00. The Canadian Tax Foundation says \$372. Then the Canadian Tax Foundation also gives us the indirect debt per capita for the Province of Manitoba as being \$394.00. When you add those two, Mr. Speaker, you add the \$372 and the \$394, you get \$766 - which makes Manitoba the province with the second highest per capita debt in Canada -- second highest in Canada. Behind the province is British Columbia only. British Columbia has a total of \$799.00. We are next at \$766; and then far behind us - a full \$100 less - is Prince Edward Island. Did I hear a comment? -- (Interjection) --

I would be happy - if there are comments by my honourable friends, I would be glad to get them.

(MR. MOLGAT cont'd.)

Now, Mr. Speaker, every time that I bring up the Canadian Tax Foundation, there are great chuckles on the far side -- the Canadian Tax Foundation. Mr. Speaker, this is made up of a responsible reliable group of people, chartered accountants and lawyers who go into this -- (Interjection) -- I knew I would have support: automatically my proposition has support, Mr. Speaker.

These are studies, Mr. Speaker, conducted by the tax people taking every province on the same basis; not picking out one province and dealing with it separately but taking every province in Canada on exactly the same basis. Now I'd like to have an explanation from the treasurer, if these figures are wrong, could he tell us where they are wrong?

If a Tax Foundation is not showing the correct information, could he give us the correct information on the same basis. We have been discussing it in the House here for several years and it has never been produced, Mr. Speaker.

MR. EVANS: I'll do that for you.

MR. MOLGAT: You'll give us exactly the same graphs? That will be fine. But these, Mr. Speaker, are the figures as produced by them and if they are not correct, then the Provincial Treasurer should produce them. In the meantime, I believe the people of Manitoba have a right to ask of the government for clear-cut statements, not statements like he gave us in the budget that the debt is going down and that we only have \$100 debt per capita. Because that is false, and he knows it.

MR. EVANS: I think my honourable friend, on a point of privilege, will acknowledge that I gave the statement on both bases, both the traditional ones and also the new one to which he refers which results in \$100 per capita. I think he should acknowledge that.

MR. MOLGAT: Mr. Speaker, I'm delighted my honourable friend should bring that up, because that's the very point. Early in his budget if you go through it -- oh you don't get the Canadian Tax Foundation figures, you get some different ones. But what does the public get? What does the propaganda department publish? Does it publish the full thing, Mr. Speaker? Or does it publish the material that my honourable friends want to get across? What are the headlines? "Net Debt Costs Down." That's what the story says. That's what the story says. And yet, Mr. Speaker, if you go and take the full debt picture of this province, the guarantee, the direct, the indirect, which is what we owe as taxpayers, the facts are not so. The debt is up, and substantially up, and my honourable friends know it.

Then we go on to surplus. Again I ask the government: why not simply give the public the facts? The Minister told us that he had saved \$70 million. Well, Mr. Speaker, why did he stop there? He's a piker. Why didn't he say \$170 million, or for that matter why not \$270 million? What is he saying, Mr. Speaker, when he says that he's not going to spend money. That means he saved. Well on that basis my savings per year will amount on easily \$25,000, very easily. Because if all the things I'd like to spend my money on and all the things that I hold back from spending on because I haven't got it, easily would amount to that. Mr. Speaker, that's just talk to say nothing. There's no such saving. Purely fictitious. The facts are that you have to deal on what the government is actually spending; what they spent last year; how they have spent it and whether or not they are getting good value for their money. And to say we could have spent more but we didn't and that indicates a saving is pure nonsense.

Then we go on, Mr. Speaker, to the taxation area. There are two areas of disappointment for the people of Manitoba particularly in the taxation picture presented by this budget. The first one is that there is no indication whatever of any relief for the sales tax on necessities in the first place. Necessities of life, things like soaps and cleaning supplies, work clothing, childrens' clothing in many areas, used clothing, things like school supplies, which was discussed previously in this House, areas where the taxpayers of Manitoba have no alternative but to spend the money, where the people on low incomes are hardest hit because these represent a larger proportion of their available income, and there's no indication of any movement whatever by the government for relief in this area. No indication either for relief on certain items of production, particularly in the farm areas. These are the subjects in another debate and I won't go further into that.

The other disappointment, Mr. Speaker, is the added burden that this government is placing on taxpayers at the local level. Now I know that my honourable friends are going to say, "It's in the Act." Mr. Speaker, it may be in the Act, but it was certainly not the intent

(MR. MOLGAT cont'd.) originally when in the election campaign the government said, "We want to reduce taxes at the local level." When they brought in the sales tax of 5 percent the intention, Mr. Speaker, was in fact to reduce at the local level. The government in this budget says that there are no new taxes. Mr. Speaker, in my opinion that is an untrue and incorrect statement. There are no new taxes levied directly by the Provincial Treasurer. Why? Because he shoved them on other people. Because he blames Ottawa for not giving enough money, he forces the municipalities and other people to raise more money and he does nothing about cutting down his own expenses himself, except to tell us he didn't spend \$70 million dollars that he was going to spend. But there has been no real control in his own operation. And this business that there's no new taxes is just sheer nonsense, because the taxpayers of Manitoba are sure going to find out if there are new taxes or not. The Premier of this province was chosen last fall -- oh there was another statement that because he could kick manure off tractor wheels, but I don't think that won him too much support -- but the one where he said that he was going to hold the tax line. That one was listened to. That one got notice across the Province of Manitoba. That one was understood by the taxpayers of this province. Mr. Speaker, they won't forget it. Because they expected it would be done. And yet within what, a month, maybe two months of being in office, at the first opportunity before him the new Premier proceeded to raise taxes on liquor. The Federal Government increased their tax. Did my honourable friends proceed just to add that amount? Not a bit. They proceeded to increase their tax as well. Step Number 1. Step Number 1. -- (Interjection) -- Same argument the honourable -- same markup. Same markup, Mr. Speaker. Well you go and tell the fellow who buys a case of beer if he's paying you an extra 25 cents a case in taxes whether he thinks it's the same markup or what it is. The facts are he's still paying you more money in taxes, and to run around and say, "Same markup," is just playing with words. Mr. Speaker, it shows how far removed from the people of Manitoba this government is. It just goes to show their arrogance, Mr. Speaker. They are completely out of touch with Manitobans. Let me tell you that the people of this province are deeply concerned about taxes and you're not going to settle it by telling them, "Same markup," and expect them to buy that sort of garbage.

Then you go on -- what's the next opportunity, Mr. Speaker? The municipal taxes - 4.1 mills. What did the Provincial Treasurer say when Ottawa increased taxes last fall? He complained at that time. He labelled the mini-budget as ineffective and he said that there they were, the Federal Government, moving in on the provincial areas and taking away his fiscal elbow room, "Removing whatever fiscal elbow room they might have," were his words. Mr. Speaker, I ask the Provincial Treasurer: how much fiscal elbow room do the municipalities of Manitoba have? How much fiscal elbow room when they have one tax on which to rely? The tax on real estate. When they've been struggling all these past few months to hold the line on that; when they have deliberately reduced in many areas their desired expenditures on pavement, on sidewalks, on sewer, on water and many other projects, on police and fire protection, all the way through Manitoba our municipalities have been holding the line on these things because they know that their taxpayers are concerned, and without by your leave, without consultation, without question, they get a letter from this government saying, "Fellows, raise it 4.1 mills." Is that consideration of fiscal elbow room, I ask you, and who do they want to take the blame? The provincial government is shoving the blame off on every reeve and mayor and councillor in this province. They are making them the goat for the actions of this government. Well, two tax increases so far, Mr. Speaker, and the Premier has only been in office for five months. Then the other day we are told that Hydro rates are going to increase. That's the next in line. Well we don't know how much, don't know what extent, but we're told that it's going to be paid for largely by the consumers. That's the area where there's not enough money coming in and the consumers can get ready to pay another chunk.

Then comes along the one that we've been trying to get some details on from my honourable friends the Provincial Treasurer, the Premier and the Minister of Health, and so far very little information is coming out. Manitoba Hospital premiums. There's a little section in the budget referring to it, not in very clear terms, but saying that somebody is going to have to pay, but it's obviously not going to be the Province of Manitoba according to this. Because my honourable friends have started the juggling program, Mr. Speaker. Previously you found the details of the Hospital Commission in our regular estimates, right

(MR. MOLGAT cont'd.) there in our regular estimates of the Department of Health. This year you'll notice there's an asterisk saying that this has no longer anything to do with the government, Mr. Speaker, no, no. The Minister of Health now — I don't think he barely knows the Hospital Commission, do you. Do you remember their names? I don't think so because he's totally out of contact now, Mr. Speaker. They're shunted off. You know why? Because they can have the increased premium. This government doesn't want to even admit that they know them. And why are they going to have to increase premiums, Mr. Speaker? Well, because the Province of Manitoba apparently isn't going to put any more money into it. Now again, if my honourable friends would come out and tell us what they are going to do we'd be in a better position to debate it and I've tried honestly for three days to get some information from my friends and get none. But when I look at the budget and I go back to last year's budget, 1966 fiscal figures, 1967, fiscal figures, and 1968 fiscal figures, I get the following details on that, Mr. Speaker: that the federal share of aid to the hospital program went up from \$24.6 million in 1966 to \$28.6 million in 1967 and it's going up to \$35 million in 1968. There is this nasty niggardly federal government, they're increasing at the rate of well \$2 million one year and \$7 million the next. But they're not doing enough. Well what does the Province of Manitoba do? Well, between 1966 and 1967 they increased, admittedly, from \$13.4 million to \$21.4 million, an increase of \$8 million. Very good. But, Mr. Speaker, what do we see this year? We know hospital costs are going up. In fact the Chairman of the Hospital Commission in Brandon some months ago said that the increases were intolerable. What's the province doing this year? It's decreasing its expenditures, Mr. Speaker. The Federal Government is going up by some \$7 million and the Province of Manitoba is going down by \$400,000.00. The inescapable conclusion, Mr. Speaker, is that the government has decided that it is not going to put any further money into the hospital program, that where in the past it has followed the increases; where in the past as our population went up obviously the costs went up; as rising costs came along they went along, the province now has cut that off and is not going to put any further money, in fact it's going to decrease its money. And what's going to happen, Mr. Speaker? The Hospital Commission will raise its premium. As soon as there's any need for further expense, the Hospital Commission will do it, not the government. And they are going to sit there and tell us that there are no increases in taxes, that this has nothing to do with them, that they're innocent. Mr. Speaker, these are all provincial tax increases. And for the Premier to think that he's going to get away with this with the people of Manitoba, let me tell you that you're kidding yourself. The people of Manitoba aren't stupid; the people of Manitoba can see through this quite easily and the passing the buck operation isn't going to work.

The facts are, Mr. Speaker, that this government has no consistent tax policy or spending policy or priority policy. My honourable friends across — and they're all in the same boat, they've all been part of that administration — have operated in the past 10 years as if the way to get progress is to spend more money and publish more news about it, and that the more you spent and the more you talked about it and the more press releases you issued the better job you were doing. Well that is until about October of last year. Suddenly in October of last year a new economic era dawns and the Premier of that day has a new approach. Dated October 25th: "Roblin warns his successor to watch provincial spending." It's just a month before the convention date but suddenly things have changed. We've got to be more selective in the future; we've got to be tough; we've got to be all sorts of things. Well, that's the story of it, Mr. Speaker, and that's exactly what's happened in Manitoba. That this government has measured progress by the amount of dollars it's spent. I'm not opposed to expenditures, Mr. Speaker, I want to see our people well served. I want to see our province grow. I want to see more done for Manitobans. I want to see them with more money in their pockets; and I wouldn't complain for one moment if the expenditures of this government had produced that. But the facts are, Mr. Speaker, that after ten years of that kind of expenditure the people of Manitoba are not moving along in comparison to other provinces. And I'm not the one who makes those statements, Mr. Speaker. We had for example recently a speech made at a seminar organized by my honourable friends, a speech made by Professor Pentland from the University of Manitoba. He goes through the economy of Manitoba, he says what in his opinion the problems are. He states at that time that there's an inclination to put off change as long as possible and a reluctance to fight for a leading position by the provincial government and — (Interjection) — Oh, the people are responsible. Ah, Mr.

(MR. MOLGAT cont'd.) Speaker, now we have it -- now we -- it's the people. Ah well. Then, Mr. Speaker, I may as well sit down because the oracle has spoken. We now have the facts. The government is not responsible. Oh well. They've only -- (Interjection) -- That's right. They've only been there 10 years, only been there 10 years; they've only soaked the taxpayers in the province steadily every year for 10 years; they've built up the tax level to the point where people are leaving the province because the taxes are too high, but it's not their fault. It's the people. Well, now we know the philosophy of the Minister of Industry and Commerce. We know who's to blame.

MR. SPIVAK: Does he use the word government?

MR. MOLGAT: He has put the matter straight.

MR. SPIVAK: Does he use the word government?

MR. MOLGAT: The people of Manitoba -- the people of Manitoba says the Minister . . .

MR. SPIVAK: Does he use the word "government"?

MR. SPEAKER: Order, please. Order, please. I appreciate the mood of the House and I would hope that several members would consider discussion, as I am considering it, with complete understanding.

MR. MOLGAT: Mr. Speaker, I thank you but I must assure you that I enjoyed the interruption because you know it's in those moments, those moments of heat that the truth comes out. And we now have the true philosophy of this government. We now know what is behind their whole operation. It's the people who are wrong. Well they're going to find out at the next election, Mr. Speaker, the people are going to be right. Because the people have caught on; they've caught on to this type of arrogant thinking.

Well, Mr. Speaker, Professor Pentland went through the Manitoba economy and made many comments about it and the problems that we have. And we do have problems. More recently or about the same time, the Royal Commission established by this government in conjunction with Alberta and Saskatchewan, produced its report on Consumer problems and inflation, and here's what that Commission had to say about Manitoba, Mr. Speaker. I'm quoting from the Free Press on the 5th of March: "Manitoba will probably experience some increase in total activity, but it will most likely continue to be less than experienced elsewhere in the nation. A further decline is likely in the agricultural sector. Manitoba has not developed an alternative export base and only relatively moderate gains can be expected from additional urbanization. Some increase in light manufacturing will occur but prospects for a substantial expansion of this sector do not seem too bright." And that's the end of the quotation, Mr. Speaker.

Now what's the government done, Mr. Speaker, to change this? Well, they've produced a lot of glowing reports, admittedly, but what about in actual fact? What have their policies been insofar as development? Well, I know of one in the taxation field that has been a problem in development. And I come back to the local tax structure, Mr. Speaker. Referring to an article in the Canadian Realty News dated June 1967, part of that statement says: "Growing burden of municipal taxation on investment properties may curb new development. The Bureau of Municipal Research recently found that the City of Toronto relied upon the property business tax to a much greater extent than most major cities - 80.43 of total revenue." Then they list the other major cities in Canada. And do you know who's next, Mr. Speaker? Winnipeg - 71.92. Others in the west, for example Regina - 64; Edmonton - 53; these are the areas that are in main competition with us. So we are already, according to this, putting a greater demand on the local taxpayer than these other areas. My honourable friends now have proceeded to add to that.

Now let me read to you from another statement, this is dated the 15th of November, 1967, and is a report by the President to the Shareholders of NEPC Canadian Properties Limited, and here's what it says, in part - I won't read it all: "The second trend has been a definite increase in our investments in Western Canada with perhaps the exception of Winnipeg. The company has found that there has been substantial growth in cities like Saskatoon, Calgary, Edmonton and Vancouver and the initial returns appear to be more attractive than those presently obtainable in the developed urban centres of Toronto and Montreal. One can only assume this growth will be maintained with continuing appreciation in value. As far as Winnipeg is concerned, your company, along with other major property and development companies, submitted strong but unsuccessful objections to the Manitoba Government against the legislation introduced this year under which the major burden of municipal taxation related to education

(MR. MOLGAT cont'd.) was transferred to commercial and industrial real estate. The company's return on this type of investment in Winnipeg was already marginal in relation to the other major urban centres and this additional penalty to the owners of commercial real estate appears at this time not only to prejudice reversionary values but to necessitate especially careful examination before any further investments are made. Our existing portfolio in Manitoba is under constant surveillance by your directors."

Well, those are some of the areas, Mr. Speaker, where the Provincial Government action has certainly not aided development. These are the statements made by people interested in development in the Province of Manitoba.

The trouble is, Mr. Speaker, that there is really no desire on the part of this government, except from a talking standpoint, there is no real desire or ability to restrain their own activities and to cut their expenses as need be. One need only look at one of the items that we placed before this House. I refer to the Information Services. I refer to some of their publicity today on the budget. It is in my opinion straight government information, slanted to the government's point of view, giving the information in the budget, as presented in the budget admittedly, but these are political statements very frequently in the budget, Mr. Speaker. They are not the statements that the Canadian Tax Foundation would cover. The headlines for example are: "Net Debt Cost Down" "Manitoba Holds Line on Taxes" "Local Tax Relief based on Ottawa Agreements". Much of this Mr. Speaker, is open to serious discussion. Is it true that local tax relief is based on Ottawa agreements? That, Mr. Speaker, is not a statement of fact; it's a statement of opinion. It could well be, in my opinion it is, that the local tax problems in Manitoba are based on the actions of this government, not on the actions of the Ottawa government. Mr. Speaker, there's been no attempt by this government to eliminate waste and extravagance in its own operations. It just carries on. In the past when it needed more money, it taxed the taxpayers and now it shifts the burden to the municipalities, to the Hospital Commission, to the Hydro. That's the new technique; the results are the same.

Mr. Speaker, I remain an optimist about the Province of Manitoba, in spite of the 10 years of foundation construction, in spite of 10 years of waste and extravagance, in spite of the attitude exhibited by Ministers of Industry and Commerce that the people are to blame. I think that the people of Manitoba are good people. I think that the people of Manitoba have a lot more faith in this province than the Minister of Industry and Commerce thinks they have and that they're prepared to do things with this province. — (Interjection) — Beg pardon?

HON. J. B. CARROLL (Minister of Welfare) (The Pas): . . . got a lot more faith in the government than you have.

MR. MOLGAT: Would my honourable friend like to make a speech? My honourable friend says they have a lot more faith in Manitoba than I have, eh? I have enough faith in Manitoba to stay here and try and do something about it. I have enough faith in Manitoba to be in this House and present the case for Manitobans and I'm not prepared to accept some of the things that you go around mouthing, that's true. And if you think that your comments on that side are going to change our opinion in the least, let me assure you that you're wasting your time, and the people of Manitoba are going to tell you that at the next election. Rest assured of that one. You'll get your answer because the people of Manitoba are not going to be fooled by that sort of talk, Mr. Speaker. They're fed up with talk and talk and they want some action in Manitoba. The people of Manitoba are convinced that we have a good province here, and we do. We have to be talking about our strong points and using our strong points. We have to be using things like the Pinawa Atomic Station, not simply as in itself an area where there's employment provided, but as a base from which other secondary industries must be developed. We have to use things like our computer centre at the University, not simply as a training ground for people in computers but as a means of attracting here a computer industry. I've said in this House before, Mr. Speaker, that other provinces and other areas have had problems similar to ours. I've referred to the New England States and the problems that they had, more serious if anything, than those of the Province of Manitoba and by hard work and imaginative programs they have reversed that. The Minister of Industry is going to say that's what we're doing. Mr. Speaker, they've had 10 years to do it. How long is it going to take? In the attitude reflected by him this morning, I don't think it's going to happen.

Mr. Speaker, I beg to move, seconded by the Honourable Member for Lakeside, that

(MR. MOLGAT cont'd.) the motion be amended by striking out all of the words after the word "that" in line one and substituting the following: "This House regrets (1) that this government, after instituting a five percent sales tax in 1967, allegedly to remove the load from the local taxpayer, and after collecting 38.3 million from the sales tax in fiscal 1967, 5.3 million more than budgetted, and while claiming this year that there are no tax increases (a) by provincial government decision has forced the municipalities of Manitoba to increase their local taxes by 4.1 mills, based on equalized assessment for the Foundation levy program in the year 1968; (b) will be instituting an increase in electricity rates paid by Manitoba consumers; (c) is reducing its financial assistance to the Manitoba Hospital Services Commission and may thereby force an increase in hospital premiums paid by the taxpayer (2) that after 10 years in office this government while vastly increasing the tax and debt burden on Manitoba taxpayers has failed to promote adequate economic growth in Manitoba (3) that while claiming that it will hold the tax line, the government has failed to eliminate duplication, waste and extravagance in its own operations.

MR. SPEAKER: Moved by the Honourable the Leader of the Opposition, seconded by the Honourable Member for Lakeside . . .

HON. STERLING R. LYON, Q.C. (Attorney-General) (Fort Garry): Mr. Speaker, I wonder if we might hear these, Mr. Speaker, because I just raised the question. I haven't had the benefit of seeing the amendment as to whether or not there might be some duplication of these amendments with those that were moved on the Throne Speech which have already been dealt with by the House at this session -- (Interjection) -- which would render them out of order, of course.

MR. SPEAKER: That the motion be amended by striking out all the words after the word "that" in line 1 and substituting the following: "This House regrets (1) that this government, after instituting a five percent sales tax in 1967, allegedly to remove the load from the local taxpayer, and after collecting 38.3 million from sales tax in the fiscal 1967, 5.3 million more than budgetted, and while claiming this year that there are no tax increases (a) by provincial government decision has forced the municipalities of Manitoba to increase their local taxes by 4.1 mills, based on equalized assessment for the Foundation levy program in the year 1968; (b) will be instituting an increase in electricity rates paid by Manitoba consumers; (c) is reducing its fiscal assistance to the Manitoba Hospital Services Commission and may thereby force an increase in hospital premiums paid by the taxpayer (2) That after 10 years in office this government while vastly increasing the tax and debt burden on Manitoba taxpayers has failed to promote adequate economic growth in Manitoba; (3) That while claiming that it will hold the tax line, the government has failed to eliminate duplication, waste and extravagance in its own operations.

Are you ready for the question? The Honourable Member for St. John's.

MR. SAUL M. CHERNIACK, Q.C. (St. John's): I beg to move, seconded by the Honourable Member for Ethelbert Plains that the debate be adjourned.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried.

MR. SPEAKER: Adjourned debates on second reading. Bill No. 36. The Honourable Leader of the New Democratic Party.

MR. PAULLEY: Mr. Speaker, my remarks will be brief on this particular bill. When the Honourable Minister of Mines and Natural Resources introduced this Bill, if I recall correctly, he simply said that it's a very innocuous Bill, there's nothing of any far consequence at all, just merely routine. I wonder maybe my honourable friend, possibly should look a little further into what "routine" really means, because I don't find the Bill quite as innocuous or innocent as it appears to be, because it seems to me, Mr. Speaker, that there's a great departure from the original Bill, namely Chapter 86 of the Revised Statutes. It's not quite as simple and not quite as innocent as it appeared from the Minister's statement. Because there is a definition of a fire guardian, contained in this Bill, as there was indeed in the original Bill or Chapter 86 of the Revised Statutes; but under the original statute or the revised statute a "fire guardian" was the forester, the Provincial Forester, certain fire control officers and also other individuals appointed by the respective municipalities as fire guardians within the respective municipalities. Now under the suggestion of my honourable friend this is all changed and a whole new group of people, undefined, are included as being "fire guardians". I refer to a new designation or definition of fire guardians as being "engineering aides". Now I don't know, Mr. Speaker, what an engineering aide is. To me it can cover a multitude of individuals totally unrelated to the Provincial Forester and foresters, etc. And then another new group of people are called "technicians within the department" as having the powers of a fire guardian. Now what are "technicians employed in the department"? There's no suggestion in the Act presented by the Minister of setting up definitions as to what's "a technician in the department of Mines and Natural Resources". I knew a fellow once whose job was to go around filling inkwells, he was the technical adviser to the inkwell and he considered himself as being a technician and in the absence of some definition maybe this is what the Honourable Minister of Mines and Natural Resources has in mind. It might seem rather silly to talk this way but when you look into the Act, Mr. Speaker, as to the powers of a fire guardian, because a fire guardian, according to the Act set out by the Minister, has a great deal of control. Just reference to some of the provisions: "No person shall be able to engage or carry on logging or mining or any industrial operation unless they have a permit from a fire guardian so to do.

Now it could be, as I say, the technical advisor to the inkwell that would have the authority under the Act, as presented by my honourable friend, to refuse a permit to engage in logging. And if this isn't bad enough, Mr. Speaker, that same particular individual can go along to anybody who has a permit to do any of the occupations or jobs contained within the Act, that same person can say to the operator: Cut it out; I'm revoking your permit. It is true - it is true that there is a provision contained in the Act that an appeal can be made to the Minister, but if an engineering aide - whatever an engineering aide is - sees somebody carrying on an operation with which they don't agree, it must cease forthwith subject to appeal to the Minister.

Now I would suggest to my honourable friend that first of all it's necessary in the Act to define the new categories of people who are going to be considered as fire guardians; and secondly, I would suggest that there be a more streamlined provision contained within the Act as to an appeal from a decision having to go all the way to the Minister. It says, "Where a fire guardian refuses to grant a work permit, the only appeal is to the Minister; or where a fire guardian cancels a work permit," that too must go all the way to the Minister. Now I suggest to my friend again that if he is going to have all these various levels or categories, particularly the new ones under this Act, that there should be some provision where an individual can appeal to a superior in order to obtain redress.

It was for these reasons, Mr. Speaker, that I adjourned the debate yesterday on second reading to take another look at the Revised Statutes, Chapter 86, and I do highly recommend to my honourable friend the Minister that he take a look at the matters that I raise in connection with this Bill because it is to me a new departure, giving pretty powerful duties, or powerful permissive actions to people undefined, and it can lead I am sure to difficulties for people engaged in the development of our forest industry and in other areas which come under the department for the purposes of fire prevention. I have no objection of course, Mr. Speaker, to the intent, fire prevention, but I think the Bill as presented by my honourable friend needs a little brushing up.

MR. SPEAKER: Are you ready for the question?

MR. PAULLEY: I wonder if the Minister may have some comment, Mr. Speaker?

MR. CRAIK: I might comment here as regards to some of the classifications here. The main reason for changing the fire guardian definition was the fact that a great number of previous fire guardians now come under parks and recreation and there wasn't any provision in the Act to make them fire guardians. As a result of this, they are now included as fire guardians along with others that may not have been explicitly indicated in the Act before, although engineering aide here I notice, as defined in the new amendment, was in the previous Act and this is no change. Engineering aide was in the pre-existing Act - Chapter 86, Section 2, subsection (e)(1)- engineering aides are defined in the old Act.

MR. PAULLEY: What then is an engineering aide?

MR. CRAIK: Well, an engineering aide could even include a technician. There's no fine line of demarcation here, so in inventory and in cruising force and so on, there are engineering personnel which supervise and I suppose anyone that is working with them could be considered an engineering aide. It's a very broad definition, but it has always been there. There is no change in the amendment to the previous terminology of engineering aide.

Now as far as the appeals on this, I'll have to look at it here. I'm not sure that appeals must go to the Minister as you have indicated here or whether they can go to the administrator. They must go to the Minister if the appeal is not honoured prior to getting there, but we'll have a look at that at the committee stage.

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

MR. SPEAKER: Bill No. 40. The Honourable Member for Ethelbert Plains.

MR. KAWCHUK: Mr. Speaker, I'm awaiting some information so I beg the indulgence of the House to have this matter stand. However, if anybody else wishes to speak we have no objection.

MR. SPEAKER: Bill No. 32. The Honourable Member for Turtle Mountain.

MR. EDWARD L. DOW (Turtle Mountain): Mr. Speaker, the Bill before us is commendable to the fact that it does raise the construction grants to agricultural societies and gives them an opportunity to expand their buildings and their equipment to make a better set-up for their fairs and accommodation to the community at large. I am presuming, Mr. Minister, that this is a continuing grant, that any-ones that have used their allotment of \$9,000 get an additional five. This is the way I read it.

But I am concerned more with the last section of the Act in regard to winding up agricultural societies. I would think that this would be better for the communities at large, to give the incentive of development in the communities, to change the last clause to the effect that the municipalities involved should have the first chance of having the properties and funds turned back to them. I can see a very distinct deterrent here, because in my experience, to get certain recreational grounds and buildings built you have to apply to the local people to make a full-time job, and if it is known, a known fact that if the society - and we all know that agricultural societies work from a very meager sum of money - has not the financial wherewithal to continue, and sometimes a Board may decide to dissolve or the Minister may decide to dissolve it, I would think that the last section, some amendment should be made whereby the municipalities involved should have the first chance of taking over that particular property rather than leave it as it is to a liquidator or to the dissolved board of directors to assess it, because as I understand the Act, that if it is not authorized, the Crown takes it over. I would like to see the Minister take into consideration an amendment to that certain section whereby municipalities that are involved in the particular agricultural societies would have the first opportunity of taking over the properties for the protection of the particular municipalities. I think this will give a very direct incentive to have the societies continue to set up their communities, their buildings, their assets, but if this deterrent is there it might have a little slowdown.

MR. SPEAKER: Are you ready for the question?

MR. USKIW: Mr. Speaker, I intend to support the legislation. I think it is commendable that the government is going to increase the grant to the societies. I know that many societies have made approaches in the past hoping to get an increase in their funds to provide a better program for the rural communities, so I don't think that I can quarrel with this piece of legislation at all. I agree with the Honourable Member for Turtle Mountain that in the dissolving of some of these societies and the procedures to sell property, that there should be a clause stating that the municipality in question would have the first option on properties of this nature.

So these are simply a few remarks that I want to make. I don't object to the Bill. I think this last comment that was made by the Honourable Member for Turtle Mountain - and I

(MR. USKIW cont'd.) certainly endorse it myself - should be taken into consideration.

MR. CAMPBELL: Mr. Speaker, on the two matters which they discussed, I too am in agreement with the Honourable the Member for Turtle Mountain and the Honourable Member for Brokenhead, so I can save the House the time of reiterating their remarks. I would think that on the question of dissolution of an agricultural society, that the Minister can expect that in the committee we will likely be giving further consideration to this matter, and likely some amendments along the line of the suggestions that have already been made will be moved.

But I want to deal briefly with two other principles in the Act and I want to congratulate and express my appreciation most wholeheartedly to the government and the Minister for taking the action of naming the agricultural museum at Austin, Manitoba as the Manitoba Museum. As the Minister has mentioned, Mr. Speaker, this will put that museum in a position to receive substantial grants from the Federal Government in addition to the assistance that they have already been receiving from this government and from many other sources. I think that they are richly deserving of this expression of confidence, because having started many years ago and worked on a veritable shoestring they have had to carry on through difficult times and often against considerable adversity and they have made what I believe to be a very creditable showing.

I am cognizant of the sentiments that have been already expressed by the Honourable Member for Rhineland when he says that there are many other museums in this province. This is true. We have recently opened a fine museum just on the outskirts of the City of Portage la Prairie in the Rural Municipality of Portage la Prairie. It's a fine co-operative effort between the rural municipality, the City of Portage la Prairie, the local Chamber of Commerce and many interested individuals. But that museum, I am sure, would not wish to compete - and I think this applies to a good many others in the province - they would not wish to compete with the Agricultural Museum at Austin for the recognition that I think is so justly extended to them now. I am sure this will be helpful to the museum at Austin, that they will now feel that they have won the prestige of being declared the Manitoba Museum and that they will go on to still greater achievements in the future. I very greatly appreciate, and I am sure that I'm speaking for the President and Board of Directors and all the members and supporters of that museum, when I express their appreciation to the government for this action.

The other thing that I would wish to mention at this time is the principle that deals with an addition to the objects which agricultural societies are empowered to pursue. Section 3 of The Agricultural Societies Act, which is amended by this legislation, states as follows, Mr. Speaker, and I am reading now from the revised statutes: "The objects of agricultural societies shall, among other things, be the promoting of improvement in agriculture, horticulture, arboriculture, manufactures, home economics, and the useful arts all under the following activities." And then we have exhibitions, seed grain fairs, standing crop competitions, and many others going all the way down to the letter "(p)", which was the last one added some 28 years ago, which deals with the holding of meetings for the delivery of lectures and discussions on subjects connected with agriculture and sponsoring study groups.

Now you can take any of the letters of the alphabet that indicate different activities there, Mr. Speaker, and I think a good sound argument can be adduced to prove that each and every one of them has a function to perform in promoting improvement in agriculture or one of these other sciences that is mentioned, but I find it rather difficult to see the connection with the addition that is proposed here of adding the letter "(q)" and then saying the conducting or carrying on horse racing meets or any form of horse racing or owning or operating race tracks. Well now, to the extent that we would argue that the raising of horses could be carried on, and undoubtedly is on some farms, that would be an agricultural pursuit no doubt. The owning or operating race tracks, I would think, would be getting a bit far afield from the improvement of agriculture, horticulture, arboriculture, etc.

So once again I say to the Honourable the Minister that I would be more than interested in hearing just what connection this particular activity that is proposed has with the other aims and objects of agricultural societies.

HON. THELMA FORBES (Minister of Urban Development and Municipal Affairs) (Cypress): Mr. Speaker, before we finish on this note, I would like to add my words of appreciation too to the government for having declared the Agricultural Museum at Austin the Agricultural Museum for Manitoba, because this certainly has been a long upward struggle for the people who have really brought this museum into being. I don't think though that they actually considered it a

(MRS. FORBES cont'd.) struggle. It has been more or less a labour of love, because if we go and watch the people who participate there, we'll know that they enjoy working and that they have given of their time and their energy day after day to make this a possible museum for our province. But they are truly grateful, and I'm sure that the Honourable Member for Lakeside when he said that he was sure he was speaking for the Board and all concerned, I'm sure he was, and I too would be remiss if I didn't say on their behalf that they are truly grateful for this move. I think that all people in Manitoba will certainly be happy to know that this has happened and that it is a museum that will be there for many years to come for not only the people of this age to enjoy but those who come after us.

MR. SPEAKER: The Honourable Member for Carillon.

MR. LEONARD A. BARKMAN (Carillon): Mr. Speaker, I have very little to add except to certainly agree with the comments made by the last two speakers and also what the members from Turtle Mountain and Brokenhead said. I do agree with the thought that my colleague for Lakeside brought out, that as far as the horse racing is concerned I don't think I have to say too much, that this is one of the things that is coming in and possibly can't be stopped and it's maybe not such a bad thing; maybe we shouldn't try to stop it. But I was kind of sorry - while I wholeheartedly agree that the Austin Museum should definitely be picked as one of the older organizations and one of the better operated museums - I was sorry to see that there were possibly some more provisions could have been made for other museums, and I'm referring to one at Steinbach, the Mennonite Museum down there that is going into more agricultural activity, although I guess it could not really be classed in that area. I would liked to have seen some provision for monies in this type of museum and I'm sure that as this Act becomes law that sooner or later maybe more room will be found in this direction.

MR. SPEAKER: Are you ready for the question? The Honourable Minister of Agriculture.

MR. ENNS: Mr. Speaker, if I may, I'll close the debate on this second reading of this Bill. I do so with this one concern, that I had agreed yesterday to provide the fuller information with respect to the one clause that has caught the attention of some of the honourable members opposite, and while I am familiar with it now I still do not have the full details of it. But allow me -- and I give my very sincere understanding that the change is not substantive and is certainly one that we can go into at great length in the committee stage.

I think in replying to the honourable members who spoke, it's fair to say that by and large they all recognize the validity of the amendments being asked for in this Bill, that is to make it possible for our fairs in the countryside to continue to prosper and develop along with the rest of Manitoba.

On the several questions that were raised - and some were very good ones. On the matter of dissolution, certainly there is no effort being made on the part of the department to force any agricultural society into dissolution. This emanates entirely from the societies themselves, or it emanates from the regions -- we have the province divided into different regions and they have their regional meetings and they very often among themselves will decide that in order that one or two fairs can do a fuller job or a better job, it is to their interest that one or two of the smaller ones dissolves and will go together with the neighbouring town or the larger town. Now this is a matter entirely up to them and we just have to have provisions to make this possible for them to do so.

I am prepared, and I listened with interest to the suggestions from the Member from Turtle Mountain as well as Lakeside and Brokenhead, the concern expressed that the municipalities concerned should perhaps have some optional arrangements here. I know that in fact this sometimes happens now, and whether or not this could be spelled out more clearly or definitively, I'm certainly open to suggestions on that point. I would have to point out though that in this particular case very often we're dealing with lands that have been contributed to an agricultural society by a person or a family who are dedicated to the cause of agricultural societies, and very often their land in the first instance was given to an agricultural society with the proviso that it was theirs for their use as long as a society continued. Sometimes, you know, there's a legal matter enters into it, particularly in the case of estates or wills, whether or not that land -- and it's provided how that land should be disposed of in the event that the fair is broken up. But nevertheless, I agree with the honourable members that we can look at this matter in committee and examine it very carefully.

On the question of -- now let me see -- I of course concur with everything that has been

(MR. ENNS cont'd.) said about the agricultural museum, recognizing at the same time that there are other museums, very worthy museums, and I do think though that we have to consider the federal attitude in this matter. It allows for the establishment of one museum and I add my congratulations to those that have already been expressed by other members to the fine work that these people have been doing at Austin.

Now on the matter of horse racing - and this really seems to be the one that has caught the attention of several members - and I think we want to be very candid here. There seems to be some suggestion that perhaps I have solved some of my difficulties in the racing community through some innocuous little matter of putting it into a bill here. I assure the honourable members that that is not the case. The Assiniboia Downs, as such, of course is not an agricultural society. It is in no way affected by anything that's in here. What is in fact the case here is that we have received word - and this is not new, we had this understanding from the department for several years before us now - the federal authorities have had a request before us for some time, that in order to be fully correct, the authority to hold meets, the authority to hold one or two-day racing meets where they are now presently being held, should be spelled out in our Agricultural Societies Act under the terms of the pari-mutuel arrangements with the federal authorities, which is entirely in the federal hands.

There is no expansion on our part here in terms of encouraging the further development of horse meets throughout the agricultural societies. This is a matter again entirely at the initiative of the agricultural societies, and we're taking the opportunity now that the Act is open to add the (q) I believe it was that the Honourable Member from Lakeside said, the additional thing, primarily so that it is named as a legitimate function of the agricultural societies. Up to now it hasn't been. It has grown, or it has been attached to them, and our legal advice from the federal authorities has been for some time that when the opportunity was provided we should name that as a legitimate function of the agricultural societies in order to be completely correct in having agricultural societies actually involved and running the different meets. So there is no connection at all in this particular situation with the affairs that I know have caught some interest here within the metropolitan area of Assiniboia Downs.

While I'm on my feet, Mr. Speaker, I'm not indisposed to make some general remark with respect to the horse racing in Winnipeg. I am pleased to note, as I know is common knowledge to the members, that the racing season will be continuing this summer and I look forward to a successful one. I believe the racing community has every reason to believe that it would be. They have the full advantage of the extended days that were granted to them last year. Also, I think it's fair to say that some of the stiff areas of competition of the Pan American Games and Expo and what have you no doubt entered into it. The arrangements that have been entered into with them are simply that they have agreed to carry on the races with the hope that with a more successful season this year the government would be willing to reconsider some of the financial difficulties, the purse difficulties that they have following the successful conclusion of the meet. Thank you very much, Mr. Speaker.

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

MR. EVANS: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Welfare, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House resolved itself into a Committee of Supply with the Honourable Member for Arthur in the Chair.

COMMITTEE OF SUPPLY

MR. CHAIRMAN: Committee proceed. Department XIII - Industry and Commerce. Resolution 46.

MR. FROESE: Mr. Speaker, the other - I think it was evening, when we were discussing items under the Minister's salary under the Department of Industry and Commerce, I listened with a great deal of interest to what honourable members on this side of the House had to say. The department budget in total is I think very much the same as it was a year ago, probably reduced a little, but on the over-all I think it is very much the same.

We have heard a good deal about various matters and the Department of Industry and Commerce certainly covers many items. We have the business development, marketing, technical services and research, immigration and what have you. There are so many things

(MR. FROESE cont'd.) involved and such a wide wide area of discussion. We have had meetings from the department within our own area in conjunction with our development association locally. I have been in attendance at one of the meetings where the Honourable Minister spoke, and in general I think there is a certain amount of optimism within these associations as to development, but it seems to me that within these organizations, in order to get to grips with the thing, that there are so many abstractions that you really get very little done and very little accomplished in my opinion. I think this is one of the problems that we have to come to grips with, that it's not just the programs on paper but that we have actual results and get industries started and developed.

The matter of involvement has been spoken of repeatedly in that we should have total involvement. I agree that involvement is good, but on the other hand too, when we start to involve our municipal organizations and local government and that they contribute through taxation to such organizations, I'm a little worried because this might be the thin edge of the wedge in which we get municipalities into business and I think we have too much of this already in government. I don't propose that our municipalities should go into business in this kind of way. So I feel that as far as development is concerned, that this should be personal initiative that we should be looking for, and I think this should start at an earlier age and this should be part of our school program that we put into our educational program to engender and get initiative in our younger people at an early age so that they will be prepared to put forward risk and go into new ventures, because I think we have too much of the whole welfare situation predominating in our atmosphere today and that this is a drawback. I think this should be something that we should be working with right through from an early age on, and I think this would be of help.

The matter of designated areas has already been brought forward. We in our part of the province now are also included, and as a result we expect that some industries will be locating in our area that otherwise might not, and that this certainly is an incentive for groups to set up locally. Mention was made that Portage la Prairie was still outside it. Probably the government should help these people along this line so that they too could be included.

The matter of the "Spirit of '70", you see it on billboards, you see it all over, and I'm just wondering what is meant by the Spirit of '70. Is it spirits or is it a spirit? Because if it's spirits, then we can be disillusioned I think very much by the time we reach the '70s if we start on that at the present time.

The estimates under the Minister's salary heading has an item here of Hospitality - \$31,000. I'm just wondering whether this is to go for part of that spirit of '70, or just what is it for. Although when we look at the next sub-heading of Business Development here we have an item "Advertising, Publicity, Industrial Development, Promotion and Industrial Training" of 833,000. This is a very substantial item and much of the Spirit of '70 could come under this item, I imagine.

We have been told that a new commission is being set up, or has been set up, called the TED Commission, and that the old COMEF Report - we term it old now, it's not so old yet - In my opinion it's still very recent and yet already it's outdated and I'm just wondering whether it was such a good idea of bringing in a report at that time. This was supposed to last us till - when was it? Till '75 or something like that, and already we find it outdated. So I do hope when this new commission comes up with a report that it will be more in line and that it certainly will last a little longer.

In my opinion we have too much theory on paper and not enough in tangible results. I would like to see more industries located, especially in rural areas, and most of these are rather very small. Are we not able to attract any large industries of any kind? Is this not possible? What are the deterrents? What is hampering development in Manitoba? Is it taxation? Is it the spending of the last 10 years that has brought about this condition that people are deterred from coming to Manitoba and establishing here and developing this province.

Recently, I saw a small article in connection with a shoe factory that was trying to establish here, and after some time they apparently decided to locate elsewhere. I'm just wondering how many of these cases do we have? We don't see any report mentioning the number of industries that were trying to or were going to establish here and which as result later on decided not to locate here. I feel that we have seminars galore and meetings, but just what do we actually accomplish? Perhaps we should have a . . . jet for the Minister too, like the Minister in B. C. had in order to get around. He certainly does a lot of travelling, in my opinion, and bringing in so many delegations, why not have one and then really make a go of it?

(MR. FROESE cont'd.) Probably then we could have, as one of the members has mentioned here, that some of the leaders of the parties go with him and see for first hand whether we are accomplishing something and whether the reports that we are getting were factual or not.

A MEMBER: Can I go to Japan?

MR. FROESE: I don't know whether the Honourable Minister can fly, but he would have to get someone to do it for him then. Maybe he could take some flying lessons so that he could engineer it himself.

In past years we have heard so much about Winnipeg being an air centre. Certainly this would probably help it along a bit. We hear very little about it now. What is happening to this whole matter of this air base here in Winnipeg? Is there nothing we can do? Has the government given up hope completely? What is the situation? I think for a while they were blowing their tops and all of a sudden the situation is such that the balloon is deflated and we hear nothing more. I would like to hear from the Minister just what is going on in this respect and are we making headways or are we just losing out, because certainly being the centre of the Canadian continent there should be some ways and means of establishing ourselves as an air centre here in Manitoba.

When I take a look at the report which actually is more than a year old now - this has to do with 1966 - I find the matter of a Fish Marketing Board is raised here. Is this actually a matter that the Department of Industry and Commerce is working with or was it the other department that we already discussed, the Mines and Natural Resources? Could we have clearer delineation by the Minister as to what aspects fall into his department and what is being done as far as he is concerned with this matter. Some of the members on this side are such strong advocates for this that certainly they should have raised it. I shouldn't be the one necessarily to do it, but anyway I'd be interested to hear whether any progress is being made in this connection.

I already mentioned the matter of the school system, how it should be geared to help and to provide influence so that our younger people would take the initiative in establishing and also in the development of this province. I feel there is a certain lack in this area, that we do not have sufficient initiative. Mind you, I think our younger people know how to get into debt fast. I don't think that is the matter, but to really get something worthwhile going.

I notice from the report that research is being done and that the government through this department is providing cost analysis and so on. Could he tell us just how many businesses have taken advantage of this? How many are on staff that do this type of work and is this a continuous affair? Is there a full-time job for this department and how is it faring? I'm certainly very interested in this aspect of the department's work because I feel that here is an area where we could do much. I mentioned the matter of the Winkler Creamery being amalgamated with the Manitoba Dairies. Certainly here was an industry that should have received some assistance in getting a proper analysis to find out what the actual weakness was long before it came to the point of either having to go into receivership or amalgamating. I feel sorry for having some of these smaller industries in the province capitulate in this way and have to be absorbed by other larger central firms.

The Transportation Commission is mentioned in the brief, and when can we expect a report from this commission? I'm certainly interested as to what the outcome will be; what the recommendations will be. Perhaps the Farm Machinery Committee should have made its appearance before this commission or vice versa so that there could be some liaison, because certainly the Farm Machinery Committee was interested in the matter of transportation. Probably this can be done in the ensuing year once the committee is in operation again, because certainly we have problems in transportation, and that in so many cases we in Manitoba are at a great disadvantage for some of our industries when it comes to freight differentials, and that there is a large area in this field that work can be done.

I am very interested in the matter of community data sheets. They have a whole list of towns or communities where this work has been done on, and if these data sheets are available I'd certainly appreciate getting copies of each of those so as to give them some study and look at.

I notice too that the Pemblier or the Pembina development matter is contained I think in the report to some extent. This also is I think a matter for the Department of Agriculture, and if the Honourable Minister can give us any further information on this particular item I would

(MR. FROESE cont'd.) sure appreciate it.

With these few remarks this morning, I will await the Minister's further comments before we go on the detailed items.

MR. CHAIRMAN: (a)--passed?

MR. RUSSELL PAULLEY (Leader of the New Democratic Party) (Radisson): I think the Minister was just about to get up. I don't know whether or not he wants to speak just for five minutes or have his lunch before he does.

MR. SPIVAK: I'd be prepared to speak, but if anyone else would like to speak I'll wait.

MR. PAULLEY: We'd like to hear from the Minister.

MR. CHAIRMAN: The Minister of Industry and Commerce.

MR. SPIVAK: Mr. Chairman, there are a number of questions that were asked the other night and I'll try and deal with them and, in turn, try and answer, if I may, the questions that have been asked by the Member from Rhineland.

One of the items that was mentioned by the Honourable Member from Hamiota, and also a reference was made by the Honourable Member from Rhineland, dealt with the question of the designated area and its application, and I think it would be in the interest of the committee for their deliberations and for understanding this aspect to try and deal with it at some length so that there will be a clear understanding by the members as to what the designated area is, as to how the program itself operates, and as to the involvement of the government in working co-operatively with the Federal Government to try and see that there were changes made in the application of the federal legislation. This of course affects the community of Portage la Prairie, and mention has been made of it already, and so therefore, if I may, I would like to at least commence this now and probably complete it after the luncheon period.

The designated area program was introduced by the Federal Government in 1963 and it has operated for a five-year period. During that period there have been a total of 52 applications that have been granted for firms to apply and to receive federal money in connection with projects in Manitoba. The area itself, the designation of the area in Manitoba was based on a criteria under Section 9 of the Department of Industry Act. Rather than read the criteria, I will simply mention that it deals with the Manpower Centre areas and it deals with the Census District and it deals with employment and unemployment figures; and on the basis of the criteria, certain areas were designated in Manitoba.

There has been re-designation, and this re-designation occurred last year and the area in which the Honourable Member from Rhineland's constituency is a part was included. The Portage la Prairie area was not included and this was a federal decision. I may say that prior to the announcement by the Federal Government of the changes in connection with Manitoba, that members of my department and I myself had an opportunity to speak in Ottawa with the Minister, the Deputy Minister -- the Federal Minister, the Federal Deputy Minister, the Director in charge of the ADA area, and to go over with him the application of their criteria to Manitoba to try and see whether the designated area provisions could in fact be extended to other areas.

On the basis that some of the statistical information that had been obtained by the Census Districts was not necessarily incorrect but was misinterpreted, and further on the basis that the inclusion of the Census District itself as a basis for decision was in error for the simple reason that if the Census District of Winnipeg was included to include part of the rural area, that it really gave an almost improper analysis of what was happening within the portion of the region and prevented the designation from taking place on the basis that would be the most equitable and to achieve the objectives that I believe were part of the designated program.

I must say that the Minister, the Federal Minister specifically indicated that insofar as the Federal Government was concerned, it was their determination that designation, although used by some areas as an instrument for regional development and to overcome disparities within regional development, were essentially used not for that purpose, although this was the side effect, but essentially were used on the basis of assisting areas that had high degrees of unemployment. That was the objective, and not as an instrument of regional development, and our concept at that time that there were other regions that should be included and that were improperly not included because of the criteria that was set, was not in line with the announced policy of the government, but he did indicate that there would in fact be some further consideration in time to a change that would occur. And as I indicated already, Mr. Chairman, the first change occurred last year when a portion of Manitoba was included in the designated area

(MR. SPIVAK cont'd.) that was not included before.

MR. EVANS: Mr. Chairman, this is a convenient spot and I wonder if you would care to call it 12:30.

MR. CHAIRMAN: It is now 12:30. I leave the Chair until 2:30.