

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, April 17, 1969

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees.
The Honourable the Attorney-General.

REPORTS BY STANDING COMMITTEES

HON. STERLING R. LYON, Q. C. (Attorney-General) (Fort Garry): Mr. Speaker, I beg to submit the second report of the Standing Committee on Law Amendments.

MR. CLERK: Your Standing Committee on Law Amendments beg leave to present the following as their second report. Your Committee has considered the following Bills:

(No. 4) - An Act to amend The Fires Prevention Act.

(No. 5) - An Act to amend The Vacations with Pay Act.

And has agreed to report the same without amendment.

Your Committee has also considered bill:

(No. 8) - An Act to amend The Electoral Divisions Act, and has agreed to report the same with certain amendments. All of which is respectfully submitted.

MR. LYON: I beg to move, seconded by the Honourable the Minister of Finance that the Report of the Committee be received.

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

MR. SPEAKER: Notices of Motion; Introduction of Bills.

INTRODUCTION OF GUESTS

MR. SPEAKER: I'd like to introduce our young guests today. We have 53 students of Grade 8 standing from the Beliveau Junior High School. These students are under the direction of Miss Overgaard. This school is located in the constituency of the Leader of the New Democratic Party.

We also have with us today 25 students of Grade 11 standing of the Garden City Collegiate. These students are under the direction of Mr. Jorowski. This school is located in the constituency of the Honourable Member for Seven Oaks.

There are also in the gallery 45 students of Grades 6, 7 and 8 standing of the New Bothwell School. These students are under the direction of Mr. Hildebrandt and Mr. Toews. This school is located in the constituency of the Honourable Member for La Verendrye.

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

I wonder if I may take a further moment for a short announcement. I'd like to inform the honourable members of the Legislative Assembly that on behalf of the Legislative Assembly I've accepted today three coloured framed photographs - views of the International Peace Garden. These were from members of the Board of the Peace Gardens. These photographs are the work of Mr. Seibiss of North Dakota. To commemorate the occasion I believe there is a small souvenir on each of the members desks.

Orders of the Day. The Honourable the Minister of Finance.

ORAL QUESTION PERIOD

HON. GURNEY EVANS (Minister of Finance) (Fort Rouge): Mr. Speaker, I would like to provide some information in answer to a question I was asked yesterday as to the number of budget speeches mailed out with respect to the edition that was distributed in the House. The number is 28. With respect to a final printing of the budget address containing the economic and financial information as well, the number is expected to be 2,000, to be mailed out to libraries throughout the province, members of the Manitoba Legislature, Manitoba Members of Parliament, Mayors and Reeves of Manitoba municipalities, universities and colleges, investment houses and banks who have requested copies of the budget speech. We also receive a number of requests for budget speeches from school children, teachers and interested citizens of Manitoba and other provinces. Budget speeches are available to anyone requesting a copy.

MR. SPEAKER: The Honourable the Attorney-General.

MR. LYON: Mr. Speaker, I would like to lay on the table of the House, a Return to an Order of the House No. 28, dated the 31st of March, 1969 on the motion of the Honourable Member for Gladstone-Neepawa.

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

MR. RUSSELL DOERN (Elmwood): Mr. Speaker, I'd like to direct a question to the Minister of Health. Could he inform us as to who owns the United Health Insurance Corporation?

HON. GEORGE JOHNSON (Minister of Health and Social Services) (Gimli): Mr. Speaker, it's a private company. I don't know, I imagine it would be registered under the Companies Act would it not, as a private company? I don't know who the owners are, but I could take the question as notice to determine what I can on the matter.

MR. DOERN: A supplementary question. Does the Minister know or could he determine whether or not this is a non-profit organization?

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

HON. J. B. CARROLL (Minister of Consumer and Corporate Affairs) (The Pas): . . . I might just give some further particulars with respect to the question that was asked yesterday about the advertisements that were being placed in papers and over radio by UHI. We've now had a discussion with the principals involved and we understand that there will be new advertising submitted which will not be subject to misinterpretation by the public with respect to the kind of service that's being offered; and I also understand that if anyone feels that they've been aggrieved or have been taken in by any of the ads that have been placed, that the principals would be very pleased to discuss that with any individual that feels he's been harmed by the ads.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I'd like to direct a question to the Premier. Since it has been announced that the meetings on the Constitution will take place during the week of June 11th to 13th, could he inform the House as to whether or not there will be any consultation with the House or with the parties or the Party Leaders concerning that event?

HON. WALTER WEIR (Premier) (Minnedosa): Mr. Speaker, we have advice about the conference. We don't know what the agenda is; there's a great deal that needs to be determined before I establish any position on that conference.

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

MR. ELMAN GUTTORMSON (St. George): Mr. Speaker, I have a subsequent question. Is there provision for the Premiers of the respective provinces to invite the Leaders of the Opposition parties to this conference in June?

MR. WEIR: Mr. Speaker, I don't know, although normally the delegations that make up the representation from the province are the responsibility of the government concerned.

MR. GUTTORMSON: A subsequent question. Is it not correct that at the last conference that there was a provision where they could be invited if the Premier so desired?

MR. WEIR: Mr. Speaker, in some occasions and on some conferences; some provinces do and others don't.

MOTIONS FOR PAPERS

MR. SPEAKER: Orders for Return. The Honourable Member for Burrows.

MR. BEN HANUSCHAK (Burrows): Mr. Speaker, I wish to move, seconded by the Honourable Member for Inkster

THAT an Order of the House do issue for a Return showing:

- (1) The number of high school students employed by the Manitoba government and its corporations, boards, and commissions for:
 - (a) A 1 to 4 week period averaging less than 20 hours work per week.
 - (b) A 1 to 4 week period averaging more than 21 hours work per week.
 - (c) A 5 to 8 week period averaging less than 20 hours work per week.
 - (d) A 5 to 8 week period averaging more than 21 hours work per week.
 - (e) A 9 to 10 week period averaging less than 20 hours work per week.
 - (f) A 9 to 10 week period averaging more than 21 hours work per week.
 during the months of July, August, and September in each of the years 1964 to 1968, both years inclusive.
- (2) The number of university students employed by the Manitoba government and its corporations, boards and commissions showing as averaging
 - (a) less than a 20 hour week, and
 - (b) more than a 20 hour week

(MR. HANUSCHAK cont'd)

for

- (a) 1 month
- (b) 2 months
- (c) 3 months
- (d) 4 months
- (e) 5 months
- (f) 6 months

during the months of April, May, June, July, August and September in each of the years 1964 to 1968, both years inclusive.

- (3) The number of university students employed by the Manitoba government and its corporations, boards, and commissions shown as averaging
 - (a) less than 4 hours per week
 - (b) 8 hours per week

during the university session in each academic year, and namely the period from September to May both months inclusive in the years 1964 to 1968, both years inclusive.

MR. SPEAKER presented the motion.

MR. HANUSCHAK: Mr. Speaker, it is my intention to speak to this resolution, so could it be stood over for the next Private Members' Day?

MR. SPEAKER: Does the honourable member have leave? (Agreed)

ORDERS OF THE DAY

MR. SPEAKER: The adjourned debate on the proposed motion, the Honourable the Minister of Finance and the proposed motion of the Honourable the Leader of the Opposition in amendment thereto, and the proposed motion of the Honourable Member for St. John's in further amendment thereto. The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I should say I'm not quite fully prepared but I will attempt to speak on the budget item today. I think there is sufficient matters that I can raise under my time limit and if I might exceed the limit, I hope members will bear with me.

The budget being placed before us is the largest on record if I can recollect correctly. I think last year's was a little less and therefore we're dealing with a record budget year in 1969.

To me the budget appears to be a typical Conservative election budget and I think this is what it will turn out to be. The two previous speakers - oh we have had more than two. Yesterday we had a good number of members speak on the budget and many of the points that should be raised or could be raised have already been spoken to. However, I notice from the Financial Post of April 12th they have a section dealing with the prairie provinces and the outlook, and how the prairie provinces are performing. I don't know whether the ads that are placed in there, whether they're there to out vie each other, but certainly when we take a look at some of the parts contained in that report it is quite interesting. Manitoba has several pages in that particular issue where they proclaim progress here in Manitoba. And I would like to cite from that very issue some comparisons between Manitoba's economic situation and the Alberta economy market at a glance. We have also an insert there of Saskatchewan, but I feel that for comparisons sake this afternoon, I will just use two, namely Manitoba's and Alberta's.

We find that the population in 1968 in Manitoba was 976,000 - a change in the year of .8 percent increase; whereas Alberta had an increase of 2.3 percent. When we look at income and employment we find that the average weekly wages in 1968 for Manitoba was 100.55 - the change in the year was plus, or an increase of 9.4 percent. For Alberta the same appears - 1968 - \$107.87 as a weekly wage, the change in the year, an increase of 7 percent. Personal income in 1966, \$2,231,000 or an increase of 11.7 percent in Manitoba. For Alberta it was - this is 1967 figures in both cases - for Alberta it was \$3,535,000 - change in the year 7.8 percent increase. The per capita income in '67 was \$2,317 for Manitoba, an increase of 11.7 percent; whereas Alberta's was \$2,372, an increase of 5.8 percent.

There are a good number of other items listed under this particular report. One other one that I would like to raise is the farm cash income for 1968 in Manitoba shown as \$475 million. The change in the year is a minus, it's a decrease of 1.6 percent for Manitoba. In Alberta the farm cash income for '68, \$750 million estimated, a change in the year of an increase of 2.6 percent. So that you certainly have a variance in this situation as well as in

(MR. FROESE cont'd) . . . some of the other ones that I indicated.

Mineral production in Manitoba 1968 - \$208.3 million, this includes crude oil of 15.6 million, and the change in the year is a plus or an increase of 12.4 percent. Whereas in Alberta you have mineral production in 1968 of One billion and 80 million dollars. This also includes crude oil of \$651 million and natural gas, \$186 million - change in the year, an increase of 11 percent.

One further one - capital investment 1968, in Manitoba \$871 million. The change for the year was a plus or an increase of 18.4 percent. In Alberta, you have a capital investment of One billion, 821 million - change in the year, also an increase of 10.8 percent.

Mr. Speaker, I thought these figures might be of interest to some members and certainly place them on the record and show that even though we do have increases in Manitoba, that we are still lagging compared to some of our sister provinces to the west, and that all is not quite as rosy as we might sometimes be led to believe.

Then further there is a severe situation as far as farm income is concerned. We had a decrease in the farm cash income and this decrease naturally reflects itself in certain other ways. I have here an article taken from the Red River Valley Echo of April 9, 1969 and the caption is "Over 1,000 seeking jobs through Manpower office". It goes on to read: "More than 1,000 men and women were seeking employment through the Morden Manpower centre during March. Of these 35 were placed in jobs. It is not known how many others found employment on their own. The largest demand was for machinists, carpenters and welders." A little further on, the report says: "Among requests for workers that could not be filled according to Herman Rempel, Manager of the Morden office, were registered nurses, licensed practical nurses, a dentist, a pharmacist, plant superintendents, and supervisors, draftsmen, and others. In some cases, experienced personnel had been brought in from outside the province. The unemployment rate has declined only slightly from March." So that we have a situation where people are presently unemployed and I think largely due to the depressed farm condition in Manitoba and that when we have a decrease in the farm income this means that there will be less jobs, less earning power, for the people employed in rural Manitoba.

I would also like to comment on some other matters. Some time ago I asked the First Minister or the Minister of Finance in connection with the two committees that have been set up, namely the Planning Committee and the Management Committee, as to what recommendations had been made, and what changes in programs were being effected and what savings would actually come out of this. Mr. Speaker, I feel that the matter of saving is not being stressed sufficiently in this House. We should be more concerned about spending less than spending more and more all the time. Therefore when the Medicare Bill came in, when the Medicare legislation was brought forward, I was very concerned, because as we know, the monies that will be used for this plan are coming from two sources. One is the Federal Government which also in turn collects its taxes from the very people that we do. Secondly, we are now levying a premium to cover the cost of this medical program. When we see that the program could be implemented in such a way that savings could be effected, and that we are not following that course, I think the government should be very strongly reprimanded. However, I find that on this occasion, not only did the government support that action, it was also supported by my friends on the right, so they're a party to this expenditure as well. I'm referring to the savings that could be made had assignments been allowed to those doctors opting out, that the insurance corporation would only be dealing with the 8 or 900 doctors in this province and therefore the insurance corporation would be dealing with fewer accounts and the savings that could be made in this respect were brought out by representation that was made to the Law Amendments Committee at the time, was in the neighborhood of \$320,000 a year.

Now Mr. Speaker \$320,000 is a lot of money and certainly when you figure that this might carry on for the next 20-25 years, that we are speaking in terms of 6, 7 million dollars, and sure enough, we could put that money to use and not spend it needlessly. What we are doing at the present time. This would certainly provide a technical school in southern Manitoba, which we have been asking for for many years; something that we need because I just read a report where you have a jobless situation yet we need people at the same time who have certain skills and certain qualifications, but they are not there. Why? Because the facilities are not there to train them and why could we not use this very money that we are spending needlessly for the purpose of providing an Institute out there so that the young people could get that

(MR. FROESE cont'd) training and they would be qualified to take on these jobs, openings that are available.

Mr. Speaker, I feel that the southern part of this province has been neglected in this way. We find that the northern part of Manitoba is getting the technical and vocational schools. One was built at The Pas; another one is slated for Dauphin; Brandon got one; the City of Winnipeg has a large Institute and two more are slated for the urban area of Greater Winnipeg. Why in the world can we not have one in southern Manitoba, where we have a density of population, an enrollment that is large enough to supply the needs for such an institution. Mr. Speaker, when we are throwing the money away needlessly surely enough we should have the sense to provide such facilities out there.

Then, too, Mr. Speaker, you know as well as I do, the discrimination that is being practised and has been practised now for a number of years for multi-district divisions, that we are not getting the necessary school grants, equal grants, to that of the unitary system; and surely monies of this type could be spent in that way to subsidize those areas where they are badly in need of funds.

Just recently there were referendums held in four divisions, two have accepted the new plan, or the unitary system, and I am sure some of them even though they voted for it, had great reservations about it. But many are forced to vote for the unitary system, even though they don't like it, just because of financial reasons. And, Mr. Speaker, this should never happen in a country like ours. I feel that this is very detrimental that people are caused to give up their freedoms just purely because of economic reasons and reasons that have been instituted by this government.

Then too, if I may proceed a little further. The matter of why this money is being spent needlessly is just to provide a club to hold over the doctors' head - those that are opting out - to force them to come into a plan. This is wrong in principle, Mr. Speaker, and citizens should be free to choose as they desire. We should be more concerned with providing equal services for the citizens of this province, regardless of what doctor's services they might be using; the people should be the concern of this government in this respect. When I take a look at the clipping of April 16th, the Winnipeg Tribune, we see a headline here "Medicare over-working M. D. 's" and it reads this way: "Manitobans have overburdened doctors' services since the provincial medicare plan began April 1st, says Dr. Otto Schmidt. And the Manitoba Medical Association President said if the present demand continues the province may face a severe shortage of doctors." So we can already see the repercussions that are coming along and are coming along because of the action taken by this assembly and this government. I feel that action or legislation of this type are certainly not to the well-being of the people when it is put in such a way that it destroys their freedoms.

I would like to read a few more paragraphs of that same article, because it points up some other repercussions and disadvantages of this plan. "Speaking to the Personnel Association of Greater Winnipeg, Tuesday, Dr. Schmidt said that at the rate Manitobans are now seeking medical services, standards may also suffer." So not only will you have a shortage of doctors, but your standards will also be going down.

A further paragraph says: "It is essential there be sufficient practitioners to give necessary service but we can't give this service at the present demand. We do not have sufficient physicians." "Dr. Schmidt was critical of the Federal Government's cutback in hospital funds for teaching and training medical personnel," is contained in another paragraph. "At a time when we need more doctors, hospitals are inhibited by the government cutting back on funds. Since the market for practitioners is a competitive, international one, it is essential that a suitable medical climate be established to include comparable remuneration and facilities in a community relatively free of constant political confrontation, added Dr. Schmidt. One reason for the present demand on local doctors is the universal coverage of Medicare in the province." A little further on, Dr. Schmidt is reported as follows: "Dr. Schmidt, who is an opted out doctor under Medicare, claims he opted out because he believes there is a place for private enterprise and independence within the medical profession. What breaks my heart as a physician he said, is that I can no longer give free medical service. Nothing I will do now will I do free of charge. You are compelled to have medical services and I am compelled to charge you under Medicare." That is the article of the Tribune of April 16th. Certainly we are going to have repercussions as a result of the plan, the way it is being instituted.

But not only is it so in connection with Medicare, this principle is also contained in the matter of the unitary system where you force people into a certain situation. In connection

(MR. FROESE cont'd) . . . with the matter of the unitary system, at the time that the legislation was brought in I told my people and wherever I was asked to speak, I told them what the consequences would be, because when you centralize as you did under the unitary system you create a pool of funds and then you start - you pool those funds and you start distributing from this pool. Like the medicare, the same holds true for the unitary school system, that once you start dividing up from that pool, everyone is entitled to a maximum of service, and this is what is already the case under Medicare. Everyone is entitled to a maximum service and therefore your demands are so great. This is also the case in the present school system under the unitary system, that your demands are getting greater year by year and this government finds itself in difficulty right now, because of it, that the demands are getting of such a nature that they are unable to finance it, and as a result, a public school finance board was set up at that time with certain powers, and according to the Throne Speech, this finance board will now receive larger power some time during this session to control the additional levies or this special tax that is required under school budgets.

I would like to refer to a Free Press article of April 16th of this year, which headline is "Trustees Hit Bid on School Spending" - I'm quoting from the article: "Manitoba school trustees have rejected proposed public school finance board control of all spending in the public school system as a violation of a basic united nations principle. The government appointed finance board at present controls major portions of educational spending through its administration of provincial Foundation Program grants. The government recently announced it is considering extension of the Board's powers to also include control of local tax levies used to finance school board expenditures not eligible for grants." The article a little further goes on, they quote: "As a precedent for public control a United Nations universal declaration of human rights principle which states: 'Parents have a prior right to choose the kind of education that shall be given to their children.' The trustees then state 'to give an appointed board the power to overrule elected representatives of the people would surely be a dangerous violation of this basic concept. Surely it is a step which should be considered only under the most extreme conditions or circumstances.'"

Mr. Speaker, here again, when you set up a large pool and to start distributing from that pool everyone is entitled to a maximum service and all of them try to get the utmost or the largest amount available, and yet members of this House must have known at the time that the Bill was passed that this very thing would happen, that controls would have to be put on, and under a plan of this type the only way is to control it from the top down because you've lost, by centralizing, you've lost your incentive to economize at the local level. There is no reward for economy at the local level because if one district or one division might be more efficient and try to save and the next one uses money much more freely and spends it on matters that the other division might not do, they can see that there's no use, no point in them trying to save when the next one will use in whatever fashion they may and spend much more freely.

I would like to read one final paragraph here: "If some boards have been over-responsive to the pressures exerted upon them or if some of the new unitary divisions have been unduly enthusiastic in their efforts to provide the services that people were led to expect of them, these are matters which are subject to rectification by the boards themselves or by the electors. To help alleviate present problems, the trustees are urging the government to consider implementing requests for training of new trustees, a grant schedule allowing school boards freedom to use public funds to best advantage and to effect economies where possible and reform in salary negotiating procedures with teachers." They now come to realize some of the things that they should have been realizing before they implemented the plan. I don't think any amount of educating of trustees will satisfy this matter or will help to control it, because the demands at the present time are very high. The demands are being put on them by the people back home, yet the moneys are to come from the government through the finance board and they have only so much to spend, so someone has to put on the controls; and the control has to come from the top down. I don't think that this is good; I don't think that this is healthy. In my opinion a plan of that type doesn't merit and that it should have never been implemented on that basis. I feel that we should have more decentralization instead of continuous centralization in these areas.

I think we have very good parallel and comparison also in connection with the Medicare program and this unitary system in what was happening just this last while; and that has to do with the Federal Government's bringing in Medicare legislation at the federal level. Some

(MR. FROESE cont'd) . . . members on occasion have indicated that they prefer and like to see a strong Federal Government. Mr. Speaker, I don't think we have to worry on that count because when eight of 10 provinces were opposed to a compulsory Medicare system in Canada, the Federal Government didn't listen, it proceeded to bring in legislation that the eight provinces didn't want. It was more or less foisted on them just like we have the systems brought in here in Manitoba. But what happened in Manitoba? We saw a shuffle in government; we saw that the former Minister of Education came into the Health Department. He was the author of the Manitoba program of unitary system which had employed the same principles. He was brought into the Health Department and the next thing we know we're in Medicare, because he was the one that couldn't resist the big carrot in Ottawa that was dangling and the grants that were offered to the provinces under this legislation.

MR. LAURENT DESJARDINS (St. Boniface): Does Bennett like this plan?

MR. FROESE: Mr. Speaker, I think some of the problems connected with these plans are coming home to roost and we will see more of them as time goes on I am sure, because of the principles that are inherent and part of these plans.

Mr. Speaker, I had some other matters that I thought I would dwell on. One is the matter of natural resources in this province and the revenue that we're receiving from natural resources in this province. I think it is a shame for the amount of production that we have in Manitoba and the revenue resulting from that production going into the Consolidated Fund of this government. We note from the estimates that we expect some 416,000 from mining revenue, 431,000 from oil revenue, or a total of \$847,450; then we expect Federal Government shared cost receipts also under this item 1,608,000; we expect some 1,497,000 from water power rentals, yet these fall far short of what some of the provinces to the west are receiving in and from their natural resources.

I would briefly like to point out what is happening in British Columbia. I feel British Columbia is setting an example for the western provinces to follow. I think their experience is one that we could well follow and copy and bring in more development here in Manitoba.
-- (Interjection) -- Pardon?

MR. DESJARDINS: I said Gagliardi's a good example too. Gagliardi -- "Flying Phil".

MR. FROESE: I'll come to that. This is dated October 16th and is an article in The Examiner, from Vancouver and reads this way: "Oil and Gas, B.C.'s most recent resource industry, is beginning to rank with other major industries as a source of revenue to the province. In the year ended March 31, 1968, the Provincial Treasury netted approximately \$40 million, and this is all profit, for unlike the forest and other resource industries, there are no expensive administrative costs to funnel off funds. In fact, Honourable Donald Brothers, former Minister of Mines and Petroleum Resources has announced gas and oil will soon rank ahead of the province's mighty forest industry as producers of provincial revenue. Oil and gas are relative newcomers to the province. The first important discovery was made in 1951 and production didn't really begin until the construction of the west coast pipeline in 1957 provided the first market outlet for gas. Full statistics for the past year are not yet completed but by the end of 1967 there were 556 oil and 606 gas wells. Out of a total of 2,200 drilled, there were 951 abandoned ones. This is an outstanding record for it means that out of every two wells drilled, one is a producer. For the first 11 months of 1967 there was a total of 168 wells drilled. Of these 41 produced oil and 38 gas. B.C.'s gas and oil industry provided an interesting case history in its importance to a province owning its own shore mineral rights. From the start B.C. was able to profit by Alberta's experience and followed her sister province in sound legislation that extracts as much as the industry can bear and yet holds an attraction for development." Mr. Speaker, I think this is the key in this matter, that where you have these resources and are being developed, that you can extract a good amount and yet the industry will also profit by it.

I would like to continue with one or two more paragraphs. Here are a few of the events that followed the opening of B.C.'s fields and the construction of pipelines out of the area. "Industry has spent more than one billion in exploration and development. A potential gas reserve of more than 90 trillion cubic feet, double Canada's present total reserves has been indicated. B.C. has taken in approximately \$230 million in royalties, land sales and taxes. An oil pipeline has been constructed and is now supplying a large part of the province's requirements. Rail lines and highways have been extended into the north. New cities and towns have been established following this first permanent northern industry. The west coast

(MR. FROESE cont'd) system provides the greatest single energy source in B. C. This pipeline flowing at 940 million cubic feet a day contains the energy equivalent of 15 million horsepower, greater than the combined potential of the Peace River and Columbia Hydro-electric system."

So, Mr. Speaker, this gives some indication of what is happening in B. C. and the amount of development that comes with the development of natural resources. That with the drilling of wells, you have also the springing up of towns along the line; you have railroads brought in and the old northern area is being settled and it's prospering. This is what we would like to see more of here in Manitoba. This would also . . .

MR. SPEAKER: I wonder if I might interrupt the honourable gentleman and tell him he has three minutes.

MR. FROESE: Well, Mr. Speaker, I'm not nearly finished but I will fill in the 40 minutes and speak again on another occasion before the budget debate is completed.

Since I will be dealing with some more matters later on, I should probably dwell on one further item. This has to do with the Crown corporations. I feel that we should be very careful in setting up more or increasing the number of these corporations, because the funds spent by these corporations are not subject to approval by the Legislature and when this matter was touched on the other day by the Member for Inkster about South Indian Bay, that - or South Indian Lake - when these Indian communities will have to be relocated and rehabilitated that this cost might be borne by Hydro. Mr. Speaker, I am not in favour of this happening this way. Not that Hydro should not contribute - I believe some of the costs should be borne by Hydro - but I feel that the funds should be channeled into the Consolidated Fund first so that this House would have a say in the Matter as to how the money will be spent, how much will be spent and for what purposes. I think it's up to this Legislature to look after these matters. That when we start farming out these matters to our Crown corporations we can find ourselves in a position where we no longer exercise any control in a number of matters or in a very much larger sphere than what we are doing today.

I also would like to mention the matter of a balanced budget. Indeed we're happy when we see budgets balanced and that we have the necessary funds there to provide for the expenditures that will be taking place in a given year. But, Mr. Speaker, to me balanced budgets is a long way off from a pay-as-you-go policy and that is what I would like to see instituted here in Manitoba. Not only that we should have balanced budgets but that we should pay for more of the supply capital items. These have not been brought into the House as yet but there are matters such as agricultural research, university grants, things of a nature that are recurring every year and will be on the increase, that these should be taken into the current expenditures and be paid for from the budgetary allowances brought forward.

I notice my time is up and I will have further things to say at another occasion.

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

HON. SIDNEY SPIVAK, Q. C. (Minister of Industry and Commerce) (River Heights): Mr. Speaker, I would like to enter into the debate and present a brief position. The debate that surrounds the budget is inextricably interwoven with the economy of the province and it's not my intention on this occasion to deal in any detail with the statistical information; I would hope at an appropriate time when my estimates are presented before Committee, I will be able to deal with that in some greater detail.

The ability of the government to be able to carry through its commitments and to continue the services to our people is of course dependent on the taxes that are raised and this of course is dependent on the economy and the economic base, and our ability to handle new situations in the future will of course be dependent to a large extent on the strong economic growth. We have been attempting in this province to accomplish a very simple objective, and I think it should be restated again, because it seems to have been lost in some of the remarks that have been made by others in this debate. We are trying to broaden our economic base in this province. We are trying to do this through several objectives: One is to increase new capital investment in this province, new industries, new job opportunities. The second is to have expansion in existing business opportunities and investments that now exist in our province. And thirdly, to try and gain greater productivity; and greater productivity in this province means the attainment of new market opportunities for manufacturing and the application of new methods of technology both for the competitive position of industry and also for the ability to be able to apply the technology in a way that will give us productivity, as has been stated

(MR. SPIVAK cont'd) . . . so many times in the Economic Council of Canada's reports and the various speeches of Dr. Deutsch when he was Chairman and Dr. Sullivan, who was Vice-Chairman.

The only way in which we're going to be able to raise incomes in our province, or incomes in Canada, will be through productivity and that is going to be the key goal. From our point of view, the identification of the export market opportunities becomes essential. We think that we have been successful in identifying correctly what is happening on the North American continent. We believe that regionalism has developed, that in fact there are five regional markets in North America, with the Eastern Canadian market really being part of Eastern United States, with the prairie market being part of the Midwestern market of United States, with the B. C. market being part of the Pacific Western market, with the Southern United States basically becoming a regional market, and with Southern California becoming the fifth regional market of North America. And these regional markets have developed because of history, because of geography, because of topography, because of the community of interests and because of transportation, communication and the cost of transportation and communication. It has been our attempt, through all the efforts that we have undertaken and through the efforts that have been undertaken by others who have held the portfolio in this government, to try and achieve the objective that I've set forth.

Well some 18 months ago we set about to try and plan a blueprint for the next decade and the Commission on Targets of Economic Development were established. Much reference has been made already to it by the speakers who have participated in the debate. Again I would hope that in my estimates I will have a greater opportunity and a better opportunity to deal much more specifically with the TED Report. I've been very happy to have heard the non-partisan position taken by those who have spoken, who have indicated that they've been able to accept without question the spirit of the report - and I think this is good. I would only hope that they would do the next necessary step which is to read the report and understand fully what is contained therein; because I think this is essential. And I don't say this facetiously because I think it's essential that we understand realistically what our position is, recognizing the history that has brought us to this moment and recognizing in turn the opportunities that will be provided for us if we are prepared to accept the challenge as government, if all sectors of the economy are prepared to accept the challenge, and if all levels of government - I should rephrase that - all levels of government are prepared to accept that.

Now I think that many of you were present last night at the testimonial dinner for those who had participated in the TED Commission, and I think that the Premier has indicated, and I'm sure you agree that he has expressed his intention to pursue the goals of TED with enthusiasm and vigour. He has already stated that he has written the Prime Minister of Canada and that there will be consultation with him, and consultation with the formation of a joint Federal-Provincial ministerial committee who will explore the ways in which those objectives in which there is federal co-operation and provincial co-operation required, can achieve the kinds of target that have been set out by TED. And I may say as well that the department, and I have already been in touch with the Department of Regional Development and with the Department of Industry and Trade and Commerce, we have written them, we have asked for meetings and for some joint planning in connection with the objectives that have been stated in TED itself.

I think we all recognize that since the Second World War that a new sort of superstructure has been built on the constitutional division of powers regarding fiscal matters. And I think we might as well recognize as well that we are now in the process of developing another superstructure, built on our constitutional division of powers, which may very well be amended in future, but nevertheless we are in the process of building one with respect to economic development. And if there's one theme that runs throughout the whole TED Report, it is of the strong influence and the support that is needed from the Federal Government to help Manitoba achieve her goals. The Report went so far as to suggest a Manitoba office of economic affairs. I'm not going to discuss this matter; I know this will be discussed by the government and I'm sure will be discussed in this House. But in stating this, surely there must be an understanding by all of us that there is a recognition that economic development relations with the Federal Government are looming today as strong and as important as fiscal relations have in the past.

Those of you who heard Mr. Barkway last night realize that he hailed the report as a cornerstone of what he said may be a new era of economic planning, and he emphasized the importance of the closest possible liaison between the various levels of government. In fact,

(MR. SPIVAK cont'd) . . . he suggested that the TED Report had made a new contribution to economic planning thought in Canada. Now it's our hope that arising out of the practical suggestions and the proposals of the Targets for Economic Development Commission, and out of our eagerness and our approach to the federal government, that a new productive kind of partnership will grow which will help the federal ministers pursue their already stated goals of regional growth in Canada. The senior levels of government working closely as well with our local and regional bodies in Manitoba, can I suggest act as a very genuine catalyst for the very real development of Manitoba in the years ahead.

I think there's another event which took place this week which is of significance and ties in directly to the remarks I have just made, and that is the statement by the Honourable James Richardson to a constituency meeting in which he gave his position with respect to a western point of view. The headlines may be misleading as to what was actually suggested, and the headline suggests in the papers that "Separation would boost the West". Well in reading the article I do not think that that headline in any way reflects what he said. But I would like to quote from one part because I think it has a direct bearing on a few of the remarks that I will make. He said, and I quote from the paper: "I've come to realize in the past few months that I've been spending most of my time explaining Federal policies to Manitoba. That's not really what my constituents want. They want me to explain Manitoba and the West to Canada."

We're all aware of the problem of the forgotten West. We're all aware of the alienation of the West, and there's no doubt that feeling is correct - that the expression of that feeling is correct both historically and as a description of the feeling that generally is felt by many people as policies have been announced by the Federal Government in a variety of fields which seem to ignore the aspirations and the ideals and the interests of Western Canada. Our problem, I suggest, is not to remove the feeling of alienation and the feeling of being left out; our problem is how best we are going to be able to see that we are not left out.

There are a variety of ways in which the economy of this province is strongly influenced, and this is what the TED Commission suggested, in which we cannot be left out because they have a direct bearing on the growth that will take place, and on our ability to be able to handle ourselves. And I can deal with some specifics but in a general way in the field of export, in the field of aviation, in the field of manpower and immigration, in the field of research, these are areas that are of great concern, and these are areas of federal input which in fact can and have in the past, in some cases, ignored western interest. Now we have had, I would say a reasonable degree of co-operation with the various departments of federal government and on occasion in this House I have stood up and paid particular attention and defended the federal government's position, and this I think is generally accepted and known. At the same time we now are entering on what I consider a new era because we have now, we believe, correctly through the report identified new opportunities, which will only come about if in fact the degree of co-operation from the federal government recognizes that that input must come from them.

And I'd like to if I may just for a few moments, talking again in the general theme of how we are trying to widen the economic base of this province, point out one specific example without dealing in any great detail. We want Manitoba and Winnipeg to become an international gateway and to become an international centre in Western Canada - an international aviation centre. We want it because this is in the interest of Manitoba and if you accept the premise that the midwest market of United States presents tremendous opportunities, we must in our own self-interest to develop our economy, we must be able to penetrate that market easily. We must have businessmen from this community and businessmen from the communities of Denver and St. Louis and Kansas and Omaha and Milwaukee and Chicago and Minneapolis, have the ability in any given day to be able to come into this market, and to be able to do business and go back without difficulty, accessibly as they can in Eastern Canada. And in asking the federal government to give very serious consideration that the bilateral agreements would in fact reflect this interest and reflect this need, we are not asking something that will take something else away from Eastern Canada, from any other part of Canada, we are simply asking the Federal Government to do things that will in fact help us, and help us to help ourselves in building the export market opportunity, to be able to widen our economic base, to be able to accomplish the objectives that we want.

The TED Report dealing in this area is explicit, it gives its targets, it gives its recommendations. These recommendations have to be considered. We have made representation, we have another document, a document that was prepared with the co-operation of the private

(MR. SPIVAK cont'd sector. And surely at this point it's not too much to ask those who have the responsibility to start to exercise it in our interest. We are not in any way defining targets that are going to in any way hurt the rest of Canada. They are going to help the rest of Canada. Because if Confederation is going to remain we must become viable and all the other areas in Canada must become viable.

Now I mentioned aviation as one, and I mention this because I consider this an important one. I would hope that Mr. Richardson, who is now going to be speaking for the West, will in fact cause this to happen, because he is a member of the federal cabinet and can in fact make this happen. There is just no question about it. This can happen. It's simply a question of the negotiations that have to take place and a recognition that in terms of priorities this is one priority that must be considered. If more than lip service is to be given to regional development, there has to be a recognition that those activities that can be conducted by the federal government and those activities which in fact will spur the regional development of the economy of a province must in fact be undertaken.

I don't want to refer to the Air Canada Overhaul Base because that is finished, but the basic argument of the province when we appear before the Prime Minister is a very valid one. There was no justification that Air Canada could not be used as an instrument of regional development. There is no reason that a Crown corporation could not have been used in such a manner, particularly when we see the example of almost a billion dollars being spent on a new airport in Quebec, and the pronouncements by the federal ministers in charge that this is an instrument of regional development and they were locating it specifically against the wishes of the Province of Quebec in an area because this was going to create the job opportunities. And if we can have that situation, surely it's not too much to ask that consideration be given for our needs.

Now I suggest to you that the TED Commission and the TED Report gives us a new basis to now start on a new era of co-operation, I would hope, with the federal government to try to implement the great opportunities that are there. The Premier has already written the Prime Minister in connection with the uranium-enrichment opportunity. We've identified this as a Manitoba opportunity and I would think it would be in the federal government's interest as well as ours to do all we can to make sure that this happens.

I would like to if I may, as well, indicate that my presentation today, although it does happen to come following Mr. Barkway's speech yesterday, is not a position that was simply formulated, as many instant policy decisions are supposed to be formulated by government as a result of events that take place immediately preceding. And I'd like to if I may refer to the letter that was sent to Mr. Marchand, and a similar letter was sent to Mr. Pepin, on April 2nd at the time the TED Commission was filed in this House. And if I may, I would like to quote specifically from the letter to indicate the very sincere and real desire on the part of the government to enter into this new era of co-operation to try and achieve the targets that we think we are capable of in this province. And I quote from the letter: "We look for increasing useful co-operation between your department" - this is to Mr. Marchand - "and ours in dealing with expansion problems and are anxious to work with you in establishing measures which will realistically and adequately cope with the specific regional challenges of Manitoba. We have in Manitoba very real challenges related to the problems of a transition from a relatively undeveloped to a highly advanced agricultural and food industry, to the need for rapid industrial growth, to the declining economic base of scattered service centres and to the extremely complex problems of finding a satisfactory role for proportionately large Indian Metis populations. I believe that with the co-operation of your new department we can find the proper programs to satisfactorily meet these challenges. I would like to invite you, while the programs of your new department are being formulated, to spend two or three days visiting us in Manitoba and seeing firsthand the problems which we must effectively tackle in order to provide a satisfactory range of opportunities to the people in this province."

I suggest to you, Mr. Speaker, and to the members of the House, that if the federal government will support us in our attempt to try and achieve the goals that have been set out in the TED Commission, that the over-all objective of widening our economic base as I suggested, and accomplishing new investment, expansion of its industries, greater productivity, and with that will result in increase in the incomes of our people and the opportunities for them to enjoy the amenities of life.

MR. DOERN: Could I ask a question before the Leader of the Opposition? I wonder if the Minister would submit to a question.

MR. SPIVAK: Yes.

MR. DOERN: Could you explain very briefly how it is that we can compete in midwestern United States against Chicago and other large centres as opposed to the ease of competing in Eastern Canada, against Toronto, etc.?

MR. SPIVAK: Well to begin with, they're closer.

MR. DOERN: Is that all?

MR. SPIVAK: Well there are a variety of reasons, Mr. Speaker. If the honourable member wants me to give the reasons I can. But the fact of the matter is that we are competing, and the fact of the matter is that today we are selling competitively in a variety of different fields in the midwestern market. Minneapolis is much closer. Our lines of communication, our lines of transportation are easy. The problem has always been that there are entrepreneurs who have been satisfied to supply the regional market of Manitoba and of Western Canada and some of them more successful in penetrating Eastern Canada, and they never were concerned, and they also did not have the credit availability to expand and try to enter the other market.

Now it's in our interest if we're going to accomplish the objectives I've set, and if you accept the premise of how we're going to widen our economic base, to attempt to try and encourage them, and this is all we have been trying to do in every program that we have, to enter that market, to go down and see that there are opportunities, to start sending their salesmen there, to start shipping their goods there, to start competing, because in the course of doing this, they are going to have to expand their operations, they are going to have to then invest in efficiency and in the course of doing this, they are going to be able to raise the wages and provide new job opportunities for our people here in the province. -- (Interjection) -- Yes, Mr. Speaker.

MR. JOE BOROWSKI (Churchill): Mr. Speaker, the Minister talks about competing in American markets. We have a situation here where Simplot Chemicals are selling their fertilizer a lot cheaper across the line than they are right here in Canada. This plant was built with our own money. Is this what he's talking about?

MR. SPIVAK: Mr. Speaker, that plant was not built with your own money. The plant received a loan from the Manitoba Development Fund, and frankly in terms of the capital investment, I don't know what that capital investment was, but I assure you the capital involves more than just money. Capital involves management, involves the technical ability to be able to do the project, involves a marketing understanding. The question has been asked: "Why are we producing goods here that are being sold cheaper in United States?" Well we've just had a rationalization of the auto industry, and the auto industry is producing goods in Canada which are still being sold cheaper in United States.

MR. BOROWSKI: . . . our money. -- (Interjection) -- It's not our money.

MR. SPIVAK: I'd like to know what public investment you're talking about?

MR. SPEAKER: The Leader of the Opposition.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): Mr. Speaker, I listened with great interest to the comments of the Minister of Industry and Commerce, and in fact I had been called out of the House and came in purposely to hear his presentation because I expected that he would in fact, be dealing with the TED Commission.

I want to say at the outset, Mr. Speaker, that I agree with a good deal of what he said, but I must say that I am vastly disappointed in what he left unsaid. Because if one listens to his speech, if one listened to what was said last night by the Premier of the province, it appears that this government is still embarked on the course that Ottawa is responsible for everything that happens in Manitoba. Because in all that the Minister discussed this afternoon, whether it was a strong aviation base in Winnipeg - and I agree with him; whether it was the comments of the Manitoba Minister in Ottawa, the Honourable Mr. Richardson - and I agree with Mr. Richardson's comments; or whether it was about the letters he has sent to Mr. Marchand about regional development - and I agree with his letters to Mr. Marchand about regional development; whether it was about his comments about the Air Canada Overhaul Base, and the use of Air Canada as instruments of national policy - and I agree with that policy; but, Mr. Speaker, we didn't hear one word yet about what the policy of the Manitoba Government is. We haven't yet heard a word of what the Minister intends to do about the COMEF or the TED report. We haven't yet heard a word of what action the Manitoba Government is going to take on this crucial issue. All we heard last night at the banquet at which Mr. Barkway spoke, that they had written the federal government, sent them a copy, and they wanted to meet the federal government to see what was going to be done. And today we hear from the Minister the

(MR. MOLGAT cont'd) . . . same thing. Mr. Speaker, I have . . .

MR. SPIVAK: A point of privilege, Mr. Speaker.

MR. MOLGAT: Well if there's a point of privilege I'll be happy to sit down.

MR. SPIVAK: Mr. Speaker, I mentioned that I was going to discuss the TED Commission in my estimates and I think that has to be made clear. My purpose was not to discuss the TED Commission here, and obviously my estimates will in fact be coming up before the committee soon and at that time I will be explaining what we're going to be doing in connection with the TED report.

MR. MOLGAT: Well, Mr. Speaker, I listened most attentively last night, because I was expecting on this occasion when we were honouring the people who worked on the TED commission - and properly honouring them, because they did put in a lot of work - I expected that we would hear some policies of the Manitoba Government, because the best way to honour them, would be to say in what areas the government is going to accept their recommendation. I expected today when the Minister speaks on the budget, specifically on Manitoba Development, that he would at least tell us those areas in which the government is prepared to act. The Minister is going to say, well we haven't had time yet to study this. Mr. Speaker, I think we have to recognize the fact, while we on this side of the House did not get the report until the 2nd of April at 2:45 in the afternoon, my honourable friend the Minister had it a long time before that. He had ample time to peruse it to decide what course he is going to take. But today then we hear what the federal government has got to do.

Mr. Speaker, what the people of Manitoba want to hear is what the provincial government is going to do. And when you read this report, Mr. Speaker, it is surprising how the report doesn't say a great deal of what the federal government ought to do. I must confess I haven't read every page of it, but I have scanned it and have gone over it reasonably carefully. I notice in the preface for example, which outlines the approach, the preface by the chairman of the commission, that when he says that there's no fundamental reason why the Manitoba economy cannot by 1980 reach the targeted levels set by the commission, that he doesn't say that it's up to Ottawa to do it. He says "it imposes upon Manitobans some stern requirements and Manitobans must be prepared to give economic development the highest priority in personal, business and governmental programs." Manitobans, not the federal government - "recognize the importance of increasing efficiency in every use of Manitoba's resources, material and human," and that comes under this government's responsibility. "Maintain a positive constructive, forward-looking expansionary outlook" - that's this government's responsibility. "And use careful study of Manitoba's problems as a basis for intelligent and innovated actions to solve them."

Later on, when we look at another page, "the road to 1980," which is a summary of the course that this commission recommends - the road which we must follow to reach the targets of 1980. I find no great identification there that it's up to the federal government to take this course. The road to 1980 talks about a realistic recognition of strength and weaknesses, a well articulated set of economic development institutions, and on and on. It speaks, in closing, that the targets the Commission set for 1980 are ambitious and require considerable reach, but they are attainable. Attaining them however, depends most of all on wanting to do so and supporting that desire with constructive attitudes and energetic concentration. Mr. Speaker, turning around and saying it's Ottawa's responsibility, is not a constructive attitude and an energetic concentration. It is a continuation of an attitude and a frame of mind of this government, that it's someone else's fault. Mr. Speaker, I stood in this House the other day and I offered to the government the approach to this, which I think is the one recommended in COMEF or in TED, a non-partisan approach. I said that as far as we are concerned in my party, we are prepared to cooperate on a non-partisan basis because to us - and I have been saying this for years in this budget debate - there is no solution to Manitoba's tax problems, no solution to the development of our province, without developing our industrial capacity, our manufacturing; this is what is essential if we are going to cure the difficulties in Manitoba. And that this is above party politics. All of us in this House have an equal responsibility in this regard, but government has the responsibility to lead and to prepare the program.

So Mr. Speaker, I expected to hear from the Minister today, in this debate, that he would at least take those steps recommended in this report which are immediately within the government's power to do so, which do not involve any large amount of government expenditure, the preliminary steps recommended by the commission itself, on Page 398, on the type of

(MR. MOLGAT cont'd.) organization for development. These, Mr. Speaker, are not costly steps but is what the commission recommends as the immediate first step. Mr. Speaker, unless the government agrees to set up the organization at least at this session, we will be losing 10 percent of the time available to us to reach these goals. We're dealing here with an 11-year program. We can't afford to waste a single year, and it's not by writing letters to Ottawa and by saying that they should be doing this, that and the other thing and sending a copy of the report that we're going to deal with the problems of Manitoba.

So I want to hear from the Minister, Mr. Speaker, before -- I expected it today. If he wishes to speak on the budget on economic matters, I thought that this would be what he would deal with. He says now he's going to do it on his estimates. Well, I'm disappointed it didn't happen today. I'll see what happens on the estimates but, Mr. Speaker, there's got to be a lot more in the estimates than what we've heard today. There's got to be a committal by this Manitoba government to take action in Manitoba, to take the attitude that this report recommends, and to set the basic framework now; otherwise we'll be too late once again.

MR. LYON: Would my honourable friend permit a question?

MR. MOLGAT: By all means.

MR. LYON: Would my honourable friend tell me, if he is now so concerned about the TED report and the validity of it, why was it that he and his party voted against the TED commission when it was set up?

MR. MOLGAT: Yes. I expected the question at some stage, Mr. Speaker, because every time I have spoken about TED I have noticed three heads over there clanging together, the Minister of Finance, the Attorney-General and the Minister of Industry and Commerce, and I knew they'd come up with that one. I'm delighted to explain it. And I'm delighted to say that any time I think I've made a mistake I'm prepared to admit it and change course. I'd recommend that action to this government. But, Mr. Speaker, I don't think I made a mistake, because if he will go back to what I said in those days, my honourable friend will see exactly what happened. I said to you then: you are proceeding with further duplication and this government has been renowned for that. At that stage the government had recommended to this House with great flourish a few years before, that we should set up a Manitoba Development Authority. Remember that one, Mr. Speaker? Or was it before your time?

Well, the Manitoba Development Authority, that one was going to solve our problems, but just in case it wasn't enough, then they set up a Manitoba Economic Consultative Board, and both those bodies, Mr. Speaker, were established with fanfare. They were going to deal with the problems of Manitoba. The Manitoba Economic Consultative Board operated for three years. It produced a report every year, tabled on our desks here by the first of March. Suddenly when the third report came out it wasn't to the liking of my honourable friends, because it didn't pat them on the back. It said that Manitoba was lagging, that we were losing pace, that we were falling behind other provinces. What did my honourable friends do? Emasculated that commission pretty quickly. They said, "They are not going to report any more in March. It's bad time; the House is in session. We're going to have them report in June. By that time those fellows on the far side will be gone home. People forget by the time the next session rolls around. What they say in their report won't matter." But that wasn't very happy either, so finally last year they emasculated the Commission totally; they sent the chairman off to is it Biafra or Nigeria? Where did you send him? -- (Interjection) -- No he went to Africa somewhere. That's the Minister of Agriculture they sent to Turkey. Somewhere anyway.

So, Mr. Speaker, when the TED matter came up, what we said to the government then was "Look. Cut out this duplication. If TED is what is needed then drop your Development Authority and your Economic Consultative Board. If TED isn't needed, then make your Economic Consultative Board and your Development Authority work, because all you are doing is duplicating," and it's on that basis, Mr. Speaker, that we said to the Government it's one or the other. They said no, it's got to be both. We said no, one or the other, and we voted against TED and I make no apologies for it. Now the proof of the position that we had, Mr. Speaker, is that my honourable friends have now disposed of both the Development Authority and disposed of the Economic Consultative Board. We asked the question of the First Minister if we are going to get a report this year, and there was no answer forthcoming. So my honourable friend, there's your answer. I make no bones about it at all. You have answered the question yourself. You have now eliminated the duplication. You should have done it to

(MR. MOLGAT cont'd.) begin with.

MR. LYON: I thank my honourable friend for a valiant but unsuccessful try.

MR. MOLGAT: Mr. Speaker, if my honourable friend has any further questions I would be delighted to answer them.

MR. SPIVAK: May I ask the Honourable Leader of the Opposition a question?

MR. MOLGAT: Certainly.

MR. SPIVAK: Has he read the chapter or two concerning opportunities in primary industries, on agriculture, forestry, fishing, fur and minerals and energy, which takes up 250 pages of a 550 page report. Has he read that?

MR. MOLGAT: The whole of the chapter? No, I can't say that I have, Mr. Speaker. I have scanned through it as I said at the outset. I must confess that the parts I read in detail were the recommendations for action.

MR. SPIVAK: May I suggest, Mr. Speaker, that if he reads it he will find that the federal government's involvement in the recommendations for action and in the order to be able to achieve the target is contained in almost every chapter dealing with every item of development.

MR. MOLGAT: Would my honourable friend permit a question in return?

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I was quite interested in the comments of the Minister of Industry and Commerce and also the statement of the Premier last night in regard to the TED dinner, because the Premier apparently gave a commitment to the general principles of the TED Report. However, although he appeared to accept the Report in general, the interesting thing to watch in the future will be to what extent he accepts it in detail, which sections he intends to actively promote, and which sections he intends to ignore, because one of the main threads running through the entire report is what Michael Barkway clearly pointed out was the concept of economic planning, and I cannot believe, based on their past record, that this government does in fact believe in economic planning, because their record would indicate otherwise.

We now have in this province because of the work of several hundred business and labour leaders, some inertia, and we had this kind of inertia after the COMEF report. We had a great fanfare at that time. We had targets that were set and we had targets that were not met. If we're to take all the work of the COMEF report done in the early '60's and compare what has happened since that time, the record is not exactly a good one. For example, in the TED Report, Manitoba since COMEF, it points out such unhappy statistics as the following, that there has been a continuous migration of persons in the 25 to 44 year age groups. For example, it points out that our performance in terms of the standard of living fell short of the national increase from 1961 to 1966, that our gross provincial income has fallen in terms of the share of the national income from 4.9 percent to 4.7 percent, and so on and so on. In general, the government may have attempted to do something but it certainly got nowhere near achieving it. So as to how much of this blame should fall on the government and how much should fall on the Manitoba business community and how much should specifically fall on the Minister of Industry and Commerce for his efforts up to the present time, it's difficult to determine.

But as I said, they are now going to, according to the TED report, get involved in economic planning, and I for one don't believe that they will, because on almost every count where planning is involved in the sense of an active government participation for the benefit of the province, and in many areas of research where they are called upon to document and substantiate their case, they have failed. For example, we have pressed them many times in the field of education where they're spending practically 33 percent or more of the provincial budget, their greatest single expenditure, to plan and research their expenditures and they fail to do so. They spend a small pittance on what looks like a research department and that is as far as it goes. So there is a main area and where are their efforts there?

They had an Economic Consultative Board which now has been replaced by the Planning and Priorities Committee of the Cabinet, and I for one am very skeptical of what is going to now happen, because where the Economic Consultative Board issued independent reports, we're now going to have a Cabinet committee, which is of Conservative makeup, apparently do the job of analyzing our spending policies and priorities and so on. So the record up to date is not encouraging.

I think the government clearly is now falling on the conservative side of their philosophy,

(MR. DOERN cont'd.) that they have shown or demonstrated in this session that they do not in fact believe in equal opportunity but they do believe in the status quo. They for example fought for, or are apparently taking a position which is difficult to determine, but I for one tend to think that they are standing for the abolition of estate taxes in the province, although they seem to be riding both sides of the fence and their concern there is for people who in some ways are not too badly off. When you talk about estates that are in the \$50,000 and up bracket, and we heard comments about people with financial difficulty with two or three hundred thousand dollar estates, I for one cannot weep tears for these people, because I would suggest that there are thousands of people more who have no such inheritance, who have no such estate to look forward to other than their own two hands and their back and the sweat of their labour. The government also, instead of considering the ability-to-pay principle in terms of Medicare, went for premiums. The government, instead of holding the line on tuition fees, instead of increasing the amount of student aid, went for allowing the universities and encouraging, if not by their actions at least by their words, permitted them to proceed with an increase in tuition fees. Their taxation policies are clearly in favour of the status quo. They're not attempting to break down some of the barriers that exist.

If I might cite one example, the Minister of Education apparently subscribes to a conservative philosophy; he wasn't especially concerned in the discussion of his department about people who had economic problems in regard to education. He believes in the value of barriers; he believes in the worth of working for your tuition fees. He fails to recognize that this falls heaviest on the lower income groups, and the government I think has repeatedly demonstrated that they are not concerned with this element in society which is the majority, that they are satisfied that they are going to put bits and pieces of patches on the boat, and the free enterprise boat, which has quite a few patches on it now, is going to carry on. I think in their social policies again they have demonstrated their lack of concern for people, and I might only cite South Indian Lake as one example.

The interesting thing to watch however, in the near future, is what they're going to do in terms of the Manitoba Development Fund and the economic development of this province. I just wonder whether it's really worth the effort to go through the exercise of putting the entire Department of Industry and Commerce and the entire government into hock and to exert themselves to provide and supply a framework, or a basis for private enterprise to develop in the province. I have no objection to the government attempting to assist small businessmen, and businessmen in general, in making money or in providing more jobs for the province. What I do object to is that the province is not getting a piece of the action. We are taking risks, we are putting up men and materials, we're doing everything except get a share of the profits. It has been suggested to us in the TED Commission report, it was suggested by, I believe a management consultant in the Annual Report of the Development Fund, that we should get into equity capital, that we should be more venturesome and we should take more risks. I support that view, and I think that deals with the second part of the Development Fund Act which this government has never seen fit to take an active part in.

Also, in terms of the federal government, the provincial government has perhaps all too frequently opposed the federal government. I suppose at times this is necessary, and I think they were right in fighting the federal government. I think on Air Canada and other issues their position was well taken, but there's no doubt either that they must cooperate in terms of economic development and economic planning with the federal government, because the problem is that if provincial spending simply continues on its own then when we do have problems, economic problems in terms of a bad turn in the business cycle, that the federal government will be unable to control or stimulate an upturn in the business cycle, because if each province goes its own way and is not in constant touch with the federal government, is not working with them, is not seeking their advice as well as their help, we're eventually going to wind up in a situation where when it comes to recessions or depressions that the federal government will be paralyzed and will be unable to assist us. We're in that position almost right now where most spending is in the hands of the provincial government and where the federal government is only able to put the interest rate up and down, and this has a bad effect on certain sections of the economy. If we're to have economic planning and minimum standards of health, welfare and education on a national basis, which I think must be our goal as well, then this can really only be done by a strong national government and a government that our own provincial government is working with. There's too many new problems in education and housing and pollution that simply cannot be handled by our province alone.

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(MR. DOERN cont'd.)

So it is with some interest that I will be watching the provincial government in the coming months and years as to just what turn they are going to take, whether they are going to follow the general guidelines of the TED Commission or whether they're simply going to continue their present policies which to a large extent don't benefit the majority of the people in this province.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Churchill.

MR. BOROWSKI: I move, seconded by the Honourable Member for Seven Oaks, that the debate be adjourned.

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

..... Continued on next page

MR. LYON: Mr. Speaker, I wonder if we could call Bill No. 12, The Marriage Act, now standing in the name of the Honourable Member for Selkirk, and it would be our proposal to call Bill No. 15 if the Leader of the Opposition is prepared to speak on it today.

GOVERNMENT BILLS

MR. SPEAKER: The Honourable Member for Selkirk, dealing with Bill No. 12.

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Mr. Speaker, I adjourned this debate more for the purpose of checking the amendments as against the Act. I have done so and I wish to support the amendments.

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

MR. LYON: Bill No. 47, Mr. Speaker, please.

MR. SPEAKER: Bill No. 47. The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, this is rather unexpected. However, there were two main points that I wished to raise under this particular Bill. One has to do with the designation of an executive director. On checking the Act, The Hospital Insurance Services Act, there is no provision for this and there is no definition as to the powers of this director. I would like to know from the Minister just what powers will be conferred on the Executive Director.

Another matter that I see coming up repeatedly in the legislation is the matter of seizure of records, and while I'm not objecting to the matter of seizure, I think there should be a time limit as for what period these records can be seized. There's no time limit listed here and these books could be held indefinitely and this could work real hardship on an employer.

Therefore, these were the two main items that I wished to raise under the Bill at the present time. I will not object to having it go to second reading but I would like to have an explanation on these points.

MR. SPEAKER: Are you ready for the question? The Honourable Member for St. Boniface.

MR. DESJARDINS: Mr. Speaker, just before he closes the debate, the Minister while introducing this Bill told us that he thought, he felt that he had all the answers and if there was any questions that we wanted that we should direct them to him, and I did ask a question at the time. I wasn't taking part in the debate, just asking the Minister a question, and I would like him to elaborate on this a little more so the Minister could give me the answer that I wish to receive.

Now the Minister, while we were dealing with the Medicare Bill the Minister told us that there was \$900,000 that the government would pay from the Consolidated Fund to pay - and he charged this to Medicare, which by the way I think is not 100 percent correct - that this money would be set aside to take care of the municipalities, I think on this 80-20 formula that we have, and what I want to know today -- I should say first of all that the Minister indicated the other day that this would also cover the hospital premiums when paid by the municipalities because they have the same formula. I wonder if the Minister could give us a breakdown of this amount of \$900,000 to see what comes under hospitals and what comes under Medicare.

MR. SPEAKER: The Honourable Minister of Health.

MR. JOHNSON: Mr. Speaker, in closing the debate on Bill 47 I'll probably start with the last question, if I may. At the time of my estimates maybe I can explain this more fully, but there are two things came up during the debate where we tend to get mixed up. The point is that up until now the premiums on the hospital side were paid out of the subsidy to the plan for the people on social allowance and those receiving a waiver of premium. When the combined premium came in, it was felt that we should do our best to be sure that the municipalities would be no worse off with the combined billing than they were last year, so that \$900,000 which will appear in the Health and Welfare estimates is the sum of money which is set aside in that estimate to reimburse municipalities under the formula which I have described. So that is really the input from the Consolidated Revenue into my estimates which wasn't there last year. That's I think the simplest definition.

With respect to the effect on the premium, that is another matter. One is the effect on the Consolidated Revenue; one is the effect on the premium; and I will deal with that further at the time of my estimates when we have them before us and I think I can explain that to the honourable members.

But this \$900,000 was merely to assist the municipalities, and to the best of our ability work out a formula which would encourage them to continue the happy arrangement which has

(MR. JOHNSON cont'd.)... worked over 11 years and which has resulted in no one receiving a hospital bill.

Now as I explained earlier, under The Medical Services Insurance Corporation Act the legislation says that municipalities shall pay the premium on behalf of their delinquent payers or those who don't pay; The Hospital Act said that municipalities may pay the premium on behalf of their people who do not pay; and it seemed with the combined premium we should bring the two Acts into concert, and that's really one of the major reasons for bringing this legislation before you at this time.

MR. DESJARDINS: If the Minister would allow -- I'm certainly in favour of this Bill. I understand that this is, I guess we can call it a companion Bill, to make it possible to have the same setup, the same plan of collecting, and to have it together. This is something we agree with, and I'll accept the Minister that we can ask more questions at the time of his estimates, but the question that I would ask at this time - it would be simple it seems to me - if the Minister would say, well all right, we have \$900,000 set aside for this but so much is to take care of what we will repay under our formula under Medicare and the other one for hospital. I understand there was a different setup before but now it's the same setup, and could he break that down if at all possible between the two. This is all I'm asking right now before we have a chance to vote on this Bill.

MR. JOHNSON: Well as I pointed out last year, the \$900,000 goes towards the -- I don't think I can explain it any further other than to say that it is a new input in total of \$900,000 towards the relief of the premium at the municipal level to make sure they are no worse off under the combined premium than they were under the single premium. I think the member is saying how much of that is the hospital part of the premium and how much is the medical part. Well we didn't think of it in that sense; we were just thinking of the effect of the combined premium at the local level, to make sure they are not worse off, that they are not going to suffer because we are imposing the combined premium. I think it would be in the ratio of -- I can just say that last year there was none of this you see, we gave them no 40-80.

MR. DESJARDINS: But you are changing your setup though. With this Bill, Mr. Speaker, you are changing your setup that you had last year and you are treating hospitalization exactly the same as medicare, collecting -- it might be, Mr. Speaker, that it will be easier to come in under the estimates.

MR. JOHNSON: There is no lesser amount going toward the support of the hospital premiums than there was last year.

MR. DESJARDINS: But there's \$900,000 now.

MR. JOHNSON: Well the \$900,000 is largely on the combined premium. I don't know how I can explain that without some papers possibly.

Now the Member for Kildonan asked some questions re collection of arrears. Regulations filed under the Hospital Services Insurance Act and the Medical Services Insurance Act define what can be done about collection of arrear premiums through employers. They say that in addition to remitting the usual current month's premiums the employer shall remit the lesser of either the amount of the arrears or the amount equal to one month's premium. The employee may authorize the employer to remit more than this amount, but in practice the commission bills the full amount of the premiums owing both for the current month and any arrears. However, there is a "required to remit this month" figure on the bill which can never be more than double the monthly hospital and health premium, that is \$34.00 in the case of a family premium.

Now the municipal - there is no change in the intent of the Act with respect to collection of premiums through municipalities. Municipalities guarantee premiums and the commission will continue to provide assistance to the municipalities in the collection of these premiums with the same field staff and the same arrangements as in the past. In the cases where the Act is deliberately being abused by a registrant the commission will continue to prosecute. This provision is made under Section 27 of the Act, which remains unchanged. The onus therefore for this remains with the commission. This was the question the Member for Kildonan was asking about. Although specific mention to municipalities filing liens is deleted from Section 17, this does not mean that the municipalities cannot file liens. They may do so, as I understand it, by suing for the amount of the outstanding premiums and file a judgment for lien, as may any other creditor. The municipalities may also take action under the Small Debts Act of course if the debt is under \$100, or under the County Courts Act if between \$100

(MR. JOHNSON cont'd.)... and \$2,000, and municipalities may at their discretion add outstanding premiums to taxes.

With respect to the bonding of agents, the existing Section 32 of the Act dealing with bonding of municipal agents is being deleted, but clause (dd) is added to another section, meaning that provision for bonds may be made in the regulations and the commission will continue to pay the costs of bonding municipal agents. I think in general our practice and experience over the past years under the hospital plan with the municipal guarantee all those things input from the commission will not alter. That is, they will assist with field staff, they still do the bonding and so on, and they take the onus for flagrant disregard of the law and to the prosecuting, assisting the municipalities in every way possible.

The other point is that we leave it up to the municipalities with respect when we bring out the list of those who have not paid in any one month - as you know, a chap may have gone to Europe for two weeks or two months and he just hasn't paid his premium - they would probably pay it, because they must pay it, and decide to add it to his taxes or decide -- they have the power to do what they do with any other municipal debts. But in practice they will be allowed each month on their list, the people who haven't paid, to remit that and get 40 percent or whatever it is on their reimbursement, and when they recover this the sheet shows a recovery item and these are worked out with the municipalities concerned. So I would hope it would have the same effect as in the past and it has worked quite well.

I am not sure if I can answer offhand in finding one of the several sections mentioned by the Honourable Member from Rhineland with respect to the executive director. This section says, "The commission shall designate one of its senior officers as Executive Director for the purposes of this Act", and the explanation given to me is that this section is simply to provide reference to an Executive Director only. Specific mention is made to the Executive Director because he has specific tasks elsewhere in this Act and in the Hospitals Act, with respect to hospital budgets for example. I'll try and get further elaboration of this for the honourable member at the time of Law Amendments, if I may, and satisfy him on that point.

I believe those were roughly the questions as I recall them, and anything that's outstanding, I'll try and get the answer for the honourable members.

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

MR. LYON: Bill No. 6, Mr. Speaker, please.

MR. SPEAKER: I didn't catch it.

MR. LYON: Bill No. 6.

MR. SPEAKER: Second Reading of Bill No. 6. The Honourable the Minister of Municipal Affairs.

HON. OBIE BAZLEY (Minister of Municipal Affairs)(Osborne) presented Bill No. 6, An Act to validate an agreement between The Metropolitan Corporation of Greater Winnipeg and the Canadian National Railway Company, for second reading, and informed members that it would be referred to the Municipal Affairs Committee.

MR. SPEAKER presented the motion.

MR. BAZLEY: Mr. Speaker, I'll have to read the first part for the validation of this agreement really quite briefly. This is to make legal transactions that have occurred over the past years to the benefit of all the citizens of Manitoba, and particularly to make legal a garage that was built in the constituency of Osborne, and I think the honourable members have complete details of the agreement attached to the Act.

MR. SPEAKER: The Honourable Member for Inkster.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, I beg to move, seconded by the Honourable Member for Wellington, that debate be adjourned.

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

MR. EVANS: I beg to move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider 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 St. James in the Chair.

COMMITTEE OF SUPPLY

MR. DEPUTY CHAIRMAN: (Resolutions Nos. 12 and 13 were passed) Resolution No. 14--

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Chairman, on Resolution 14, would the Minister make a statement with regard to the ARDA program ?

HON. J. DOUGLAS WATT (Minister of Agriculture)(Arthur): Well, Mr. Chairman, I haven't got any particular statement to make any more than the ARDA programs are really set out in the ARDA Year Book report here and it gives a pretty full account of all the programs that are going on insofar as ARDA is concerned. Programs that relate to my own department -- I might point out to members of the committee that under this item the amount voted here is I believe the total amount for all departments. I'm not just sure what is involved in other departments, but as far as the Department of Agriculture is concerned, under the ARDA program we have soil conservation and forage policies, hay and pasture land policies, ARDA agreement on the Extension Service at Brandon. I could give you some account of these if you wish. We have the conservation forage policy whereby we are supplying sufficient seed to sow down 29,580 acres of land that's to be distributed this spring. This will bring to a total of seeded acres under this policy in the province to 404,080 acres of land. Under the hay and pasture policy, in 1968 authorization was given to farmers to clear 12,000 acres. This was the question that the Member for Gladstone brought up the other day. Under the individual land clearing policy, the assistance provided is the contribution of \$4.00 per acre for knocking down and piling of scrub and trees and bush and what have you. The 1968 agreement involved 12,000 acres and there will be 15,000 acres involved in this program in 1969 and we'll carry on on that basis I believe for five years - yes, for a five year period.

Under the same policy we of course have the Extension Service Centre which is being renovated and an addition built to out at Brandon. The total monies being spent out there will amount to \$362,000. That's for renovation of the old building that is now being used. The renovations are in process now and the total monies voted over a period of years is \$362,000 - \$262,000 is shareable with the federal government under the ARDA plan 50-50 and \$100,000 will be contributed by the provincial government.

Also under ARDA we have the Co-op Credit Union program whereby we assist with the development of co-operatives insofar as the Indian and Metis people are concerned. I think I made some statement on that the other day further back on my estimates, the number of co-ops that were involved.

I think that's about the extent of the ARDA programs under the Department of Agriculture.

MR. NELSON SHOEMAKER (Gladstone): I have before me the ARDA Year Book, Manitoba 1968, and it points up what I said on two or three different occasions recently in respect to the hayland and pasture development program. You will recall, Mr. Chairman, that I hailed this program as being an exceptionally good one, and I note that the year book states that during the initial year a limit of 12,000 acres was set. This limit was met in six weeks with 175 farmers applying to clear 12,015 acres, and a total of \$10,484 was paid out in incentive grants by December 31. Now, Mr. Chairman, does this not point up the fact that it is a good program when the whole year's allotment was met in six weeks. Well what I asked the Minister to do was to try and get the federal government to extend this program, double it or triple it if necessary, and I wonder if that could not be done even at this late date. I note in the year book that this government has entered into a five year agreement covering some 60,000 acres of land and it isn't a program that costs a lot of money. The very fact that it only cost this government \$10,484, that's only about half of what we pay the Ministers in a year, so it isn't an expensive kind of a program and I urge my honourable friend to do something to extend this program and double it or triple it if necessary.

And then, Mr. Chairman, I would like to ask the amount of money that was spent on blueberry research last year and what size of a blueberry patch have we got now. I think a few years ago we were going to have a blueberry marketing board and a strawberry marketing board, and certainly we were going to have a Christmas Tree marketing board in about three different places. So I would like to know how this project is progressing and the amount of money that is in the estimates for this particular project.

MR. HANUSCHAK: Mr. Chairman, I listened to the Honourable Minister of Agriculture most intently to hear his comments on the ARDA program, and may I remind you again that I'm not rising to speak as an expert on agriculture, far from it, which brings to mind some comments made yesterday about questioning my qualifications to speak on matters related to agriculture, to the farmer and to the consumer. It's unfortunate that the honourable member who made the statement is not in his seat and I most regret hearing the reason for his absence,

(MR. HANUSCHAK cont'd.)... but it was unfortunate that statements of that type were made because I do feel that at that time the calibre of debate in the House did reach a very low ebb.

But getting back to the ARDA program, Mr. Chairman, I noticed in the Fifth Annual Review of the Economic Council of Canada, in one of the volumes of that report, a type of a challenge of growth and change, a comment made about the ARDA program and it reads as follows: "The main question raised in the Council's special study however was whether investment and land use projects is likely to yield economic benefits commensurate with costs or provide measurable increases in income for the rural poor." And then the report continues, dealing with ARDA and with other assistance and development programs of that type.

One of the reports that the Economic Council of Canada relied on heavily was one prepared for it by an organization known as the Canadian Centre for Community Studies, and it prepared a special study, No. 7 - "Canadian Policies for Rural Adjustment, a Study of the Economic Impact of ARDA, PFRA and MMRA" - which I believe is a program of a similar type in the Maritimes. And this report, Mr. Chairman, from reading the introduction to it, I believe is prepared by people much better qualified than I in the field of assessing the impact of programs of this type, in measuring their economic worth, in measuring their worth in terms of the human aspect, in terms of the sociological aspect, something that is more greatly stressed in recent days than ever before. I believe that we heard repeated reference to the human factor last night, the importance of it, that the human factor cannot be ignored in any type of economic development of a nation or of a province. And the people heading up this committee, the people involved in it, it so happens that from reading the names I recognize most of them as being from the Province of Saskatchewan, and whether that's where the experts in agricultural problems come from or not I do not know. The authors of it were two economists - Helen Buckley and Eva Tihanjy. I also note the name of a Mr. Jack Kinzel, who was Secretary of the Canadian Centre for Community Studies, who does have first-hand knowledge of, and experience in dealing with, problems related to the farmers, problems related to agriculture.

Well, Mr. Chairman, what does this report submitted to the Economic Council - and which it appears to me the Economic Council accepted because I could find no evidence of rejecting the recommendations made by this organization, and in fact within the Economic Council of Canada report there is an acknowledgement of this very report so I take it that we can assume that this now does form part and parcel of the Economic Council report - and what does it say about ARDA? "Less fortunately perhaps, these older programs also shape the particular forms that government intervention was to take under ARDA", and by the older forms it makes reference to the PFRA program. "During the first years of ARDA, program content was dominated by PFRA established policies, improvements in land use and the development of agricultural soil and water resources. That these approaches cannot effectively serve the most pressing needs of the modern era is perhaps the main conclusion of the present study." And this was a general observation, criticism made of the ARDA program and other similar programs.

And then the report continues at Page 15: "Turning now to ARDA, the first feature which strikes the observer is the gap between early ambitions and the actual scope of the program over the years covered in this study. By midsummer 1966, a modest \$62 million of federal funds had been committed to the nationwide ARDA program and about half of the sum had been actually spent. Only a few provinces have initiated projects to the limit of their federal allotment, mainly those which had on-going programs eligible for cost-sharing; e.g. community pastures in Saskatchewan, river improvements in Quebec." This report by the way, Mr. Chairman, was released in October of 1967, which is what? - a year and a half ago.

And then the report continues: "No more than token efforts characterized ARDA action in a number of provinces under the first federal-provincial agreement which expired early in 1965 and during the first year of a new five-year agreement still in effect. The smallness of scale would be reason alone for doubting that rural productivity or the narrowing of inter-regional income disparities could have been significantly affected by the ARDA program of the early years."

And then something I feel which is even more important, a more important reason for doubt, is what the writers believe to be a mistaken emphasis. "To a considerable degree, ARDA project selection has been shaped by a widely held contention that improvements in land use and the development of soil and water resources are the appropriate measures for raising rural incomes and furthering adjustment processes in the rural economy."

(MR. HANUSCHAK cont'd.)

And then the report continues: "The land resource oriented investments on which the regular ARDA program so heavily relies appear to promise benefits and excessive costs more as the exception than the rule. Moreover, from such investments the poorer segment of the rural population will seldom benefit. The fragmented empirical evidence, as well as logical analysis, suggests that few of the ARDA investments in land and water would satisfy either the minimum criterion of economic efficiency or the goal of income redistribution in favour of the poor. The farm assistance policies advanced by ARDA are remarkable in their tendency to evade the questions of what might constitute an effective solution for marginal farm units. Insofar as the small farmer may share the benefits of resource programs at the community level, or obtain assistance for such purposes as clearing land, eradicating weeds or improving wood lots, some help is undoubtedly extended. Offering certain minor kinds of assistance but providing neither encouragement to leave nor the means to substantially improve scale and efficiency, ARDA farm programs are judged unlikely to have had any appreciable impact on the problem of low income farmers. Indeed it is possible that ARDA has played a part in prolonging undesirable farm situations. The small addition to farm incomes that ARDA promises could have influenced some farmers to postpone or reject potentially better off farm solutions."

Then the authors of this report go on to indicate what in their opinion are some of the reasons why the land resource orientation of the ARDA program persists, and they go on to list some of the major ones. "Apart from the possibility of some form of direct payment to residents, governments have two basic ways of promoting the growth of per capita income in an area. The first alternative is to assist development projects. In the present context these may be defined as investments in physical capital with the intention of raising output locally. The second alternative, which we would prefer to label the promotion of labour force adjustment, covers measures that encourage movement out of the area. The potential gain from the second approach is of course the greatest if those who move can go to regions with labour absorptive capacity and if they possess the specific skills there in demand. In the long run, departures from the area of origin will tend to improve the local balance between labour and available physical capital in favour of the latter, making possible the attainment of higher productivity for the remaining labour force."

It then goes on: "But under the conditions prevailing in most parts of Canada, it is likely that a low income rural area must rely heavily on downward adjustments on the size of its labour supply before a significant increase at the local productivity and income level per person can be hoped for. The recognition of this necessity has been very slow to come and is still far from being generally accepted. Out-migration continues to be regarded as a hindrance to improving local standards, partly because so little has been done by senior governments to alleviate some of its truly damaging side effects and partly because population growth has all too frequently been misused as a measure of political success."

And farther on in the report on Page 19 again this point is stressed, the erroneous philosophy of the program for the present time. "The regular ARDA program is still too closely linked to the concept of land development, and even in rural development areas allows only a limited choice of alternatives. With authorities under pressure to utilize the allotted funds but having a small range of choices, the result can easily be the selection of a project of dubious merit. Second, it should be recognized that the combination of resource development with the social objective of poverty reduction can reduce efficiency in the promotion of either goal. In many circumstances income improvement is urgent, but in a society which is not committed to a general policy of minimum income maintenance and which attaches a stigma to being on welfare, inefficient projects become acceptable solutions for help. From the hundreds of projects listed in the ARDA catalogue, it would not be difficult to pick out many in which the taxpayer paid \$1.00 so that a farmer somewhere in a fringe area can make 50 cents. One wonders how much consolation it provides, that he will have to work for it and thus avoid the alleged humiliation of direct income maintenance."

And then: "This frustrating predicament may help to explain the gap between intended and actual adherence to economic principles. According to the current federal-provincial ARDA agreement, for example, development projects approved under certain sections, and all development projects with a total cost of above \$100,000 must be subjected to benefit-cost analysis. The importance of good economics has been frequently emphasized in public statements by leading ARDA representatives, yet in everyday ARDA operations statements of

(MR. HANUSCHAK cont'd.)...benefits in the most rudimentary terms are apparently acceptable as a basis for evaluating the merits of a project sponsored from ARDA funds. ARDA has sponsored a number of feasibility studies, yet we could not find evidence that systematic research was directed toward ex post evaluation of implemented projects."

Further in the report on Page 22: "That ARDA has turned its attention to basic deficiencies in farm structure and organization appears to be a step forward, but there is no assurance that essential changes will result. With the right emphasis the program will become primarily a means of labour transfer from agriculture. With the wrong emphasis, the program could become a means to arrest, with further subsidies and the land abandonment process taking place spontaneously in areas of high cost marginal farming."

The report continues on and on for several pages in much the same vein. Towards the end of the chapter dealing specifically with ARDA, it reads: "Realistic rural policies should give recognition to the fact that many poor people have not the ability to make a successful adjustment in a new and unfamiliar environment." I believe, Mr. Chairman, this is a very significant statement. I recall during my first few weeks in this House hearing the Honourable Member for Lakeside making a similar point in relation to some other matter - whatever the matter or the subject of debate was at that time perhaps doesn't matter at the present moment - but the honourable member did make this statement, and I concluded from it that what he was referring to was the sociological factors that are involved in the process of change, in the process of retraining, in the process of moving people, in the process of doing whatever else may appear to us to be economically sound and for the economic betterment of people, that there is such a thing as not being able to retrain, as being attached to a certain community, as being within one's own family circle and living there and the interdependence that develops between members of a family, between neighbours and so forth, and that these are extremely important factors, that you can't just take people out of one community and put them in another and expect them to carry on from where they left off.

I'm not suggesting, Mr. Chairman - and I hope that no one misunderstands me - I'm not suggesting that this type of activity from time to time need not be undertaken, perhaps on occasion it's very important and very necessary, but what I am suggesting - and I stress this - what I am suggesting is that the human factor, the sociological factor related to economic betterment ought not be ignored, and this report, all through it, does indicate that very little, if any, attention is paid to the human factor involved in living.

Then later in the report with reference to Manitoba in particular, because this was a general criticism of the ARDA program, and I take it that these criticisms apply to ARDA programs in all provinces, but then there's a section of the report dealing specifically with the Province of Manitoba, and one of the opening statements is that the totals of -- these figures no doubt have changed, because as I've indicated earlier this report was written a year and a half ago based on figures available to it prior to its writing, but I suppose that the ratio, the proportion still remains much the same. "The total federal commitment of just under \$5 million, about \$1.4 million per year, represents less than one percent of the provincial budget and actual expenditure has been about half of that." In other words, what the writers of this report are saying is that we're merely paying lip service to the importance of what the ARDA program is intended to do, because when it comes to putting our money where our mouth is, the money just isn't there.

And a paragraph dealing with the Manitoba ARDA program, which I feel is extremely significant: "As it looks now, the hope is that the larger number" - referring to the labour force - "can be re-absorbed within the regional economy, the result of higher levels of education and training and of new employment opportunities to be created. Development measures accommodated under the proposed rural development agreement, chiefly roads and recreation projects, appear to be primarily directed to the tourist industry, but the larger plan looks also to the stimulus which may be supplied by other funds and agencies. Re-absorption does post greater difficulty than in northeastern New Brunswick" - because there's reference here to the New Brunswick program, and comparing the two they say that re-absorption in Manitoba is going to be a greater problem than in that maritime province. "Since the Interlake has not the same immediate prospect for new industry, it may be that the province is putting undue emphasis on" - and they put this word in quotes - "development". At the same time while one may regret the absence of a firmer commitment to accelerate its ultimate migration, one may reasonably expect that education, health and welfare and mobility programs will tend to work

(MR. HANUSCHAK cont'd.)... in this direction if growth in the region proves insufficient." And it's interesting - it's interesting, Mr. Chairman, to note that the recommendation of this committee is that emphasis do be placed on the human factor programs. I'll repeat again - education, health, welfare, mobility programs. Not so much development of the land, not so much the draining of it, not so much the doing of anything else to it that one may feel will improve its productivity, but on the human factor.

It somewhat disturbs me, Mr. Chairman, that this being the report assessing the ARDA program today, and we the Province of Manitoba being involved in this program, and the present agreement is going to expire, something will have to be done then. Surely we're not going to say: Well that's that as far as the ARDA program is concerned, that's that as far as a program initiated under that plan is concerned, and we'll wash our hands clean of it. Surely if there's need for further development it will be continued in some way or another. Surely the Province of Manitoba is keeping a close watch on this program, and if there's any way within the existing framework to improve its operation, it should be anxious to do that. Surely the Province of Manitoba didn't formulate a blueprint, a framework for this program at its inception and said: All right, this is a plan we're going to follow from beginning to end come hell or high water. Surely, Mr. Chairman, we'll be reassessing our progress every step of the way, and if our reassessment should indicate that change is necessary that that change will be brought about, because it may well be that on many an occasion change, effective change to improve the program can be brought about without any appreciable or perhaps in many cases without any additional expenditure of money. It's simply a question of the redirection of funds to a more valuable use.

MR. DEPUTY CHAIRMAN: The Honourable Member for Lakeside.

MR. CAMPBELL: Mr. Chairman, it's not proper for me to suggest to the honourable members of the House what they should be doing, but in my opinion too few of them were listening to what the Honourable Member for Burrows read from the Economic Report. I understood it to be the fifth report of the Economic Council of Canada. I hadn't read the part that he was speaking from today as carefully as he had, and I think that the questions that he raised were very valid and they do have a direct bearing on this item that we're discussing here.

He quoted me as having had some things to say along that same line a while ago, a few years ago, and I'm glad to hear that an organization as competent as the Economic Council of Canada seems to have some of the same ideas that I had. I don't usually find myself in too much agreement with the experts, but any time that I find them in agreement with me of course I'm glad to acknowledge their standing in the economic sphere. I remember that the former Premier once made a remark about me that I have always remembered and I saw a good bit of truth in it, because Duff said that the Honourable Member for Lakeside just has a built-in resistance to anything that suggests a study or research or anything of that nature. Well it isn't really, and I could see that that was a valid criticism of an approach that I frequently take. It isn't that I have a built-in resistance to these studies or research projects or all the rest, it's just that I see so much of the taxpayers' money being wasted - what appears to me to be wasted - on studies and research projects of one kind and another that don't seem to me to make any sense and that are not followed up too carefully.

Now I wish the Honourable the Minister of Industry and Commerce were in his seat because I would like him, rather than the Minister of Agriculture, to defend one of the statements that is made in the TED report here. I don't think it's fair to the Minister of Agriculture to ask him to defend it because my guess is that he doesn't believe it, he doesn't agree with it. But on Page 433 of the TED report there is discussion of rural development today and the first item is "Quality of life", and this is one of the reasons that I'm so skeptical of so many of these reports and the conclusions that they draw. The Honourable Minister of Industry and Commerce was asking how many of us had read this report. I haven't read it completely either but I have read carefully the part dealing with agriculture; I have read carefully the part dealing with rural development; and I want to draw to the attention of the committee - and I think it's pertinent on this particular vote because that's what ARDA deals with - just one paragraph or two to the attention of the House. Listen to this, top of Page 433: "The dimensions of the economic problems facing the 370,000 people living outside of Metropolitan Winnipeg, Northern Manitoba and the City of Brandon, can be portrayed very simply. The standard of living in these regions is well below the provincial and Canadian averages, let alone the average for Metropolitan Winnipeg."

(MR. CAMPBELL cont'd.)

Now, Mr. Chairman, this is a statement of this commission that we have paid so much money -- and by the way the Honourable Minister of Finance hasn't yet told me how much this report has cost, but will he tell us? I want to know. I want to know what we paid for this, and I'd like to know what people back up that statement. I wish the Minister of Industry and Commerce were here to tell us. "The standard of living in these regions is well below the provincial and Canadian averages, let alone the averages for Metropolitan Winnipeg." Well, who says so, Mr. Chairman? Who says that? The standard of living - and this includes every part of Manitoba with the exception of Metropolitan Winnipeg, Northern Manitoba and the City of Brandon. My honourable friend the Member for Brandon, he's exempt because he lives in one of the favoured parts. But let me tell the members of this committee, Mr. Chairman, that of course there are parts of the other part of Manitoba outside of these areas that are mentioned, of course there are parts where the standard of living is very low, but aren't there in Metropolitan Winnipeg? Aren't there some there? And such sweeping generalities are - I was going to use a stronger word, I was going to say an insult to the intelligence of the people. We people who come from rural Manitoba simply cannot accept that statement, Mr. Chairman. To just assume that because the income of a particular group is not as high as somebody else that we thereby are automatically relegated to a lower standard of living, that does not follow. The people in rural Manitoba, not all of them of course, enjoy a fine standard of living. I'm frequently sorry for the children in Greater Winnipeg; I'm sorry for the children that live in Tuxedo, some of them, because they just don't have the opportunity to do the things that the country children have. They don't have the opportunity to develop their own responsibility; they don't have the opportunity to perform useful work; they don't have the opportunity to mix with animals in the way that the rural children do; and I'm telling you, the standard of living in rural Manitoba does not suffer just because of the fact that we don't have the same income, and this is wrong to put this kind of sweeping generalities in an Economic Review of this kind. I invite the members of this House to read this whole section and see whether they agree with it or not.

Now, I find many things in here that I don't agree with. Perhaps I don't disagree with them as violently as I do with this one, but I start to doubt the logic of the other arguments, of the other conclusions that they come to when I find some so absolutely illogical and unfounded as this one.

Now that may seem to be a little ways a way from here and I'm not asking the Honourable the Minister -- ah ha! I'm glad that the Minister of Industry and Commerce is in here. I want him to -- he asked how many had read this Economic Report. I want the Minister of Industry and Commerce to defend this now on this item, defend this statement that's made on Page 433. I won't bother the committee with reading it again. My honourable friend can read it and then I want him to get up and tell this committee that he agrees with this and that this is the kind of thing that we're paying good money, the taxpayers' money, the people who out of the limited revenues that they have, that are spoken of rather scornfully here, the people that out of those limited revenues are paying the salaries of these people who write a report of this kind, tell them what he thinks about it.

Well, this all comes back to the fact that I think there's a lot of common sense in what the Economic Council has been saying about ARDA. There's been too much money in my opinion, too much spent in studies and research and programs and too little of actual benefit done with regard to them. I don't agree entirely with what the Honourable Member for Burrows says; I don't agree entirely with what the Economic Council says; but I think this program does need to be very carefully looked at.

And while we should stay with individual items and not deal with the next one at the same time, it seems to me that it's so closely related - the FRED program - and I know that it's oriented a little bit towards the educational matters and this sort of thing, and I think that one too needs to be carefully looked at. And I'll ask my honourable friend the Minister of Agriculture now, while I'm on this one so I won't have to get up again, to please give us a full report as to what is envisaged in this more than \$3 million that we're going to appropriate, if it passes this committee, to the FRED program, because to me, to me it seems to suffer from quite a few of the same disabilities that the ARDA one has.

Mr. Chairman, in my opinion, we are simply spending too much of the taxpayers' money in the many many studies and programs and developmental projects of the experts, one group

(MR. CAMPBELL cont'd.)... of whom pushes into this kind of thing and then another group of whom, a little later on, write a criticism of it. Now, Mr. Minister of Finance, I want to make a formal request now, that I want to know how much this study has cost. I'll have some other things to say, but do I have to put an Order of the House in to get that or will you get it for me without going to that trouble?

MR. EVANS: I'll be glad to get whatever information I can for my honourable friend without a formal order. I question whether all the costs have been accumulated yet but I'll do my best.

MR. CAMPBELL: I would like to know, Mr. Chairman, because - and I won't take very much of your time - but I would like to direct the attention of the House to Page 431 as well, "Rural Development", where a lot of verbiage is devoted to the problems that the rural people face, and then we come to this very pregnant sentence, "Because of the magnitude" - on Page 432 - "Because of the magnitude of the social and economic problems involved, the rural development region will need heavy financial and technical support in their effort to control the forces of change" -- and all through this we are told about the forces of change and we have got to control the forces of change instead of allowing the forces to control us. But no place that I can find does this report tell us how to control the forces of change. How do you control them? Do you control them by continuing to spend more and more money on this kind of study, and the kind of project that we have had there? Are there some of them envisaged in this ARDA program and in the next one coming after, and will the Minister of Industry and Commerce tell us what he thinks about that paragraph that he read?

MR. WALLY MCKENZIE (Roblin): I rise with much reluctance to speak after my great friend from Lakeside, who I think is a man of great wisdom and understands the rural problems of this province beyond the shadow of a doubt. I also wonder many times if him and I shouldn't belong to the same Party, whether he's in the wrong group or I'm in the wrong group - I think him and I will debate that in the hall no doubt some day at great length. I think possibly, Mr. Chairman, it's maybe due to my inexperience in the field of politics, but as I sat in my chair here I reiterate many of the statements that came from the Honourable Member from Lakeside, statements such as the standard of living in those regions - and I think I come from a region which is about as rural as you can possibly get it and one where we have many problems today with the agricultural economy, problems such of the magnitude it would take me all afternoon or the rest of the evening to describe the problems that are being faced by the people in my constituency today. Had the Honourable Member from Souris-Lansdowne not got on his feet yesterday to defend the agricultural people in reply to the Member from Burrows, I would have been on my feet because I think this was a slap in the face to the people that I represent, who at this time are trying to develop an industry, a cheese factory, and need the resources of that four cents if they can get it - maybe they will only get half - but nevertheless we are providing regional and rural development in this area out here and this member can stand up and say that we are not entitled to that? -- (Interjection) -- I don't understand him that way.

MR. GREEN: Read it.

MR. MCKENZIE: I didn't understand -- I haven't read Hansard this afternoon, but if my memory serves me correctly this was the way that I understood it, and no doubt he is referring to the some 370,000 people of course in the country, or is he?

MR. GREEN: He referred to the producer farmers that are entitled to the two cents, that's what he said.

MR. MCKENZIE: That's a broad statement. But I am concerned that members opposite, they stand up here day after day, Mr. Chairman, and give us this great socialistic wisdom of-- I don't know where it comes from, but it sure isn't going to help the people of my area to put a cheese factory.

MR. DEPUTY CHAIRMAN: I would request the honourable member please to stay on the item, which is 9 (a).

MR. MCKENZIE: Thank you Mr. Chairman. The regional development item, Mr. Chairman, was the one that I was trying to draw to the attention of the House, and this was a regional development matter which I thought would be of interest to the House at the moment.

But to carry on, the hayland and pasture development policy of the province I think is one that has done considerable in the past and no doubt will continue to give us guidance in the future, but I would suggest to the Honourable Minister that in this day and age when we face these huge surpluses of grain in the rural area, that we should be very serious about pursuing

(MR. McKENZIE con't.)... this policy to the best interests of the farmer today. Many farmers in rural Manitoba today think that possibly it's better for them to put their livestock in the community pastures which is under the old PFRA project. I doubt very much the wisdom of many of them, and I would suggest to the Minister that some of his technical staff should try and show the farmers in my area, who today in some cases are pleading to me due to the fact that they can't get their cattle in these community pastures, that they should maybe look at a philosophy of growing the grass on their own farm and get out of grain and get the cow-calf operation into production again and get it back on the track so that a lot of the grain can be consumed.

The next point, Mr. Chairman, is the experience of ARDA - and that is the item we are under, No. 9, am I correct?

MR. DEPUTY CHAIRMAN: The item is 9 (a).

MR. McKENZIE: Thank you. The ARDA program is Interlake and West Lake, and I'm wondering if there would be any possible way that the Minister could take a look at some of the developments along the Duck Mountain area and along the Riding Mountain area, which are areas that basically have suffered from the fact that those parks are there - and we need parks and we need the recreational areas - but in the meantime, these parks create many problems for those who happen to farm in that immediate area, and I would like to suggest to the Minister that some special consideration, whether it came under ARDA or FRED, or some arrangement be made to try and compensate some of those through the problems that they face in the area.

The other thing in closing, Mr. Chairman, and my only chance to speak on the Minister's estimates, and that is the one -- I hope that the government of Canada fully recognizes the problems that are being faced in rural Manitoba today. In my limited experience, and it's some 50 years - I lived through the dirty 30's when times were about as tough as they could be, I rode freight trains, and I could always make a dime, but if you are in the crux of this problem today where the farmer is - he's got all these things on his farm, especially in the grain, he can't sell them, there's no place to sell them at all, what's he going to do? I hope that as many of us as can get there tomorrow when the federal members are sitting in a hearing that we would get over there and let them know that we really have a problem in rural Manitoba today. I recognize it and I think the House recognizes it, Mr. Minister. Thank you.

MR. SAMUEL USKIW (Brokenhead): I wonder if the Honourable Member for Roblin would permit a question. Just recently the Minister of Agriculture and his department were in Ottawa discussing the problems of agriculture, and on the record the Minister has stated that he did not make any proposals emanating from Manitoba on the question of the farm crisis, the income problem. Now my honourable friend the Minister is suggesting that we ought to talk to Ottawa again, but he is not saying what we ought to tell them. What is his proposition? Maybe you know something.

MR. McKENZIE: Is the honourable member directing a question at me or to the Minister?

MR. USKIW: To you, the Honourable Member for Roblin.

MR. McKENZIE: My first recollection was that the question was being directed to the Minister. I don't think that it's -- in fact if somebody wanted and we had the time, Mr. Chairman, I wouldn't mind speaking on this subject at some great length, and go back to marketing and the problems that we have encountered with wheat over the years and possibly the Wheat Board. In fact, I'm one today that still believes that the Grain Exchange should still be in existence. They don't believe it over there.

MR. DEPUTY CHAIRMAN: Would the committee consider it 5:30? In that case I call it 5:30 and return to the Chair at 8 o'clock.