

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
2:30 o'clock, Monday, May 4, 1970

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees.

INTRODUCTION OF GUESTS

At this point, I should like to direct the attention of the honourable members to my loge on my right, where we have with us this afternoon the Honourable Mr. Arthur Dixon, Mr. Speaker of the Legislative Assembly of Alberta. On behalf of the honourable members of the Legislative Assembly, I welcome you this afternoon.

We also have with us in the Speaker's gallery, Mrs. Dixon, the wife of the Honourable Mr. Dixon, and Mr. Grettir Leo Johannson, the Consul General of Iceland, and Mrs. Johannson. On behalf of the members of the House, I welcome you this afternoon.

And I wish to direct the attention of the honourable members to the gallery where we have with us 68 Grade 9 students of the Isaac Newton School. These students are under the direction of Mr. Neudorf and Mr. Rosen. This school is located in my constituency of Burrows. On behalf of the honourable members, I welcome you this afternoon.

MR. SPEAKER: Adjourned debate on the proposed motion of the Honourable Member for The Pas. The Honourable Member for Fort Garry.

MR. BUD SHERMAN (Fort Garry): Mr. Speaker, I'd ask the indulgence of the House in having this matter stand. (Agreed).

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

INTRODUCTION OF BILLS

HON. SAUL CHERNIACK, Q. C. (Minister of Finance) (St. Johns) in the absence of the Honourable Attorney-General, introduced Bill No. 72, an Act to amend The Executions Act; and Bill No. 76, The Fatality Inquiries Act.

MR. SPEAKER: Orders of the Day. The Honourable Minister of Finance.

STATEMENT

MR. CHERNIACK: Mr. Speaker, may I have leave to make a statement? (Agreed).

I would like to speak on a subject that I consider is important to the province in this our Centennial year. It is our intention, Mr. Speaker, to issue a Manitoba Centennial Savings Bond issue in this our 100th year. It is the opinion of the government that there is a desire on the part of citizens of the province to be able to invest in the growth and in the future of our province. Indeed, we have had many requests from Manitobans to make an issue available to them.

Although all the details and conditions pertaining to the issue are not completely finalized, I'd like to make known to the members, in general terms, what we propose. While the interest rate has not been finally determined, it will be competitive with current rates being paid to investors. It is our desire to make this issue attractive to Manitobans. We plan to give ourselves enough flexibility for this issue to make sure that at any time it serves our best interests; we could, if necessary, improve the interest rate in the face of a sharp rise in general interest levels for people's savings.

The issue will be dated June 1st or June 15th, with sales to the public commencing about ten days prior to the issue date. The term of the issue will be for ten years. The bonds may be cashed in by the holder at any time after six months from the date of issue, with interest paid to the holder to the end of the previous month prior to the cashing in of the bonds.

The maximum amount which may be purchased by one person will be \$50,000.00. Bonds, however, will be issued in denominations of \$100.00, \$500.00, \$1,000.00, \$5,000.00 and \$25,000.00. All bonds will be fully registered, with interest being paid to the registered bond holders annually. The province shall have the right to close the sale of bonds of this issue by providing at least two full business days' notice. Applications for purchase will be made available at chartered banks, investment dealers, trust companies, credit unions and Caisse Populaire. The issue will be for sale to residents of Manitoba only.

At the present time, Mr. Speaker, there are savings bonds of old issues in the hands of investors totalling some \$11 million. Interest rates which these bonds carry range from 4 3/4

(MR. CHERNIACK Cont'd) . . . percent to 5 1/2 percent. The interest rate payable on our Centennial series will be substantially greater than the rate payable on these old issues, and we will suggest to holders of the old issues that they convert their bonds into the Centennial series.

I would like to recommend to all Manitobans that they consider buying bonds of our Centennial issue. We are making the issue attractive from an investment point of view. We feel we are providing our citizens with an opportunity to invest in Manitoba.

MR. SPEAKER: The Honourable Leader of the Official Opposition.

MR. WALTER WEIR (Minnedosa): Mr. Speaker, I would like to thank the Minister for his announcement in giving notice to the House that it is the intention of the government to issue the Centennial Savings Bond Issue. I, too, am one who believes that it is in the interests of the people of Manitoba to invest in their own future. There didn't appear to be any indication by the Minister of Finance as to how much the issue was for or how much he hoped or anticipated that he would be able to raise as a result of the offering of the issue. There was no indication what participation underwriters might have as a result of the issue and whether in areas where there might very well be discounts, whether the same discounts would be applied to the people of Manitoba as would be to underwriters, although I recognize that there is the limit of \$50,000 per individual subscriber to the bonds. I would hope that the same consideration to the people who might be interested in contributing to the investment of the future of Manitoba, that they would receive the same consideration as others who might be underwriters at other times and on other occasions.

MR. SPEAKER: The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON (Portage la Prairie): I, too, would like to thank the Minister for announcing in the House the proposal that he has just put before us. I notice that this could be construed as another method of raising capital and I was wondering if the Minister could tell us what is going to be done with the money that will accrue from the sale of bonds. I know it's short term, but I think the House and the people would be interested in knowing to what use the money will be put, and also he could inform us as to whether or not the bond issue will be available on a payroll deduction plan as well as a cash purchase plan. I understand the Minister does not yet know the interest rate. He said it will be substantial - I would expect that would be around nine percent. I suppose that's just a guess, eh?

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, in commenting on the statement made by the Honourable the Minister of Finance, might I say at the outset that I do not subscribe to our province going deeper into debt, but since the authorizations have already been made I think it's a good practice that this government is following in that we make these bonds available to the people of our province. After all, as has been indicated by the Minister of Finance, bonds from previous series may be converted to the new bonds so that the people of Manitoba will realize a better return on their investment and one that will be able to compete. Therefore, in that connection I certainly congratulate them and I also feel that there should be no limitations placed on it as far as maximums for the time being. If people are interested in buying them, why not let them get as much as they want, for this means that we'll have to go outside of the province for that much less. So, since not all the information is available at this time, maybe at some later time we will have some further questions. Thank you.

MR. CHERNIACK: Mr. Speaker, I wonder if I could be permitted only to answer some of the questions that were put for clarification. I don't recall whether that is the practice or not, but just to respond to the questions that were posed, and may I say especially the interest rate that was suggested, I want to correct that. I think that's important that I should do so.

MR. WEIR: Mr. Speaker, we'd be prepared to grant leave. I presume that some lenience would be shown on the question period which would follow the statements if as a result of the answers that the Minister gave that they happen to propose some other questions. I would expect that some leniency would be provided in that regard if leave is granted under the . . .

MR. G. JOHNSTON: Well, I think if the Minister would like to reply now to these questions, this does not preclude any question that a member might care to ask during the question period.

MR. CHERNIACK: Of course, Mr. Speaker. Well, firstly, the Honourable the Leader of the Official Opposition asked how much. I might say that we had meetings with just about all the local investment houses, and I include the banks, and they are very optimistic of the

(MR. CHERNIACK Cont'd) . . . amount that could be raised but we're not sure that we want to go quite as high as they think we can, and that's why we stipulated a two-day notice. But it is expected that we should be able to raise - and I'll give you a very wide variation - from \$25 million to \$50 million, and I'm intentionally making it that wide at this stage.

The commission payable - these bonds will all be sold at par; the commission payable to dealers would be three quarters of one percent and that is for the book work involved in doing it.

The use to which the monies would be put are many possibilities. It's to be a general purpose loan, but honourable members know that we have authority for the Agricultural Credit Corporation, for housing, for schools, for development funds. There are many purposes and those will be described in the prospectus.

Payroll deduction - I've found that the Canada Savings Loans have very little in the payroll deduction amount. Actually it turns out that it's a costly thing, but if we get requests for that we would certainly try to facilitate payroll deductions as a savings plan, but there the question of administration can become rather costly compared with the total amount.

The interest rate - I might say that the interest rate is dependent on the market at the moment, but as an indication the current market would indicate that if we had to make a decision a couple of days ago - and I'm saying that intentionally; I don't know how the market is today - it would be approximately about 8 1/2 percent, which is just fractionally more than the Canada Savings bonds, and we would try to relate it to that; and again, we are assured by the exports who sell these things, that that interest rate and the form of this bond should be most attractive to Manitobans.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SIDNEY SPIVAK, Q.C. (River Heights): Mr. Speaker, I wonder if the Honourable Minister of Finance would mind answering a question as a result of his statement. I wonder whether he can indicate whether the members who form the underwriting club who underwrite the bond and issues of the province, receive higher than three quarters of one percent for doing so.

MR. CHERNIACK: Mr. Speaker, there is no underwriting involved with these bonds. They are investment dealers just like all the others, and participated in all the plans and discussions, but they will receive no special consideration in connection with this issue.

MR. SPIVAK: A supplementary question. My question to the Honourable Minister was that those who underwrite the province's issue receive a discount which is higher than three quarters of one percent - that's my understanding. I'm asking whether the people of Manitoba are going to be entitled to receive the same discount.

MR. CHERNIACK: Mr. Speaker, the amount of the discount for which they underwrite is a negotiated amount which they get for performing the service of underwriting. In this case there is no underwriting and therefore this will be sold at par with a payment of a commission of three quarters of one percent.

MR. SPIVAK: But the effective rate, Mr. Speaker -- my question is to the Honourable Minister of Finance. The effective rate of interest which the province pays to others who in fact invest in Manitoba is higher than the 8 1/2 percent he is referring to . . .

HON. ED SCHREYER (Premier) (Rossmere): On a point of order. It's clearly argumentative.

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

#### ORAL QUESTION PERIOD

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, before the Orders of the Day, I'd like to direct a question to the Minister of Agriculture, but I see he has left his chair. May I be permitted to ask the acting Minister of Agriculture the question? Or the First Minister?

MR. SCHREYER: Mr. Speaker, I'll take the question.

MR. MCKENZIE: I'll direct the question to the First Minister. Is the First Minister aware that the Turtle Mountain Conservation Association has been reorganized?

MR. SCHREYER: I'm aware of many things relative to Turtle Mountain, but not that particular fact.

MR. SPEAKER: The Honourable Member from Fort Garry.

MR. SHERMAN: Mr. Speaker, I'd like to direct a question to the Honourable Minister of Municipal Affairs, and ask whether the pamphlet promoting the government's automobile insurance plan will contain any information that has not been made available in the House?

MR. SPEAKER: Orders of the Day.

MR. SHERMAN: Mr. Speaker, is the First Minister . . . perhaps the First Minister wishes to answer that question, Mr. Speaker.

MR. SCHREYER: Mr. Speaker, the honourable member's question can be replied to as follows, that the information contained therein is information which we hope will come to the attention of all citizens of the province, including honourable friends on both sides of the House, and that there will be ample opportunity to discuss.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to direct my question to the Minister of Mines and Natural Resources. There are still some communities in Manitoba that are under water at the present time. Is it the intention of the government to declare these areas a disaster area?

HON. SIDNEY GREEN, Q. C. (Minister of Mines and Natural Resources) (Inkster): Mr. Speaker, I know that there are communities under water but I can't say that the government has formed an intention to declare any of them a disaster area.

MR. WARNER H. JORGENSEN (Morris): . . . make to that effect, Mr. Speaker.

MR. SCHREYER: Mr. Speaker, perhaps I should reply to that question by giving a report to the House. I assumed that honourable members would want an up-to-date report on the flood situation in Manitoba. I'm advised that on the Red River we have had drops in all levels recorded from Winnipeg, south to the head waters of the river. These drops range from about a tenth of a foot at Emerson and Letellier to a half a foot at Morris. The Water Control and Conservation Branch indicates peaks have been experienced at all points along the Red and water levels should continue to drop. At Carman, water levels are going down, the schools are again operational, and the clean-up operation has started in the community generally. Water levels are also dropping on the Whitemud River and clean-up operations in some areas are now underway. In both these areas, local and provincial authorities are working together to ensure that clean-up and return to homes and places of business is orderly and safe.

Throughout the situation that has faced in the past ten days, since the flood order was signed the municipal authorities have remained in control of the situation, assisted by the province as required and as requested. The manner in which operations were carried out indicates the calibre and co-operativeness of municipal officials in our province. In all cases local residents were called upon to bear the brunt of the flood fighting efforts and they responded wholeheartedly. Through the Emergency Measures Organization, the province's facilities were made available as needed. Mr. Bert Bentley and his organization have acted as a clearing house for problems, both large and small, that had to be faced and dealt with.

The Water Control and Conservation Branch of the Department of Mines and Resources has had a number of difficult decisions to make, and the Department of Transportation is charged with the responsibility of making available quickly supplies of sandbags. The Department's chief engineer, Mr. Peacock, and his staff have also had the job of trying to keep access open to the communities which were threatened. I should also like to point out that Mr. John MacDonald, the Deputy Minister of Municipal Affairs, under whose jurisdiction the Emergency Measures Organization falls, has personally visited the communities affected and discussed the problem of flooding and of cleaning up. I have had an opportunity myself, along with the Minister of Transportation, to see some of the difficulties faced by persons whose homes and businesses have been affected in the Gladstone area and the area of the Whitemud generally. I understand that the Minister of Transportation also visited the Carman area on Saturday afternoon to take personal note of whatever requirements were to be found there.

May I again state that the province stands ready to assist in rehabilitation of the affected areas. The formula that applied last year applies this year to personal, business and public property. And so I think honourable members would want me to express thanks to those who were making unusual and extraordinary effort in the past ten days to two weeks, in their work of flood fighting and emergency measures. I refer to the local area residents, municipal officials, Canadian Forces personnel who were called upon from time to time by the communities of Gladstone and Carman, and others, and of course to thank those in Emergency Measures such as Mr. Bentley and our own Manitoba departmental personnel, such as Mr. Weber and Mr. MacDonald. Thank you.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Speaker, the First Minister has outlined the steps that have been taken and the assistance that has been provided by the Provincial Government in assisting

(MR. JORGENSEN Cont'd) . . . municipalities in combatting floods, and I'm glad to hear him say that the criteria that has applied in previous years will be again re-applied in assisting and helping with the damage with public property. However, as the First Minister is probably aware, there is a considerable amount of personal property damage and in several occasions the National Disaster Fund-I'm not sure just what's the correct terminology here; it was originally set up as the Red River Flood Fund - there is a considerable amount of that money that is lying around, and I was wondering if there is money available to assist some of those people who have lost some personal property in the Carman and the Gladstone areas.

MR. SCHREYER: Mr. Speaker, I can reply to the Honourable Member from Morris by saying that, first of all, I'm not aware that there are any monies lying around. If there are, I should have thought that the Minister of Finance would have found good use for it in the meantime. Secondly, I'd like to say that the Red River Valley and Assiniboine Valley Flood Adjustment Board has had a formula to apply, and I understand the formula was that assistance would be provided for public properties and private properties of persons sustaining flood damage in those two river valleys, and that those living along tributary rivers were at no time in the past coming under the formula and were not eligible. I can advise the honourable member that just this morning I was in telephone conversation with the appropriate federal Minister in this connection, to see whether the formula might be extended to those suffering private property damage, those living along, let us say, the Boyne River or the Whitemud, and the Minister's position was that this formula had not been applied in the past, that he would make enquiry as to the possibility of extending it, and that's where the matter stands at the moment. It will require further negotiation.

MR. SPEAKER: The Honourable House Leader of the Liberal Party.

MR. G. JOHNSTON: I would like to thank the First Minister for the statement he has made but in one area I don't believe it goes far enough, and I am wondering if the Minister of Agriculture in particular could give some advice, particularly to the farm community of the province. For example, in the Assiniboine and Red River regions, there has been a great deal of experience built up by the communities and by the municipal officials who have co-operated with the government in combatting high water. However, this year we have new areas, along the Boyne, along the Whitemud, and other areas of the province where the people are, for the first time, suffering this sort of a disaster, and frankly, they don't know where to turn. Over the weekend I've had eight phone calls in the area of the Whitemud as they relate to my constituency and they don't know how they should go about recording or reporting what their damage is. I think the people are intelligent enough to know that there is going to be a Flood Adjustment Claims Board set up, but in the meantime they would like to have on record what their damage is and an address that they can contact, so that it can be verified so that later on the adjustment can be made. I know that some of the municipalities have encouraged these farmers to make the report to them in the interim, but then on other occasions that I know about, the municipalities themselves don't know this. I think it would be well if either the First Minister or the Minister of Agriculture issued a general statement saying to these people who are encountering for the first time this problem, "Here is an address. Record your problem with us, and when the machinery is set in motion we will contact you later."

MR. SCHREYER: Well Mr. Speaker, I can reply to the honourable member by saying again that we have given to understand the municipal officials in these municipalities that were affected, that people should make known to them and to the provincial government the extent of damage which they sustained, and then this can then be handled in the same way that flood damages were appraised in the past - that is to say those who had sustained flood damage and were applying for compensation under the Red River Valley and Assiniboine River Flood Adjustment or Compensation Board, we can follow the same procedure. But I want to make it clear that while there has been an unfortunate amount of -- unfortunate in itself - there has been flooding which has caused some anguish and some property damage - it is a difference in degree, not a difference in kind. The Whitemud River has gone on the rampage many times in the past. This year it happens to be worse, but to a degree. However, certainly we shall make an effort to have estimates of damage appraised and to see whether we can get the formula of past years applied and possibly even extended. We shall make that effort.

#### INTRODUCTION OF GUEST

While I'm on my feet, Mr. Speaker, I wonder if it's in order to draw to your attention

(MR. SCHREYER Cont'd) . . . and to the attention of members of the House the presence in the gallery of the Honourable Minister of Indian Affairs and Northern Development, the Honourable Jean Chretien, who is here to discuss matters of public policy.

Je voudrais souhaiter la bienvenue a notre collegue parlementaire l'honorable ministre des affaires du Nord et des Indiens.

MR. SPEAKER: The Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): I'd like to thank the Honourable First Minister for assuring us that he has looked after the problems in southern Manitoba. I was just wondering whether he was anticipating using any sandbags at South Indian . . .

MR. SCHREYER: Mr. Speaker, so far we have done better than that. We have actually been able to prevent flooding - a matter which is normally beyond our control.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, seeing as how the First Minister was not able to answer my question and seeing that he knew many things about Turtle Mountain but was not able to answer my question, can I ask my question of the Minister of Agriculture, Mr. Speaker?

MR. SPEAKER: I believe the member is well aware that he is at liberty to ask questions . . . by the rules.

MR. McKENZIE: Thank you, Mr. Speaker. Would I be permitted to inform the Minister of Agriculture that the Turtle Mountain Conservation Association has been reorganized. Is the Minister aware of this?

MR. SCHREYER: . . . to inform the Honourable Member for Roblin that there are fewer bears in Turtle Mountain than in Riding Mountain.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: Mr. Speaker, I should like to return again to the question of flood damage. The First Minister has outlined the program that is intended to be followed with respect to public monies being paid out to assist people who have suffered from flood damage. The fund that I was speaking of was the fund that was collected during the flood of 1950, and I understand there was money left over to be used for the purpose of assisting people who have suffered personal . . .

MR. SPEAKER: Has the honourable member a question?

MR. JORGENSON: Yes, I am asking my question, Sir, and I wanted to know if the First Minister could advise us what criteria must be followed for these people to get that kind of money to assist them in recuperating some of the losses. I understand there is something like \$2 million that is being invested by Great West Life.

MR. SCHREYER: Mr. Speaker, of course I can check out as to the exact amount that is still left in the 1950 emergency fund. I can also advise the honourable member that it is the intention to apply the same criteria with respect to compensation as has been the case in the past, that in those cases where the federal government is prepared to cost share in flood compensation, there will be private property compensation, one presumes. In those cases where the federal government is not, the formula in the past has been for the province to assist in the cost of repair of municipal and other public works properties, and unless we have some very good reasons brought forward why the criteria of recent years, these past many years, should be departed from, then the formula that stood will stand.

MR. SPEAKER: The Honourable Member for Arthur.

MR. J. DOUGLAS WATT (Arthur): Mr. Speaker, on the same subject. If I may, I'd like to point out to the First Minister that last year the flood damage program did expand beyond the Red River and Assiniboine River areas, and applied to I believe all of Manitoba. I ask him if this will apply the same this year.

MR. SCHREYER: The honourable member was making, not an argument but an explanation, part of which I didn't quite follow. I'm sorry.

MR. WATT: Well, if I could repeat, Mr. Speaker, that the program for flood damage assistance did apply last year beyond the Red River and Assiniboine areas, and did apply to all parts of the province of Manitoba for flood damage last year. My question is; does it apply again or will it in this year?

MR. SCHREYER: Well Mr. Speaker, certainly the point that has just been made by the Honourable Member for Arthur will be looked at very very thoroughly.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, I would like to direct a

(MR. JOHNSTON Cont'd) . . . question to the First Minister, something that concerns me very much. Is it going to be the practice of the First Minister to organize one group of Manitobans against another when an issue arises?

MR. SCHREYER: Mr. Speaker, I am able to say to my honourable friend, without any equivocation whatsoever, that I have made no effort in organizing any group of people to demonstrate either for or against any particular issue of public importance.

MR. F. JOHNSTON: A supplementary question, Mr. Speaker, and I'm only going by reports in the paper. Was there not a request made for the unions on Saturday to organize against the insurance companies?

MR. SCHREYER: If there was such a request, I suspect it was made by representatives of the unions themselves.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I wonder if I could return to the -- ask the First Minister another question with respect to the pamphlet on the automobile insurance issue -- the government pamphlet -- and ask him whether he has seen a draft of the pamphlet up to this point. Is a draft copy available and can it be made available to members of this House?

MR. SCHREYER: Mr. Speaker, to be frank I've seen a copy of the pamphlet. It must also be said that the pamphlet is not a government document. It was not issued by anyone acting in the capacity of a Minister of the Crown. When I looked at it, I found it to be very interesting and asked only that it be checked for accuracy, and I did so not as premier, but as a member of the New Democratic Party, because I wouldn't want that party to distribute material that was inaccurate.

MR. SHERMAN: A supplementary, Mr. Speaker. Could I just then ask the First Minister if he can guarantee that the pamphlet contains no information on the issue that has not been made available to this house?

MR. SCHREYER: Mr. Speaker, I would be more -- this is exactly the point. I would be most happy to provide that information to my honourable friends because it would be very useful in the process of edification.

MR. SHERMAN: Mr. Speaker, a further supplementary -- (Interjection) -- Well, I just want an undertaking that the pamphlet does not contain . . .

MR. SPEAKER: I believe the Honourable First Minister heard the question.

MR. SHERMAN: But I think the Honourable First Minister would agree it's a fair question.

MR. SCHREYER: It's not what I would call an unfair question. I think it's an irrelevant question in this House because it's not a government document. However, I give this undertaking, not as premier, but as Leader of the New Democratic Party to provide the information contained in that pamphlet to my honourable friend. If that's the undertaking he wishes, he has it.

MR. SPIVAK: Mr. Speaker, on a point of order, the Honourable First Minister has indicated that he has had the pamphlet checked for accuracy. Surely if he has had the pamphlet checked for accuracy, he could answer the honourable member's question.

MR. SPEAKER: Order please. Orders of the Day.

MR. SCHREYER: I rise on a point of privilege now, Mr. Speaker, because I fail to see how the honourable member could be allowed to rise on what he alleges to be a point of order, which clearly wasn't any point or order at all.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, may I respond to a question asked of me a few days ago by the Honourable the Member for St. Vital, who wanted to know what fee was paid to Dr. Meyer Brownstone for his consultations. I am now informed that the fee \$100.00 per day.

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

HON. PHILIP PETURSSON (Minister of Cultural Affairs) (Wellington): Mr. Speaker, I wish to lay on the table a Return to an Order of the House No. 10 on the motion of the Honourable Member for Ste. Rose.

HON. RENE E. TOUPIN (Minister of Health and Social Services) (Springfield): Mr. Speaker, I would like to table the Report of the Clean Environment Commission, the annual report to December 31, 1969.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, may I lay on the table a Return to an Order for Address No. 1 made on the motion of the Honourable Member for Swan River.

MR. SPEAKER: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, I'd like to direct my question to the First Minister. With regard to this famous pamphlet, will we have the pamphlet before the bill?

MR. SCHREYER: Mr. Speaker, I fail to see what importance there is to it, but if my honourable friend feels strongly about it, one way or the other, I'll try to accommodate him one way or the other.

MR. SPEAKER: The Honourable Member for Arthur.

MR. WATT: Mr. Speaker, I address a question to the Minister of Agriculture. Maybe, Mr. Speaker, I should read this question so that he will understand me this time. Will farmers who have eliminated their wheat acreage this spring be subject to the PFAA levies on wheat they sell in the 1970-71 quota - wheat that was grown in previous years under crop insurance?

HON. SAMUEL USKIW (Minister of Agriculture) (Lac Du Bonnet): It's a very good question, Mr. Speaker. I'll try to get the answer for my honourable friend.

MR. SPEAKER: The Honourable Minister of Education.

HON. SAUL A. MILLER (Minister of Education) (Seven Oaks): I'd like to lay on the table, Mr. Speaker, a Return to an Address for Papers No. 6, dated April 2nd, on the motion from the Member for Riel.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD CRAIK (Riel): Mr. Speaker, I wonder if the House Leader could indicate whether tomorrow, at Public Utilities, the personnel from Hydro and Telephones will be there for questioning?

MR. CHERNIACK: Mr. Speaker, I have asked the Chairman of Hydro to be present at the hearing tomorrow. I understand the procedure in the past has been that Hydro has been first, for some reason or other, and then Telephone, and I didn't see any reason to vary it so that -- frankly, I did not ask the Chairman of Telephones to be there as well. He may be planning to be and if honourable members wish him to be, then I'll see to it that he is available.

#### ORDERS OF THE DAY

MR. SPEAKER: Orders of the Day. Adjourned debate. The proposed motion of the Honourable Minister of Finance. The Honourable Leader of the Official Opposition.

MR. WEIR: Mr. . . .

MR. SCHREYER: Mr. Speaker, I rise on a point of privilege, because normally it's the custom for the Leader on this side to be here while the Leader on the other side is speaking on a major address. I have a federal Minister here on an urgent matter, or an important matter, and I wanted to ask the Honourable Leader of the Opposition for his indulgence to be absent.

MR. WEIR: Well, Mr. Speaker, may I say that I'm sorry that the First Minister won't be able to be here. I understand, as one who has been there, that there are sometimes occasions when the First Minister of the province has other responsibilities outside the House and I understand, and may I say, Mr. Speaker, it's sometimes more than was considered when I sat on that side and for a little while there really wasn't that same concern about the responsibilities that there were outside the House. I would only ask that some of his compatriots would pass the message of some of the things that I have to say and I'm sure that he'll be able to pick it up in Hansard.

Mr. Speaker, just over a year ago, the then Minister of Finance brought down a budget on behalf of our government which revealed a flourishing Manitoba that was truly "going to beat '70". All of Manitoba was working hard in a combined effort to produce more and better jobs. Our province was doing better than the national average, whether it be unemployment which fell, granted after there had been a change in government - it fell to 1.8 percent in August of 1969 - or whether it be in the increase in capital investment with the creation of more and better jobs as the result. At that time the now Minister of Finance, when he was commenting on the Budget Report of our government, indicated some of the things that he thought such a budget should contain.

In presenting his first Budget this Legislature last fall, the now Minister of Finance indicated that the next Budget - that is, the Budget that was introduced to this Legislature last Thursday night - would be a budget for which the present government would be clearly responsible. Just over a year ago, Mr. Speaker, the Minister of Finance, the present Minister of Finance indicated that a budget should show the per capita wage related to the cost of living, unemployment figures which would show the partially employed, partially unemployed, housing units per person, their growth and development, how many people are on welfare, how many people are

(MR. WEIR Cont'd) . . . unemployables on welfare, how many are employables on welfare, and how many on welfare do not fall into these categories. He stated that it should not be an averaging, but a classification related to the proportion of population for each group; their income groups; their geographic location; their education, and other recognizable distinctions between them.

He indicated that the budget should tell us the number of doctors per capita, the number of hospital beds per capita, the number of chronic beds that are available for our population, the number of dentists, the number of nurses per capita, the amount of mental health facilities, the number of teachers, students, the amount of library books per student, the amount of students that there are in elementary, secondary and post secondary schools, and technical vocational education; the amount of recreational facilities we have; the growth in them; community centres; playgrounds that are available and so on. This, he was very careful to state, was by no means a complete list.

Mr. Speaker, what do we find in this budget a year later? I have been unable to find facts or data that the now Minister indicated the budget should contain. Mr. Speaker, may I say what a difference a year makes. What a difference a year makes!

In the meantime, Mr. Speaker, an election was held, an election in which the NDP Party made a tremendous and a dazzling impact on the people of Manitoba and persuaded many people in Manitoba to gamble on the NDP Party as the party to lead them to even greater heights in this Centennial year of 1970. --(Interjection)--My honourable friend from Elmwood, the Minister of Telephones, doesn't make any more sense speaking from that seat than he does from that seat, Mr. Speaker.

Apart from the interim budget, Mr. Speaker, which, according to the Minister of Finance, was simply the adoption of our own budget with the exception of the increase in corporate and personal income taxes - which I remind you, Mr. Speaker, gave Manitoba the dubious distinction of the highest personal and corporate income taxes in Canada - the document that was presented to us last Thursday I gather represents the blueprint for development for Manitoba as envisaged by this government.

During the year that has since passed, we have waited for the test of how the real NDP - how real the NDP Party is, and how well it will honour the sweeping promises that they made to the people of Manitoba. A long countdown on the NDP governmental rocket that was to carry the people of Manitoba to fresh heights. When the moment of truth came there was some noise, much smoke, but nothing moved, Mr. Speaker. It would appear that the propulsion of the NDP Party is not a powerful rocket but an oversized smoke canister that cannot thrust, cannot trust the people of Manitoba to new heights, but only cause political pollution which is no substitute for progress. It is disappointing, Mr. Speaker. It is something like receiving a large gift-wrapped parcel and when you open it you find nothing in it but some paper stuffing.

Let's review for a few moments, Mr. Speaker, the events of the last twelve months. One of the fundamental promises that you may have noticed during that period of time, Mr. Speaker, that the NDP Party -- one of the promises they made was to take the burden of educational costs off the home owners in Manitoba and relieve them and their municipalities from the growing cost of education. The NDP members seriously criticized our government in 1969 for not doing more than what we had done, what our government had done. What we had done was to increase school grants from \$14 million in 1959, Mr. Speaker, to \$71 million in 1968. The budget of 1969 represented an increase in these school grants alone of \$9,697,000 over the previous year. This, we were told, fell far short of the minimum requirements of the NDP; that we were cruelly neglecting the home owners in Manitoba, particularly those with fixed and poor incomes. The over-all increase in education provincial expenditures for 1969, although the lowest increase for the last five years, still represented, Mr. Speaker, a total increase of \$13,067,000.

How have the deeds of the NDP in 1970 matched its words in 1969? Every taxpayer, Mr. Speaker, every taxpayer in Manitoba, when he receives his tax bill this year, will get his personal answer spelled out - spelled out in the form of extra taxes for himself. Instead of doing more, the NDP government has done less. What a difference, Sir, a year makes.

We were accused over the years by the NDP members of deceiving the people of Manitoba when we announced that there were no increases in taxes but when we increased certain fees, charged for services rendered by the province. We have been told that one of the big differences between an NDP government and a Conservative government was that an NDP government

(MR. WEIR cont'd) . . . . . recognized that increased services meant increased taxes, and that they would not only increase the taxes but they would tell the people of Manitoba plainly what they had done, even though that required courage to do.

While it is true that they announced rate increases in income tax for individuals and corporations last year, in this 1970 budget we are told, however, that there is no increase in taxation. There is not one reference, Mr. Speaker, throughout the 82 pages of the Budget Report, to any increases by the NDP government in fees charged for services by the Province of Manitoba. And Mr. Speaker, I do not recall a period since I became a member of the Legislature of such widespread, sudden and unannounced charges for fees for services in our province as those just made in 1970 by the NDP government. For your licence to fish, Mr. Speaker, whether in fresh or polluted water, to enter provincial parks, to camp in campgrounds, to transfer your property or to discharge your mortgage, to sue or to be sued in the courts, the NDP has drastically increased charges, some of them even double, but they make no disclosure and no reference to these changes in the budget. They have done their best to disguise and to camouflage them as mere increases to take care of increased costs. Mr. Speaker, what a difference a year makes.

What, Mr. Speaker, could be more devious than what was done with the provincial equalized assessment of real property and the special levy that is applied to that equalized assessment, to raise the municipal share of the Foundation Program for Education? This is the taxation that they said was so unfair, which they promised to minimize. It is true that they reduced the general mill rate for 1970 to give the people in Manitoba the impression, the impression that the taxes had actually been reduced. They still don't admit that they achieved a decrease in provincial contributions, at the same time increasing the special levy to make up the difference in providing the funds for the payment of the educational bill. There has been no explanation, Mr. Speaker, on how there can be general increases in the equalized assessment for rural municipalities in Manitoba at a time when the market value of agricultural land has been falling, and falling drastically.

In his conclusion to his budget speech, the Minister of Finance has stated one great truth, and I quote: "We know that progress can truly be made only where there is an effective operating partnership in Canada among governments, between governments and the people and their enterprise." While admitting the validity of this fundamental objective of the Conservative Party, Mr. Speaker, which it applied up to last summer to make it possible for Manitoba to grow to beat '70, the NDP government has acted completely contrary to its spirit. In this budget of 1970, there is not one single incentive to further an operating partnership between the government and the people and their enterprises. Although it is acknowledged that the creation of more jobs and better jobs, alone will bring progress to Manitoba, nothing positive is being done toward that end, with one slight exception, that exception being the exemption from gasoline tax used by fishermen and trappers, and there can be little doubt, Mr. Speaker, that there are some fishermen in Manitoba, some of our fishermen that will see the irony of being allowed the use of tax-free gasoline just after they have been forbidden the right to fish on a couple of our major lakes in the Province of Manitoba.

It is at this juncture, Mr. Speaker, that we come up squarely against the fatal weakness of the NDP Party. In that party there is a strong and a militant group of radical reds and unhealthy pinks. I notice we have the red with us but the pink has gone away on matters of government business. In the party, these militant and radical reds, the unhealthy pinks, they range from the Member for Crescentwood who over there has - and I give him credit - is always very friendly, and very positively placed his ideas and his thoughts before this House and before the people of the Province of Manitoba, and the unhealthy pinks that can be represented by, I think, my friend the Minister of Mines and Natural Resources.

MR. RUSSELL DOERN (Elmwood): How about the blues?

MR. WEIR: The radical reds, the blues -- well, I'll leave you to make your comment on that, Mr. Doern. I notice the Member for Elmwood has a tendency to always want somebody else to pay for the use of his hall, and this isn't unusual for members on that side of the House, Mr. Speaker, to try and live off the deserts of somebody else's hard work.

These radical reds, Mr. Speaker, make no secret that they demand nothing less than the nationalization of industry, and they seek business not as a partner but as a victim. Their goals are Crown corporations and government monopolies. It has now been made clear by the events of the last few days that the so-called moderate members of the NDP have opted to

(MR. WEIR Cont'd). . . appease the radical members of their party rather than fight their own members for the good of the people of Manitoba. This pressure of the radical left has forced the premier and the so-called moderate element to take away, to take away through the establishment of a Crown monopoly, the livelihood of thousands of ordinary Manitoba citizens who serve to provide the insurance needs of Manitoba for many years, and to take it away without compensation and without any apparent concern for their fate, Mr. Speaker. The eyes that wept for the residents of South Indian Lake, who were, it is admitted, to experience considerable hardship, but Mr. Speaker, with full compensation and with every effort to ease that burden of hardship, we note today that these eyes are dry, as the government of Manitoba confiscates, essentially appears to confiscate, Mr. Speaker, a large part of the business that provided the income for many Manitobans.

We have not only the expropriation without compensation of the businesses of these little insurance agencies throughout Manitoba; what is worse, we have had the spectacle of the government purporting to hold an enquiry to establish whether or not such a scheme would be brought into effect. The people of Manitoba were assured that the government had not made up its mind, that it would consider the facts and suspend judgment until this was done; comments made by some government members, and in particular the letter that was sent by the chairman of the committee itself, the Minister of Municipal Affairs, and sent, Mr. Speaker, only to the activists, the activists in the Selkirk federal constituency, indicating that this is a key piece of NDP policy; a letter indicating, Mr. Speaker, that he wanted to hold a meeting, and that that meeting would not just discuss the report and not just the organization and the strategy, but Mr. Speaker, the legislation itself, legislation which has been denied, denied to members of this House.—(Interjection)—Mr. Speaker, the Attorney-General says no. I ask the Attorney-General if he has seen that letter and if the letter did not say, if the letter did not say that one of the things that was to be discussed was the legislation itself.

HON. AL MACKLING (Attorney-General) (St. James): No.

MR. WEIR: Well, Mr. Speaker, we'll be very interested in seeing this election pamphlet, very interested to know that long before the legislation was placed on the table of this House, the First Minister of this province had seen the pamphlet and had asked that it only be checked for accuracy. We'll be interested to see, we'll be interested to see whether that pamphlet contains only recommendations to the committee or whether it really reflected the legislation that is contemplated by the government that is sitting over there. We'll be very interested, Mr. Speaker, to see what came first - the chicken or the egg; because we saw, Mr. Speaker, we saw at the last session of the Legislature, Mr. Speaker, as income taxes were increased to the highest level of all of the provinces of Canada. Well, Mr. Speaker, a good example would be that a man with a poultry farm, a man with a poultry farm whose desire it was to increase the average egg production of each hen on his farm, might very well wring the necks of all the pullets, because the result, Mr. Speaker, the result, Mr. Speaker, would be an increase in the average production. But My God, Mr. Speaker, would things be tough in the next year when you had nothing but the old hens and you didn't have any of the pullets coming along, and yes, Mr. Speaker, I thought that I might hear from my friend across the hall, and I was waiting, I was waiting for my friend the Minister of Labour, because one of the other elements that I hesitated to mention is the old rooster, the old rooster, and he brought it up himself. (Interjection) that's one of the elements that used to be used as well.

Well, Mr. Speaker, we've got a copy of the pamphlet now, and now that they're available maybe we'd see that copies are distributed to all members of the House because I would hate to be in a privileged position. I would like to think that, I would like to think that the Member for Rupertsland and the Member for St. Boniface would have the same privilege that I have of learning about it at the same time, and other members of the caucus, and so on. Well, the Member for St. Boniface knows that his future and his position in life is always of great concern to me.

Well, Mr. Speaker, the consideration of this matter over the past number of months and the revelations of the last few days have surely established a credibility gap which can only widen and deepen until the power of the government to form any meaningful partnership of business in Manitoba becomes a practical impossibility. The statements of the First Minister over the past number of months concerning the alleged committee of enquiry, viewed in the light of the statements and actions of he and other members of the government, blows the gap to their credibility, Mr. Speaker, overnight. A credibility gap has been opened between the government and business that will never be closed. It destroys the basis of any real partnership

(MR. WEIR Cont'd) . . . that partnership that is required to provide more and better jobs in Manitoba. When we compare the assurance of sincerity and candor of the NDP government in 1969, when they dedicated themselves to open government and the sympathy and concern they professed for even the least of us, with the deceptions and the cynical disregard of the fundamental rights of ordinary citizens that they show in 1970, Mr. Speaker, what a difference a year makes.

Instead of a rocket to carry the good people of Manitoba to fresh heights of progress, the moment of truth reveals we ended up with nothing but an oversized smoke canister. Part of the smoke that comes out of this canister is the claim that the NDP government is holding up great reforms while studying the best way to shift the tax burden from those who are now paying more taxes in total than ever before. If this claim means anything, one must assume that there are in Manitoba many thousands of people with large incomes who do not pay their fair share of tax, and if we tax them as they should be taxed the tax load of all the ordinary people will be substantially lightened.

I therefore read with interest, Mr. Speaker, the table dealing with the distribution of incomes in Manitoba in the Budget Report. It shows that in the whole of Manitoba there are 3,459 people who have a gross income in excess of \$20,000.00. We know that a taxpayer who has a gross income of \$20,000, with a wife and two children, has to pay about \$6,000 of that to the federal and provincial governments under the existing income tax laws, and that he retains about \$14,000 by way of disposable income. Mr. Speaker, I asked a reputable chartered accountant in the province to do a calculation for me, and the calculation which I received showed that if the Province of Manitoba were to confiscate, were to confiscate, Mr. Speaker, for its own purposes, every dollar, every dollar of disposable income over \$14,000 the total revenue raised would amount to less than \$11 million after the Federal Government takes the share to which it is legally entitled. When we note that the gross expenditure of 1970 for the province amounted to \$448 million, we can that the total confiscation of all disposable incomes over \$14,000 would pay 2 1/2 cents for every dollar spent, or less than an increase of one percent in the revenue tax. This demonstrates the difficulty that any government experiences in attempting to shift the burden of taxation significantly.

I think that the government is aware that the solution to long range problems of taxation in Manitoba is through the extension of our tax base, through the provision of more and better jobs for our people in Manitoba. I hope that the government recognizes that the application of the ability-to-pay principle must be applied to the income of Manitobans without destroying the ability-to-earn incentive. I am concerned that actions of this government, in their attempt to initiate the ability-to-pay process, will badly deter or intimidate that segment of our population who do, who do create more and better jobs.

Manitoba must carefully guard that they do not destroy the incentive of this group with excessive taxation threats. We must compare what the NDP government promised to the people of Manitoba in 1969 and what they have actually done in 1970. We must note, for example, the rise in the unemployment rate of 1.8 percent established in August of 1969, with the unemployment rate of 4.3 percent in the spring of 1970. The University students of Manitoba, the graduates of high school, all the ordinary people of Manitoba who look for a job today, just compare the openings for jobs with the openings for jobs in 1969

When we compare the swift change from the confident prosperity in 1969 with the malaise and the deterioration of 1970, Mr. Speaker, we must note again what a difference a year makes! The brilliant promise of greater achievement, a fair dealing with business, a partnership made by the NDP government, are unreal. In the course of only one year, the sun has disappeared behind the clouds. The fresh vigour of 1969 has been replaced by this blight of malaise. The moment has revealed the NDP government is incapable of providing more and better jobs, and this is the need of the people of Manitoba. There is no other solution for the improvement of their day to day living. Every one of us can consider our own day to day living and those of our family and friends, and can assess for ourselves the truth of what has happened to Manitoba in the last twelve months about the creation of more and better jobs; and whether or not the quality of life of our living or our personal prospects have improved, Mr. Speaker, by that test, we can establish the difference between brave words and empty deeds and draw the necessary conclusions. It has now become clear that the so-called moderates of the NDP are dominated by the radical extremists in their ranks to an extent that they are unable to do what is required for the good of Manitoba or to maintain their own credibility, Mr. Speaker. A credibility gap has already been created between the NDP government and business in Manitoba. It renders any meaningful partnership with business impossible. It is that partnership that even the NDP government

(MR. WEIR Cont'd) . . . acknowledges is the only way to true progress. It is the only way to progress, and the NDP have rendered themselves unfit to lead in that direction. All they can do now is to frustrate and harm our way of life in Manitoba. Their rash threats to create new Crown corporations from everything from drug companies to steel factories provide no substitute but only widen that cap that can't be cured.

The people of Manitoba last June hoped for something better under the leadership of the NDP government. The inability of the NDP government to deliver on their promises is now revealed. The only capacity they have left is to frustrate and to damage the development of our great potential. The sooner they are removed from the ability to harm, the better for the people of Manitoba.

Mr. Speaker, what a difference a year makes, and having arrived at that conclusion, Mr. Speaker, I therefore move, seconded by the Honourable Member for Riel, that the motion be amended by deleting all those words after the word "that" in the first line, and substituting the following: "This House regrets that this government, through its attitude towards people and people's enterprise, has endangered the existence of many permanent jobs, inhibited the creation of new ones, and generally undermined the climate of confidence necessary for continued positive economic development in Manitoba."

MR. SPEAKER presented the motion.

MR. G. JOHNSTON: I beg to move, seconded by the Honourable Member for Assiniboia, that the debate be adjourned.

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

#### MOTIONS FOR PAPERS

MR. SPEAKER: Orders for Return. The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I move, seconded by the Member from Brandon West, that an Order of the House do issue for a Return showing the following information pertaining to Mr. Maurice Pankhurst, 775 Lorette Street, Winnipeg, 9, Manitoba.

1. Did Mr. Pankhurst have a lawyer in court at the time of his conviction for assault before Magistrate L. Mitchell on May 27 and 28, 1969?
2. Was a statement taken from Mrs. Pankhurst who was the only witness, by Mr. Wien?
3. Was action by the police and/or the Attorney-General's office against Mr. John Wilson, who, Mr. Pankhurst alleges:

- a) ran him down with a car.
- b) trespassed on his property after being warned off.
- c) forced entry.
- d) assaulted Mrs. A. Pankhurst.

MR. SPEAKER presented the motion.

MR. MACKLING: Mr. Speaker, I'd like to speak on this matter and so I would suggest, therefore, it be referred to Tuesday's Orders, for Private Members' Day. (Agreed.)

HON. RUSSELL PAULLEY (Minister of Labour (Transcona): Mr. Speaker, would you kindly call second reading on Bill No. 38, standing in the name of the Honourable Member for Lakeside.

MR. SPEAKER: Adjourned debates on second reading. On the proposed motion of the Honourable Minister of Mines and Natural Resources. Bill No. 38. The Honourable Member for Lakeside.

MR. HARRY ENNS (Lakeside): Mr. Speaker, I beg leave to have the matter stand. (Agreed.)

MR. PAULLEY: Bill No. 31, Sir.

MR. SPEAKER: On the proposed motion of the Honourable Minister of Agriculture. Bill No. 31. The Honourable Member for LaVerendrye.

MR. LEONARD A. BARKMAN (LaVerendrye): Mr. Speaker, could I have the indulgence of the House to have this matter stand? (Agreed.)

MR. PAULLEY: Bill No. 42, Sir.

MR. SPEAKER: Adjourned debate on second reading. On the proposed motion of the Honourable Minister of Government Services. Bill No. 42. The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): I wonder, Mr. Speaker, if I may have the indulgence of the House to let this matter stand. (Agreed.)

MR. PAULLEY: I was going to call Bill No. 40, but I note that the Honourable Member for Rhineland is not present. I wonder then, Sir, would you mind calling Bill No. 54.

MR. SPEAKER: On the proposed motion of the Honourable Attorney-General. Bill No. 54. The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I would have to ask the indulgence of the House to have this matter stand also. (Agreed.)

MR. PAULLEY: Would you mind, Sir, then calling Bill No. 16?

MR. SPEAKER: On the proposed motion of the Honourable Minister of Agriculture. Bill No. 16. The Honourable Member for LaVerendrye.

MR. BARKMAN: Mr. Speaker, I have very little to add to what has been said on the bill. I wanted to study it and look at it, and I am satisfied that it's practically or mostly a housekeeping bill, and I see at this time nothing wrong to hold it up.

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

MR. PAULLEY: I wonder now, Sir, would you mind calling Bill No. 57.

MR. SPEAKER: Second Reading. Bill No. 57. The Honourable Minister of Youth and Education.

MR. MILLER presented Bill No. 57, an Act to amend The Public Schools Finance Board Act, for second reading.

MR. SPEAKER presented the motion.

MR. MILLER: Mr. Speaker, there are two parts to the amendment; one deals with giving the Board the required powers, which it now doesn't have, to request from school boards certain reports which they feel they need in order to assess the school divisions budget in order to make an assessment of the financial requirements of the school division, in order to keep proper records. The wording of the present Act does not grant this authority to the Public Schools Finance Board. The amendments hereby would make it possible for the Finance Board to insist on getting this information and if necessary to withhold the grants until such time as this information is forthcoming, so it's really more of a housekeeping amendment.

The second portion of the bill is, however, the more important one. As I mentioned during my estimates, it is the intention of the government to look at the question of the possibility of central purchasing, and that is the bulk purchasing through the Finance Board for certain equipment which we feel if bought, central, bulk purchasing could be done cheaper than the present method. The best example I can come up with is perhaps school buses, which are costly and which we think might, if bought centrally, might be more economical and more efficient if we do it that way, and so this simply empowers the Finance Board to purchase, or arrange for the purchasing of equipment or furnishings or supplies if it deems it advisable to do so. That's the two provisions of this particular bill.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I'll just speak very briefly to this bill so that it can go along its way. As the Minister has indicated, the first part is of advantage to the Public Schools Finance Board but it's also of advantage to certain school boards who have found themselves in difficulty as a result of not having closer liaison with the Public Schools Finance Board, and to a certain extent this puts some onus on the Public Schools Finance Board when these boards do get into trouble, because they will have had the right to ask for examination of their books, and so on, prior to that case, so in general, all I'm saying is I support the legislation.

With regard to the second part, particularly 18 (2), I think this may be of advantage to all concerned because it will in such cases, I think, as temporary buildings, allow the Public Schools Finance Board to move these from one division to the next without any difficulty, whereas I believe in the present case the divisions have to buy the buildings and then when they are no longer usable they are on the books of the division; and they may well sell them to another division but the provision under 18 (2) will allow the buildings to be moved through a central authority and I think this will have a distinctive advantage.

There are some liabilities in section 18 (1), particularly in regard to supplies, that will have to be watched very closely. There may be advantages distinctly in mass buying of school buses. I think as far as possible what should be watched is to make sure that in rural locations particularly, in rural Manitoba, that servicing is a much larger portion of your total costs, or amortized costs than the purchase of the bus itself, and if you go through central purchasing you may well find out that you have a great deal of difficulty getting the proper servicing at the cost you want, whereas if you buy through the local agent, the local dealer, there is an onus of responsibility on that dealer to maintain service at an equitable cost, and you may encounter some difficulties there. I admit and agree that there are distinctive advantages in central

(MR. CRAIK cont'd.). . . . purchasing in some areas, and that you will have to feel these out as you go. With those few comments, Mr. Speaker, basically I support Bill 57.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Mr. Chairman, I have a couple of questions for the Minister of Education. I would first ask the Minister if he could spell out for me what specific reports the Finance Board may require from unitary divisions.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): I move, seconded by the Member from Birtle-Russell, that the debate be adjourned.

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

MR. PAULLEY: Mr. Speaker, if you would kindly call Bill No. 7.

MR. SPEAKER: Second reading. Bill No. 7. The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk) presented Bill No. 7, The Municipal Assessment Act, for second reading.

MR. PAWLEY: This bill will be referred to Municipal Affairs Committee.

MR. SPEAKER presented the motion.

MR. PAWLEY: Mr. Speaker, the Municipal Assessment Act proposed here is simply a re-numbering of the assessment provisions in the old Municipal Act. It was an agreement on the part of the members, an all-party agreement and the members of the previous Municipal Affairs Committee, that we would draw the assessment portions out of the old Municipal Act and deal with them separately, and refer them to Municipal Affairs Committee for study and the hearing of submissions, so that you will find that the wording in this bill before you is the same as the wording in the old Municipal Act, so that we can expect, Mr. Speaker, upon the hearing of submissions and representations by various municipal associations, urban and the union, the various councils, that there may be very well a number of changes made to this bill.

MR. SPEAKER: Are you ready for the question? The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Speaker, I move, seconded by the Honourable Member for Sturgeon Creek, that debate be adjourned.

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

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Agriculture, 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 - and I hope I get paid today.

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

#### COMMITTEE OF SUPPLY

MR. CHAIRMAN: We are concluding the Department of Finance. The Minister of Finance.

MR. CHERNIACK: Mr. Chairman, I don't know if we are concluding it or starting it. I must say that from my recollection there was nothing that was left with me to deal with, and I think we were listening to the Honourable Member for Rhineland - that's my recollection - at the time we ended, so that I want to take advantage only of discussing one minor matter which was raised by the Honourable the Member for River Heights during the question period before Orders of the Day and I thought I should clarify -- there he is; he's just looked in. I missed him. It was on the question of whether or not in the proposed savings bond issue we are going to pass on the underwriters' fee, and I just wanted to point out, and possibly the Honourable Member for River Heights will find this in Hansard if he cares to look for it, that there's a substantial difference between a savings bond and a debenture issue.

The savings bond is a redeemable bond which is not on the bond market. One does not speculate on a savings bond because one purchases it from government and redeems it from government, and therefore there is no element of speculation with a bond as such, and there is no guarantee by the underwriters for the purchase of the issue. In a debenture issue, the underwriters will purchase the issue at a discount, at an agreed upon rate of discount, and then they have to sell it on the market and take their chances on whether or not they succeed, so there is a substantial difference between the normal bond issues that are handled by fiscal agents and guaranteed by underwriters, and the savings bond, and I don't want to leave any impression that

(MR. CHERNIACK cont'd) . . . . may have been left by the questions of the Honourable Member for River Heights, that there is some sort of a cushion which should be made available. The cushion is not there because of the reasons stated, and the bond issue interest rate will be the rate which will be the benefit and the yield which will be received by the Manitoba investors in the bonds.

Other than that, Mr. Speaker, unless someone wishes to participate any further or ask any questions, I have nothing to add at this stage.

MR. BEARD: Mr. Chairman, I won't hold the committee up at all but I was going to ask the question during the Orders of the Day; but I'd be interested whether any of this money in the bond issue is earmarked for northern development or whether the Minister could assess it in that manner.

MR. CHERNIACK: Well Mr. Chairman, the honourable member is aware of the authorities, all of which have been passed, and the purposes for which they were passed. We do not intend to designate any particular amount for any particular purpose, but certainly since the northern areas take a great deal of our attention and concern, there will be benefits, I hope, passed on through the savings bond into our capital program in the north.

I would be specific that roads alone are to some extent financed by capital and this, too, would be connected clearly with the north.

MR. CHAIRMAN: (Resolution 35 was read and passed.) Resotion 36. 2. (a)--passed; (b)--passed. The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman. Provincial Accounting there. I have on previous occasions asked for interim financial statements. The Minister has also replied that he would look into this. Just having had a brief discussion with the Speaker from Alberta, he mentioned that they were providing this kind of service for their members and I thought I would just let him know so that that makes both Alberta and British Columbia providing that kind of a service for their members and maybe this would add a little more to it so that he will provide it for us next time.

MR. CHERNIACK: I envy the Honourable Member for Rhineland's opportunity to visit with the Speaker from Alberta, whom I have met and with whom I have spent some time. I too wanted to speak to him but I wasn't able to leave my chair. Next time I have a chance I'll certainly discuss this with him.

MR. CHAIRMAN: (Resolutions 36, 37 and 38 were read and passed.) Resolution 39, 5. (a)--passed; (b) . . . The Honourable Member for Rhineland.

MR. FROESE: Mr. Chairman, it is normally not the practice to ask that the government spend more for certain services that they can get very economically, and I think we should pay tribute to the many people in this province who are collecting taxes for this government, and at a very low rate of return. The Minister can get up and correct me if I am not right. I'm just wondering whether these people are getting the minimum wage for what they do for the government, because I think we're loading a lot of work on the people in private business in Manitoba. They have to do a lot of paper work for us, and just whether we are giving them a fair return for the amount of work that they're doing. I don't say that we want to spend money unnecessarily, but I think if there's more due to them, I think we should do that.

MR. CHERNIACK: Mr. Chairman, if there's more due to them they ought to get it, but I'm not aware that there's any more due to them than they are getting now.

MR. CHAIRMAN: (Resolutions 39, 40 and 51 were read and passed.) That completes the Department of Finance.

MR. PAULLEY: . . . . going into the Department of Industry and Commerce, Mr. Chairman.

MR. CHAIRMAN: The Department of Industry and Commerce. The Honourable Minister. HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Thank you very much, Mr. Chairman. I'd first like to take the opportunity to briefly review the economic situation in the province and then to proceed to outline the government's policy on economic development, and then, if I may, I'd like to suggest some specific programs and methods which we intend to follow in order to carry out our economic and social objectives.

The year 1969 showed continued economic growth in Manitoba and the province's broad industrial and commercial base provided considerable support in a year which was characterized by sharply reduced demand for wheat and, as a result, for manufactured products supplying the agricultural sector. As members in the House should be aware, manufacturing is Manitoba's largest sector of economic activity. In 1969 our manufacturing shipments valued at \$1,143 million, showed an increase of 4.9 percent over 1968. This compared with an overall Canadian increase of 6.8 percent. In other words, the increase in manufacturing in Manitoba in 1969 over the previous year did not match the increase which was experienced for the nation as a whole.

However, Manitoba was doing better in the second half of 1969 than in the first half of the year. The first six months, that's the period from January to June of 1969, Manitoba's increase in factory shipments over the comparable period of 1968 was 3.4 percent. The Canadian increase in that same period was 8.5 percent. In brief, Manitoba did less than half as well as Canada. In the second half of 1969, the July-December period, however, factory shipments in Manitoba showed an increase of 6.2 percent as against only 5.1 percent for Canada as a whole. In brief, the rate of increase of manufacturing shipments improved substantially in the second half of 1969. We did worse than the Canadian average in the first half of 1969; the second half of 1969 our rate of increase was substantially greater. Figures for the first two months of 1970 indicate that this trend is continuing, with Manitoba showing an increase of 7.1 percent for the January-February period, while Canada as a whole showed a gain of only 2.4 percent.

Unemployment in Manitoba in 1969 averaged only 2.8 percent of the labour force. This was considerably below the Manitoba figure of 3.4 percent for 1968 and well below the 1969 Canadian average unemployment rate of 4.7 percent. Manitoba's unemployment in the first quarter . . .

MR. WEIR: Mr. Chairman, might I interrupt the Minister just for a second and say that I notice that we're going to reduce the membership on the other side to five, and in something that is so important and which I've just been talking about on the Budget, that I'd move the committee adjourn -- the committee rise, to see if we can't get the members back in the House to find out what Industry and Commerce is all about.

MR. CHAIRMAN: The Leader of the Official Opposition is moving that the Chairman leave the Chair.

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

MR. PAULLEY: Call in the members.

MR. CHAIRMAN: Call in the members. Since we were short a full complement of 57 members, there is a motion put by the Leader of the Official Opposition . . .

MR. WEIR: Mr. Chairman, on a matter of privilege, I would like that statement corrected on the record. There were five members on the far side and there were 16 on this side. We weren't short a full complement and I would like the record corrected.

MR. CHAIRMAN: I believe that's what I said. The Honourable Leader of the Official Opposition's right. The motion was put that the Chairman do leave the Chair and I ask all those members in support of the motion to please rise.

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

Yeas, 23; Nays, 27.

MR. CHAIRMAN: I declare the motion lost.

MR. WEIR: Mr. Chairman, if I might before the Minister resumes, I wonder now that we've got some interest back, I wonder if the Minister would care to start over. This is a pretty important department that we're dealing with.

MR. CHAIRMAN: The Honourable House Leader.

MR. PAULLEY: I'm sure, Mr. Chairman, that those of us who were present listened with a great deal of interest to the remarks of the Honourable the Minister of Industry and Commerce and I think, Sir, that it would only be fair to me to point out that a number of my

(MR. PAULLEY cont'd.) . . . . . colleagues, particularly the First Minister and other Ministers, were meeting with the Honourable Mr. Cretien from Ottawa and the House was well aware of that and that accounted for the First Minister and some of the front bench being absent at least. But again, to the point raised by my honourable friend the Leader of the Opposition, I'm sure that he, being one of the faithful, listened with a great deal of interest to the glowing report to this Assembly given in the opening remarks of the Honourable the Minister of Industry and Commerce and I'm sure that he will indicate to the previous Minister of Industry and Commerce that Manitoba is really progressing and going to beat '70 under a New Democratic Government.

MR. CHAIRMAN: Just before we engage in a full scale debate, I might mention that the Minister of Industry and Commerce is making his remarks, so I might point that out to the members and to the Member for River Heights.

MR. SPIVAK: Well, further to the request of the Honourable Leader of the Opposition, and notwithstanding the remarks of the Honourable Minister of Government Services, because of the din that was raised on the other side as people were moving, I would appreciate it and I think many members on this side would appreciate it if the Honourable Minister would in fact commence his address again. It's extremely important - I know that this is an unusual procedure -- (Interjection) -- Yes, I know I'll read it in Hansard. It's an unusual procedure and you have the power to continue; you also have the power to proceed with it in the way that's been requested, and although it's an unusual procedure I would appreciate it if there would be consideration given to commencing the address again.

MR. CHERNIACK: Mr. Chairman, may I ask the Honourable Member for River Heights if he would like me to repeat the special remarks I made in his interest in answer to a matter he raised while I was dealing with the estimates, and if he'd like me to repeat that because he was away, I'd be glad to do so.

MR. CHAIRMAN: We should hear from the Minister himself. The Honourable Minister of Industry and Commerce.

MR. PAULLEY: I would just like to make one remark - when the rabble has ceased - I would like to just make one remark in answer to my honourable friend the former Minister of Industry and Commerce. Had he have been here at the opening remarks of the Minister of Industry and Commerce it would not have been necessary for him to have to refer to Hansard.

MR. SPIVAK: On a point of privilege, Mr. Chairman, I was present when the Honourable Minister commenced his address.

MR. PAULLEY: My honourable friend did not come into this House until after the Minister of Industry and Commerce had uttered a few sentences on introduction to his estimates.

MR. SPIVAK: On a point of privilege, Mr. Chairman, as usual the Minister of Government Services is incorrect in his statement. He's wrong. I was here when the Minister commenced his address.

MR. CHAIRMAN: May we proceed.

MR. PAULLEY: You may have been here in body and that I would agree, but his ears were shut.

MR. LAURENT L. DESJARDINS (St. Boniface): . . . half an hour we've lost.

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

MR. EVANS: Thank you very much. -- (Interjection) -- I'll proceed to page 33.

What I was saying was that in way of introduction to the second part of my address, was that although the rate of manufacturing activity compared with the Canadian rate of manufacturing activity increased, it was rather poor in the first half of '69, that this situation had improved considerably in the second half of 1969, and furthermore, that in the last two months, January and February of this year, there was an increase of 7.1 percent in manufacturing output compared with only 2.4 percent for Canada as a whole, and that kind of figure I don't mind repeating.

I was going on, when the vote was called, to discuss the unemployment situation in the province. The unemployment rate in 1969 averaged approximately 2.8 percent of the labour force. This was considerably below the Manitoba figure of 3.4 percent for 1968 and well below the Canadian average rate of 4.7 in 1969. Manitoba's unemployment in the first quarter of 1970, however, averaged 4.5 percent, slightly above the 4.4 percent for the same period of 1969. On the other hand, in the same quarter, Canada's unemployment rate increased

(MR. EVANS cont'd.) . . . . significantly from 5.9 percent in the first quarter of 1969 to 6.4 percent in 1970. In brief, what I am saying to the House is that our unemployment rate is up fractionally; however, the Canadian unemployment rate is up at least one-half of one percent, and I would take the opportunity to point out that to a large extent I would blame the Federal Government's anti-inflation policy. In its attempt to fight inflation I'm afraid it has caused unemployment to increase vastly across the nation. It's a very blunderbuss approach, I'm afraid, that the Federal Government has taken. I'd like to quote the National Leader of the NDP, Tommy Douglas, in his reference to the economic policies of the national government. "It has gone on like a hippopotamus trampling through a field of tulips and persisting in its program regardless of the results."

In 1969 Manitoba wages and salaries increased by 7.1 percent which was virtually the same as the increase for all of Canada; the Canadian increase was 7.2 percent. Advance information published by DBS for the first two months of 1970 shows the national average rising at 8 percent versus the provincial rate of 7.4 percent, but I would say it's dangerous to draw too many conclusions from this preliminary data. As we all know, 1969 was afflicted by rapidly rising prices, although this problem of price inflation was also quite acute both in 1967 and 1968. The Consumer Price Index for Canada as a whole rose 4.5 percent in 1969, with the rise somewhat less in Winnipeg at 4.2 percent. Please note I refer to Winnipeg because the DBS does not compile an index for the entire province but only for the Metro Winnipeg area.

In the first quarter of 1970, prices were rising at a rate of 4.7 percent in both Canada and Manitoba as against the first quarter of 1969. The Dominion Bureau of Statistics figures showed 63 new manufacturing establishments locating in Manitoba last year as against 59 new establishments locating here in 1968. While it is true that many of these new establishments were small, as indeed has always been the case - I think the bulk of Manitoba industry is comprised of small to medium sized firms - nevertheless, statistics show that Manitoba continues to attract new industries. Several large enterprises announced plans to locate in Manitoba last year including Reichhold Chemicals of Canada, Medicine Hat Brick and Tile Company, Union Carbide, Liquid Carbonic, and in the last few weeks of last year, Boeing Company of Canada. And I'm pleased to inform the House that Tartan Breweries today announced that it was setting up a brewery in the Catelli Plant at Transcona. I think these developments represent a new dimension in Manitoba's industrial potential and do demonstrate the advantages of Manitoba as a location for a diverse range of investment in manufacturing.

Investment expenditures in Manitoba soared to an all-time high of \$1,141 million in 1969, representing an increase of 8.5 percent over the previous year compared to the Canadian increase of 6.3 percent. Preliminary figures show intentions for 1970 to be approximately \$1,087,000 which would still account for about 4.7 percent of the total Canadian investment intentions, and I think this is in line with our share of the Canadian population total.

In the residential construction industry, Manitoba enjoyed an increase of over 80 percent in dwelling unit starts from the previous year. Dwelling starts for all areas however in the first quarter of 1970 were down by 25 percent from the year before, but Canada showed an even larger decrease of nearly 40 percent. And what we're observing here of course is a business cycle in the residential construction industry.

Indicative of the strength of the Manitoba economy was the growth in retail sales which took place last year in spite of lower farm cash receipts. Total retail sales showed a 5.1 percent increase in 1969 and therefore just topped the 1.2 billion mark. Figures available for the first two months of 1970 show an increase of 6 percent over the same period in 1969.

I would like to make a comment about average income per person - per capita. On the latest available DBS figures, per capita income for Manitoba is virtually equal to the Canadian average. I believe this was one of the key goals of the TED report, that is that the income of the average Manitoban should be at least equal to the income of the average Canadian. Average personal income per head in Manitoba in 1968 was \$2,654 against a figure of \$2,660 for Canada. Allowing for the rise in the cost of living between '66 and 1968, \$2,654 in 1968 was worth about \$2,460 in terms of 1966 prices. Inasmuch as the TED Commission had set \$2,329 as the target for Manitoba personal income per head in 1970, I believe we have, and there is no doubt, that we have substantially out-performed the TED projection. I'll repeat. The TED projection was \$2,329 and we have achieved a figure of \$2,460 per person, and I'm sure we can all be happy about this economic progress. I think this is one of the prime measures - the income per

(MR. EVANS cont'd.) . . . . . person is one of the prime measures, not the only prime measure of the economic standard of living of the people of Manitoba.

Now I would like to make a number of general policy observations and amplification of statements I've made earlier in the House and in speeches around the countryside. I think that it is no secret that the general policy of this government in regards to economic development rests upon one inalienable premise, which is that the primary concern should be given to the welfare of the people of Manitoba. It is in light of this that the process of economic development must be recognized as having multi-dimensional aspects. Economic development cannot be considered simply in isolation. The purpose of economic development is not, and should not be simply to increase per capita income, as much as that is desirable in itself, or that we should grow at some arbitrary rate. Rather, the purpose of growth and development should be directed towards the realization that in Manitoba we still have more residual poverty, more domestic drudgery perhaps, a more restricted life for the average working consumer, less leisure, and perhaps a less sense of social equality than is tolerable or indeed is desirable. To the extent that economic growth and development contributes to the alleviation of these problems, it is most certainly a desired and laudable aim.

We must recognize that economic and population growth cannot be separated from their social and economic costs. Part of the multi-dimensional aspect mentioned previously is to recognize that the external costs of economic development must be assessed. Surely no one, surely no one in this House and no one in the Province of Manitoba will disagree that pollution, that congestion in urban areas and related problems are a cost. Even though they are an external cost, they are nevertheless a cost of economic development and economic growth. To realize this is to realize that economic development must be an integral part of community development. Economic factors cannot be separated from social and cultural factors.

The need for finding a compatibility between these factors has been voiced by many famous people, and with the permission, particularly with the permission of the members of the official opposition, I would like to quote the Premier, the present Premier of Ontario, the Honourable John Robarts, who stated in the Toronto Telegram, as he's quoted on March 17th of 1970, "The deterioration of our environment is a major warning signal of the need for balanced restraint and moderation in our pursuit of economic objectives. Many of our young people are prepared to reject the economic consideration in the pursuit of their idea of a good life. Their idealism is excellent; they are helping us find a more balanced approach to our problems."

I may also refer to the Honourable Otto Lang, a current minister of the Federal Government as quoted in Wildlife Crusades Magazine, September of 1969, and I quote: "Today our western society worships the false God of continued economic growth, also known as the God of greed. Upon his altar we seem to be willing to sacrifice our all - clean air, pure water, good health, peace of mind and the well-being of our children."

Another quote from another thinker. Baird Webster of the New York Times is quoted in April 1, 1970 in our local Winnipeg Tribune: "The shoreline of the United States has been so built up, industrialized and polluted during the last decade, that there are relatively few beaches left for the family in search of a free solitary hour by the sea."

And the last quotation, Mr. A. T. Davidson, Deputy Minister of Mines, Energy and Resources for the Federal Government, in an address to the Canadian Commission for UNESCO on May 6th of this year states: "We have happily assumed that a substantial increase in gross national product meant a good increase in the standard of living and quality of life. Is this true? Is our vision narrowed by the blindness of our culture? Such questions may seem radical but they should be asked and pondered."

Well, it is this balanced approach which calls for selective growth, taking specific directions under appropriate conditions. And I know my honourable friends on the other side are going to say, well just how? Well it's not easy, but I am setting out the ideal. The ideal type of industry which we hope to encourage and attract is one which offers good growth potential, offers reasonably high wage rates, has a reasonably high labour-capital ratio and minimizes its external costs. There is obviously a need for increasing the industrial base of Manitoba. Hopefully, this can be done in ways which bring maximum benefits.

One part of policy is an active program of research into identifying the needs and priorities which face us. To a certain extent this is a reversal of traditional development policy which invariably seeks to attract industry and then molds the population and economy to suit it.

(MR. EVANS cont'd.) . . . . . The change here consists of ascertaining needs and skills and then actively seeking remedies which suit the particular situation, whether they be in the form of appropriate industrial and commercial activity or retraining or what have you.

I think that we should recognize also that we are living in what has been described by economists, by social scientists generally as a mixed economy. The Canadian economy is a mixed economy as is the United States economy, as are most economies of the Western world, where there is a role for private enterprise, where there is a role for private investment for private entrepreneurs, for private decision-making, but there is also a role for government enterprise, for government entrepreneurship. This is true in the United States; this is true in Britain; it's true in France; it's true in Canada. This is a role for co-operative enterprise and indeed there is a role for joint ventures between private enterprise and government enterprise.

And I would submit, Sir, Mr. Chairman, that this mixed economy is a type of economy that has existed in Canadian history for many a year, indeed probably before Confederation, and I will give the Conservative Party, the national Conservative Party credit for its historic nation building role from Sir John A. Macdonald on, the formulation of the national economic policy where government played a crucial role. As we all realize, railway building, land policy formulation, immigration policy, these were decisions formulated by government, taken by government, implemented by government - tariff structure, tariff manipulation, the payment of subsidies and so on. So there's no doubt that government has played a role in economic life. Indeed, the existence of the Department of Industry and Commerce itself symbolizes a role that government does play in the economic life of the province. In fact if there was completely laissez faire, government should leave its hand off entirely, in every way, shape or form, but this is not the case, it has not been the case and will not continue to be the case.

So I'm suggesting that we do live in a mixed economy and, if anything, there's probably a world trend towards and a national trend towards more government involvement in our economic life as technology becomes more complicated, as society becomes more complicated, and as the public themselves make further demands on the government sector. And I say we welcome private investment; private investment will continue to play an important role in the development of the Manitoba economy. I will add, however, that in recent years some of the large amounts of investment that have taken place have been via the public agency, namely the Manitoba Development Fund, assisted by federal government cash grants, but nevertheless there is a role for private enterprise to play and I welcome private enterprise to join with us in developing the economy of the Province of Manitoba.

Well the 1970's, with the shortages of capital and with federal constraints to curb inflation, promise to be challenging to any type of development program that any government chooses to formulate. This is the reason we have to put even more effort into the creation of jobs and the creation of employment in Manitoba. Not jobs at any cost, not growth for growth's sake, but growth to create the right kind of higher paying jobs, and we need to ensure continuing opportunities for the people coming onto our labour force. And there is no doubt about that, there is no dispute about this.

The primary sector, while growing more productive each year, is on balance not the key source of added jobs. We have had significant increases in the number of jobs in the mining industry and this is a vital stimulus to our economy, but these alone have not been sufficient to compensate for the decline in the number of jobs in agriculture and other primary sectors. Manufacturing, however, has provided enough jobs to compensate for the reduction of jobs in the primary sector, and if you would bear with me, I'd like to illustrate. Despite growth in mining the primary sector, through rationalization, has experienced a net decline of some 7,000 jobs in the past decade. At the same time, manufacturing employment has increased by over 10,000 jobs. Obviously, more needs to be done. While good progress has been made in increasing manufacturing employment, it is not yet growing at the pace needed to accommodate both the decline in employment in the primary sector and the rise in labour force generated by natural population increase.

There has been net outward migration from this province, which has existed for many years, and I think this has been the result, which you could argue is quite expensive for the province, but I would add that outward migration is a trend common to most provinces in Canada, and for Manitoba it has tended to be a type of safety valve to help balance labour force to jobs; in effect it has tended to reduce the rate of unemployment. And this has been going on for many a year. This is why we have enjoyed relatively low unemployment in Manitoba, at

(MR. EVANS cont'd.) . . . . . least in my opinion, even in these difficult times nationally. I think in the long run our efforts must be bent to try and reduce some of this outward migration, and I think this is best accomplished by encouraging the creation of more higher paying jobs and by improving the quality of life in our province. Because of the increasing significance of the manufacturing sector, this is a key area in Manitoba on which to focus programs to make it possible for more jobs to be created and for higher wages to be paid, and I believe this has to be the primary objective of the Department of Industry and Commerce.

There is a number of specific programs which the department is attempting to carry out. I might make brief reference to these in a general sort of way. Firstly, the improvement in production efficiency. This implies trying to increase the output achieved from given inputs of labour and capital and embraces advice, technical assistance, and incentives to specific firms to improve processes, to improve research, design, management effectiveness and manpower utilization. I think this is particularly true in view of the fact that we do have a large percentage of small to medium sized firms in the province. I think 80 to 85 percent of the firms in the Province of Manitoba fall in this category.

Another program area is market development with emphasis on exports. This implies assistance to firms in their sales and marketing efforts to other provinces, the United States and other countries. Seminars are held to inform companies of export opportunities and the procedures needed to take advantage of them. Complete export shipping service is available to new exporters and the department assists firms with missions, exhibits and buyer's visits. An example is the recent farm equipment caravan to assist Manitoba manufacturers of agricultural implements to develop sales in the mid-western United States.

Another program area is the identification of new opportunities for production. This is one of the major tasks of the department, using both staff and outside consultants. The department seeks feasible new opportunities for production for Manitoba and for other investors. This embraces broad economic and business research, feasibility studies on specific opportunities, examination of technical literature and the pursuit of opportunities to manufacture under licence, as well as the information on new products which manufacturers can add to their existing lines.

Another program area is the development of new opportunities for production. I believe bringing investment opportunities to the business community is often not enough, we must be and are concerned with generating actual results. Technical and marketing information therefore is provided, location cost comparison studies are carried out and data on transportation is analyzed. The department works closely with the Federal Government in respect of industrial and product development opportunities and manpower training schemes.

A fifth program area is the distribution of production activity. Regional developments through new manufacturing opportunities throughout the province is obviously an important objective. We must be concerned about balanced economic growth. Many of the jobs that have become redundant in the province in the primary sector are in Manitoba's rural areas. While it is not anticipated that the rural urban population shift will be stemmed, nevertheless the well-being of the province dictates that we should, whenever feasible, seek balanced economic development throughout the regions of the province to provide employment opportunities for people near where they now live. The program of support for regional development corporations, which now number seven - recently the Interlake and the Nor-Man Regional Development Corporations have been incorporated - and now we cover virtually all of the province outside of Metropolitan Winnipeg and these are directed specifically to this end.

Well, Mr. Chairman, I could go on and discuss many other programs and in more detail. I will however close by making some brief reference to some additional programs and methods. We're making a deliberate attempt to use the services of successful businessmen, some who are near retirement or who have retired, who are prepared to devote some of their time and some of their energies to stimulate the economic growth in the Province of Manitoba. We have already made some progress in this respect.

I mentioned earlier, but I would like to reiterate that we intend to place more emphasis on economic research in the department to help navigate, if I may use that expression, the best course of economic development, and there are monies provided as you will note in the estimates for this. For example, an investigation of the problem of enlarging capital supply; or a look at some of the problems raised in the Legislative Committee on Economic Development; Mr. Froese is concerned - oh, I'm sorry, the Member from Rhineland was concerned

(MR. EVANS cont'd.) . . . . . about a provincial bank; a study of industries which have the greatest multiplier effect; or to examine those industries which are most labour intensive or which have varying effects on the distribution of income in the province; or research that would examine methods to more effectively stimulate imports out of the province; and in general to do, if I may use the expression, a cost-benefit study of the effectiveness of the department's programs.

Later on this year we hope to hold a conference on strategy for economic development where we will attempt to bring some of the best brains in the science of regional economics to Manitoba to discuss with everyone in the province that's interested - businessmen, government officials, consultants and so on - the problems confronting the economic development of Manitoba, but more still, better still the techniques, the strategies of development that should be pursued.

We intend to make full use of the Economic Development Advisory Board which was set up and established in the last session. The board, made up of citizen members, will help to monitor the reaction of the public and to provide suggestions with respect to economic development. The Committee on Economic Development - I hope that, I sincerely hope that we will be able to use the abilities of every member of that committee to obtain ideas and advice on economic development and I hope it does not just become a negative instrument or an instrument of mere criticism. While criticism is always necessary, I hope that it can be positive as well.

And there'll be various other studies carried on within the department, various other special studies. The revitalization of the Manitoba Development Fund will occur. However, there will be a bill being presented to you, as indicated in the Throne Speech, on this matter and we can discuss it in more detail at that time, but we do hope to make the Fund, the Manitoba Development Fund, into a more effective tool for economic development and we would like to place a lot of emphasis, a lot more emphasis on the existing small and medium sized firms within the province.

Well, as I said, Mr. Chairman, I have several pages outlining detailed changes and additions to our program which I could elaborate on, but I am a little apprehensive of taking the time of the House at this point. Perhaps later on in our discussion we can go into these.

However, I can assure honourable members that I am pleased to report that I have a very excellent group of highly qualified people in the Department of Industry and Commerce and I would like to take this opportunity to thank them for the services that they are rendering to the people of Manitoba.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, I rise in this first portion of the debate in connection with Industry and Commerce. I would suspect that there will be other occasions in which I am going to be able to deal with this in some detail, particularly when we review the items contained in the estimates, but there are a couple of observations that I would like to make initially. First, we've been treated by the Honourable Minister to a lecture that would normally be presented to a first year class in economics at the university. -- (Interjection) -- It's not above my head, it's been repeated so many times in this House that it would appear redundant to repeat it again.

You know, Mr. Chairman, I listened with great interest and I did not feel impelled to criticize the Minister during his presentation, and I would hope that the honourable members who appear to be just a little bit sensitive in this area, just a little bit sensitive, will allow me the opportunity to be able to make my few remarks. You are going to have an opportunity of entering this debate in this House and you're going to have a great opportunity to go throughout this province on the hustings and to be able to tell them exactly how great an economic development plan you produced just a few moments ago, and how great an economic development plan you are now conducting in the province.

Mr. Chairman, I must say as well that the interesting thing to me is the fact that not very much has changed in terms of the specific way in which the presentation has been made and not really much has changed in terms of the operation of the department. I note with interest, and I think he should be welcomed, the new Deputy Minister of Industry and Commerce who is up in the gallery, and I note as well that with him are the associates whom I worked with and whom I have great respect for and who are performing the same functions for the present Minister that they performed for myself, and I note with enthusiasm as I listened to

(MR. SPIVAK con t'd.) . . . . . the various component parts of the Minister's speech, the various phrases, the various phrases that the department for years has tried to impress on the people of Manitoba and on this House, and albeit unsuccessfully on the part of the government when they were in opposition, in connection with economic development.

I must say, and I think many of you are aware, and certainly the lawyers will be aware of the classic example -- (Interjection) -- No, I'll answer any questions at the end. I must assure the Honourable Minister, I have no copy of my speech, nothing is being distributed. -- (Interjection) -- Yes, maybe the Minister of Industry and Commerce's secretary, he may be distributing his speech. I'm not distributing my speech, and I would say to the First Minister, if you turn around I'm sure the Minister of Industry and Commerce will give you a copy of his speech.

The lawyers present here are aware of the classic example that was used in the field of torts where Harvard University, Harvard Law School, had a study made whereby various witnesses saw an accident, and when they saw the accident they then asked the witnesses for their opinion of the same set of facts, and lo and behold there was no unanimity on the part of the people who were the witnesses as to what the actual facts really were. There were interpretations and in fact the distortions in the opinions, the distortions in the opinions were so great that one wondered whether in fact the people who were watching as witnesses really could have observed the same set of facts. This is a classic -- (Interjection) -- Mr. Chairman, to the Honourable Attorney-General and to the others, as I say, I suspect a certain sensitivity on the part of the others on the opposite side, and I would ask that they allow me the freedom, I would ask that they allow me the freedom to be able to express my views, how distasteful they may be to them, just to in fact give me the opportunity at this point - and there will be other occasions - to make just a few observations, but very few observations on what the Minister has said.

MR. CHAIRMAN: I would ask the honourable members not to harrass the speaker.

MR. SPIVAK: Now in this Harvard example, as I indicated, what took place was the witnesses observed certain facts and came out with different conclusions, and in the field of tort this became a very important thing and we know that obviously there can be differences in judgment. Now I've heard the Minister stand up and make a presentation on a set of facts in which he tries to draw a different conclusion than the conclusion that had been drawn by myself when I was in capacity of the Minister for the past few years, and I suggest to him that it does not wash. I suggest as well that the conclusion to be drawn is the same conclusion that was drawn by myself and by the members of the department last year and the previous year, and that in fact there is great progress taking place in Manitoba, that there is a . . . developing in our economy, that notwithstanding the fact that he would like to be able to separate himself from it because he does not want to be in a position - God forbid he should be in that position - of basically saying the same things as the previous Minister said and of carrying out the same programs. There are a few members who would be very upset because the language would appear to be the same and they don't want it to be the same.

But the truth of the matter is this, that the statistical information which he interprets one way can be interpreted by me and interpreted by other members in this House to a logical conclusion. 1969 was a good year, '69 reached in some respects the targets on the TED report, and now I simply say to the Minister, let's try and reach those targets in '70, '71 and '72. And in this area when we talk about trying to reach the targets for our people to achieve the goals that he has himself referred to, I suggest to you that that will take a tremendous effort - I've already referred to it as a Herculean effort - and it will not take place by people sitting back and idly trying to determine philosophically what kind of direction we should be going and not going out and doing the basic work that must in fact be done in the field and outside of Manitoba to be able to attract investment in here, to be able to assist in the expansion of existing industries and to create sufficient development in all the parts of the province so that there is balanced regional economic development in this province.

Unless this effort is put forward, and I suggest to the Honourable Minister that in his presentation today he does not indicate at all that this effort will be put forth, because all the statistical information and the companies that have been mentioned, surely he knows and we know that the basic work was commenced by the previous administration, that there was an extension of this work and carried out in the same way by the present government which led successfully to the conclusion of these various transactions and the companies announced, and

(MR. SPIVAK cont'd.) . . . . . when mention was made of the fact that Mr. G. . . is now coming into Manitoba, may I suggest to the Honourable Minister that this is very good. I'm very happy, I'm finally happy that he made up his mind to come to Manitoba, but I do . . .

MR. PAULLEY: Under the new government.

MR. SPIVAK: Under the new government and I suggest to you . . .

MR. PAULLEY: And in Transcona.

MR. SPIVAK: I suggest to you - and in Transcona, particularly in Transcona - but I want to tell the Minister of Government Services, it's unfortunate the 42 people who have lost their job at Catelli's are now going around trying to get the jobs that they lost, or another job, and are finding it extremely difficult, and in fact have contacted members on this side to see what we can do to get the government to help them get their jobs. I suggest to the Minister of Industry and Commerce that possibly this is one area that he should address himself to and one area that does not require this abstract view of life, but rather the concrete, specific problem that's in front of him of trying to assist people who in fact are unemployed as a result of a company decision to close here and expand in Alberta.

Now, I must say that I see a different situation, and I'm going to try and deal if I may, as the Minister dealt, with the various items and make comment on it and then try and see if I can put this into some kind of perspective at the end. The Minister in his opening remarks referred to the reduced sale of wheat - and I think he referred to it as the sharply reduced sale of wheat - and he referred to the effect it had on the manufacturers to sell this market as a result of the reduced sale. And that's correct. We are an agricultural economy and there's no doubt that the problems in the farm and agricultural areas have a tremendous reference to our ability to manufacture for our own needs, because essentially our manufacturers are first supplying our own parochial regional market and then in turn the regional market of western Canada, and in turn the Canadian market and some successfully the American market, particularly the mid-western part of the United States.

He sort of made a great to-do about the fact - and we have to make a conclusion here that there is some great significance to what he tried to say - that the first six months in 1969 showed different information than the last six months, and one would conclude that the Minister has come up with a tremendous discovery that the last six months of the NDP government, albeit industries that were announced in that past six months, all of whom were commenced by the previous government, the last six months have somehow or other created a great boon to the manufacturing area and as a result statistical information supports that there is something happening here which would indicate that credit is to be given to them. But the truth of the matter is this, that we are an agricultural community - and I'm going to go back to what the First Minister said - and we know that in terms of the agricultural manufacturing sector that the purchases do not take place until the last six months, and anyone here - and unfortunately the Minister does not have too many on that side who understand the agriculture community - will tell you -- (Interjection) -- Yes, I'm saying this. Anyone here will tell you -- well, anyone here will tell you the truth of the matter is that the agricultural community and their patterns of habit are to purchase their goods during harvest when there is in fact a cash flow, and that in fact the best evidence of my conclusion is the fact that the government was prepared to loan Versatile Manufacturing \$6 million and that in the letter of intent there was an undertaking by Versatile - and this was in the letter of intent that was filed with us - of the fact that the agricultural situation was going to change, in fact there would be a cash flow and the consignment stocks that they now have in hand throughout all the distributors in Manitoba, western Canada and the United States would be capable of being purchased because the pattern and the cycle of the agricultural community purchasing in the fall would normally follow as it has in the past.

Now that's the conclusion you have to draw from what happened with Versatile, and I'm suggesting to you that what the Minister should have said - and this is where we interpret our factors - is that in fact agricultural is a factor, the cash position of the farmer is a factor. It has affected our manufacturing and in turn the cycle has followed the traditional pattern where the first six months have not in fact been as high as the last six months in the past little while, and further, that we are fortunate that the thrust that occurred in the last few years of many of the manufacturers directing their attention to both the national and continental markets by in fact selling in the United States, are having its impact, and so as a result we have been able to maintain the growth in our manufacturing significant enough to be able to withstand the

(MR. SPIVAK cont'd.) . . . . basic trends that have occurred throughout the western Canada -- (Interjection) -- Now, I wish the Minister of Government Services, who knows absolutely nothing in this field, would allow me to continue.

Now, I must say -- and I hate to use this because - I hate to use this remark but at the same time, in view of the statements that have been made by the Leader of the Opposition referring to the Member for Crescentwood, and in view of the statements made by the Member for Elmwood to me of the "Red Tory" let me -- and in view of the pollution that occurs in the mercury situation for the fish, there's a red herring in this little speech that was presented by the Honourable Minister of Industry and Commerce, and that's to bring in the federal situation and to sort of now, sort of pin the responsibility on Prime Minister Trudeau, whom everyone would like to blame, for the economic conditions in Canada, and everyone - except possibly the few here on the left of me - who would like to blame as the person responsible as a result of his anti-inflationary policy or as a result of the unemployment that exists.

Now, I would say to the Honourable Minister of Industry and Commerce that I agree with him that when he says, and I'm quoting him, "It is dangerous to draw too many conclusions from this data," but he has, and the conclusions he's drawing, the conclusions he's drawing are not necessarily the conclusions that I draw which, as I have indicated to you, is to in fact suggest to the Honourable Minister that 1969 was a good year, that the program which he would like to dissociate himself with, produced results; that if he in fact tried to vary it or relaxes in his efforts in carrying out those programs - and I address this not only to the Minister of Industry and Commerce but to the individuals who are going to carry out that policy, who sit in the gallery - that if in fact he tries, and tries to relax on his responsibilities, the danger will be that when we in fact appear here and discuss these estimates on the next occasion, we will not have the kind of results that will indicate that we are able to maintain the momentum that we now have.

We have 53 manufacturers established, and there were a number of large industries and, as I indicated, they were in fact at least commenced - and the government has to be given credit for its conclusion; no one is questioning that. They were in fact commenced and I know how difficult it is, and while the Minister of Industry and Commerce was not the Minister then, and the First Minister was at the time of the conclusion of the Boeing situation, I know how difficult it was to be able to get the incentive grants, to be able to work out the basic cash and credit that had to be given to Boeing to get them here, because they wouldn't have been here if the Federal Government hadn't kicked through and if Mr. Richardson and all the others had not worked as diligently as they had - and there's got to be credit given to them - along with the First Minister and the members of the department, it wouldn't have happened. And unless you're going to be prepared, unless you're going to be prepared to be able to do the same thing, and work as hard . . .

MR. MACKLING: Would the honourable member yield to a question?

MR. SPIVAK: No, I will not.

MR. MACKLING: Oh, you don't want to be edified.

MR. SPIVAK: The Honourable Attorney-General can ask me any questions and I'll accept them as soon as I conclude. And if I finish at 5:30, we're going to be debating this for several hours yet, and I'll certainly permit him . . .

MR. MACKLING: I just wanted to give you some information . . .

MR. SPIVAK: I'm suggesting -- you're going to tell me about the contribution of the City of St. James. I'm aware of the contribution of the St. James, and full credit should be given to them, but I must tell you, if I was giving credit in this, I would give credit to Mr. Richardson because I happen to know a little bit of what he did. I'm giving him credit, but I'm suggesting that in this particular situation with Boeing coming in and, you know, the significance of that plant to us, because it happens to be a high wage plant and it augurs well for Manitoba, it gives us greater opportunity and potentially, potentially it could mean that many more things that Boeing are involved in could happen here, but the effort that was put forth is the kind of effort that must be given now, and I would hope - because there is certainly no evidence yet - that there are a lot of major industries of the magnitude of Boeing that are now almost within our grasp, and if the members of the department are working diligently and if the Minister is going to be prepared and the government is going to be prepared to be flexible, to do everything they can to have in fact these industries developed and occur here, because if they do not, if they do not, we are not going to have the job formation that has to take place in Manitoba.

(MR. SPTIVAK cont'd.)

Now I was very happy to find that the Minister referred to the TED Report and pointed out that once again it would appear that the per capita income is equalling the Canadian average. Now this occurred in the past year and we've been able to maintain it. TED indicated that we must have a per capita income equal to the average of Canada by 1980, but it also indicated that the road to achieve that was a . . . road, that the gap would be greater in the years to come, particularly in the period after '75, and it further indicated that in order to achieve this you had to have a growth of population and that there is a definite inter-relationship between population growth and the ability of the province to be able to reach the per capita income required by 1980. But at the same time, I only hope that the Minister - and he didn't do it in this first presentation but there'll be other occasions in the estimates debate - I hope he's going to be able to stand up and say, "I accept, as I do take credit or at least would be heartened by the per capita income projections of TED in our position, that I am quite happy to accept the TED recommendations for the number of jobs that have to be formed in Manitoba this year and next year and the year after, which is approximately 33,000, and I would hope as well that we would have the policy observation that would come from the Minister that will tell us in very specific terms how the jobs will in fact be created."

Now the Minister in his speeches outside the House and in the two debates we've had here, indicated that we must be concerned and must weigh a cost benefit in connection with industrial development, and I believe that this is the case. He says, "We cannot have jobs at any cost; we cannot have growth for growth's sake," and I would ask him, and I'm not going to let him go on this subject so whether he answers it now or whether he answers it on the estimates or whether he answers it in the House or whether he answers it on the hustings -- he has just stood up; he has given us specific statistics which are very good statistics for Manitoba; now I want him to name the jobs that at any cost that have developed in the last year, and I want him to tell us the growth that occurred in the past year which was "growth for growth's sake," and I want him to specifically identify the industries and the job formation that he feels fall into that category, because if he cannot, then I suggest his words have a hollow ring because his words are the words of a politician and not of an academic who is prepared to stand up and prove his case.

Now, if he has an answer I want him to indicate the government involvement in those areas which created jobs at any cost, which he likes to refer as true growth or I want him to indicate in a specific way what he thinks has been growth for growth's sake, and I want him to spell it out and say it for this House and for the people of Manitoba.

I want him, as well, to stand up in this House and not to talk in general terms but in specifics, and to tell us the ideal industry which he expects to attract, because inherent in what he says when he talks about the ideal industry which he expects to attract, is the fact that there may very well have been industry attracted which he would not want to attract, and we must have this identified, otherwise we don't know what we're fighting except the kind of debate that occurs in classrooms and by people themselves, people who have no understanding of the reality of industrial development in this province.

Now no one at this stage in this House would disagree with the Honourable Minister's remarks about a mixed economy. We live in a mixed economy. No one will I think, question his reference to the national economic policy of Sir John A. Macdonald, or the fact that there has been developed a history in economic development which has brought us to this moment in Manitoba and in Canada. Now, he now talks, and we should concern ourselves, about the areas of pollution; he talks about congestion; he talks about community development; and he talks about transportation. Well, I say to him, these are areas we must be concerned with, but I've seen no evidence in anything he's said, in the estimates that are presented before us, in the remarks that have been made by other speakers, that they in fact are dealing with these problems, and I must say that I believe that pollution is a problem but I would have been much happier to have seen in these estimates, or would have been much happier for the Minister to have stood up and said, "We now are going to propose anti-pollutionary measures; we are going to propose a program of assistance with industry to combat pollution; we are going to work out a systematic way in which we are going to be able to solve this problem for the benefit of our people." I mean, surely this is what we should be addressing ourselves, and continually standing up and saying, "Jobs for jobs' sakes, growth for growth's sake, pollution, other items, this is all that the previous government was concerned with," well, I see no

(MR. SPIVAK cont'd.) . . . . evidence, and this is yours, a real session; this is the session in which your program should be coming forward; this is the session in which you are spending \$440 million. Surely there should have been something related to this.

The interesting thing to me - and here we again go back to the Harvard example that I referred to - is the fact that in discussing his programs and methods he suggests in looking at his situation and the set of facts that he's presenting in his program, that he's talking about something that's new. Now if he would have stood up and said, "We are going to continue the programs that have been carried before but we're going to call them a little different name, we may have a little different emphasis," then I would have accepted it. But to say that he's going to have successful businessmen and there's going to be a deliberate effort to make those businessmen become involved in government, My God, look over the last three or four years. You have the Manitoba Export Corporation; you have the Manitoba Research Council; you have the Manitoba Transportation Commission; you have the Manitoba Design Institute. You've had the various trade missions; you've had the various immigration missions; you've had the involvement of Business Summit Conference. Surely there can be no question that there has been an involvement of successful businessmen and there's been a deliberate attempt in the past, through all the government activities, to try and get them involved. If you're trying to say that what we're trying to do is get some new businessmen, more power to you. I think the greater the involvement the more likely you are going to be able to get the best results, and economic development must of necessity be something that affects us all. It must be something in which we have a non partisan position and it must be something in which the total business community and all sectors are prepared to participate, but to suggest that there is something basically new, I think is rather ludicrous.

Now, let's talk about the organized structure that existed. Let's talk about his Export Corporation, the Transportation Commission and all the others. I ask the Minister and I ask the First Minister; did he ever meet with the previous businessmen: When the questions were asked in the House in connection with this, the Minister said "No." He said, "I met with some." Well, surely we have a right to question, at this point, the sincerity of this involvement of the successful businessmen. Surely what you're trying to suggest to us is that you're going to involve some businessmen when you want them, but generally speaking you are going to be concerned with carrying out your program, and whatever your program is, that's what'll be. The only problem is that we on this side are still waiting, and I'm sorry the Minister of Mines and Natural Resources is not here because in his usual passionate way, when the debate occurred in connection with the TED Report resolution on the Private Members' Day, he stood up and he said, "The time will come; you will have your development report, and we will stand up and we'll tell you what we're going to do, and you'll know what we're going to do, and then Manitoba and the Opposition and every person doing business will know what we're going to do." Well, I'm not sure that after this great presentation by the Minister of Industry and Commerce whether we can say very much except that we are fortunate in having members of the Department of Industry and Commerce who were there under the previous administration and fortunately appear to have some degree of influence in carrying out the previous program, because outside of carrying out the previous program there's nothing being presented here, and if anyone suggests that this is an economic development plan, if anyone suggests here that we have anything that is new, I don't see it; I don't see it at all.

He indicated, as well, that there's going to be initial research given and he's going to talk in terms of capital supply; there'll be a study in connection with capital supply; and I must say as well that that study is needed. That study is a continuing study, and I think there's evidence that that study was commenced before, but I really wonder how many bankers and credit people the Minister has talked with. I wonder how many of the commercial credit institutions he's spent time with. I wonder if in fact he has had a position paper presented by his department to present to them, so that in fact there could be some meaningful assessment of where we stand today, so in fact there would be some kind of assessment - and if he had, I would think that before we conclude the estimates that he should stand up and give us some indication, because people have different observations as to the availability of credit. Those in industry who deal with the banks know how tight the situation is, and you know, the Honourable Minister of Industry and Commerce may not have had that kind of experience but fortunately has a Deputy Minister who does have that experience, and in turn has some knowledge of it. I suggest to the Honourable Minister that the credit is a very difficult situation; that in the

(MR. SPIVAK cont'd.) . . . . . general anti-inflationary program the government has conducted and the way in which the banks have been allowed the freedom to enter into so many different fields and with almost an unlimited control on their interest rate, that western Canada, particularly in Manitoba, always is more sensitive to any kind of downward trend, and as a result we had a difficult situation here.

He said, and indicated in his speech, that there'll be research into identifying the multiplier effect and the labour intensive industries. This is nothing new. And a cost . . . study. This is nothing new. Because if it's necessary for us to call for an Order for Return to produce all the studies that have been made by the previous Department of Industry and Commerce over the last few years to see whether in fact contained within those various reports there's sufficient information for an extension in these areas, rather than for the sort of introduction of something new, I would suggest it could be done.

Well, I suggest that the Minister has not presented Manitoba with its economic policy, and I think that many of us on this side waited to determine what the economic policy of the government would be. I suggest, as well, that there are significant areas of concern that have not been touched with by the Minister and I'm going to try and deal with them just for a few moments. They are not necessarily in order of importance and they are not complete by any means. It is my intention, after the others have spoken and the Minister's replied, to deal with this in a little greater detail.

First, the Minister really makes no reference of the problems of transportation in Manitoba and there is really no specific - and the Minister of Transportation didn't deal with it because he's not competent to deal with it; that's not his area. The Minister of Industry and Commerce is supposed to be dealing with it and he's not, and I suggest to you that transportation is an extremely important thing. We know that the Federal Government had decided not to build the fish processing plant in Selkirk because of future costs, future transportation costs

. . . . . A MEMBER: They knew it too but there was a by-election.

MR. SPIVAK: Well, let me explain something. I don't think they knew it. The question is whether the previous government, or the present government knew it. I don't think they did because I don't think there was an evaluation really made of what transportation costs really would have been, because I don't know, based on what I have heard, that anybody is really concerned about what transportation costs will be in the future, and you cannot plan economic development; you can't even get the crude growth that you refer to the previous administration or the selected economic growth which you now talk about, which is really nothing but crude growth, in . . . those terms, you can't get that unless you know what your transportation costs are, and we know as well that the expertise that were available in connection with the whole field of rail costs, rail freight rate costs, have been dismissed by the government, that in fact the Attorney-General has now taken over and has now the solicitors who act for the government, that you are in fact a fresh people who are not aware of the problems that have existed in the past, who have not had the kind of expertise that other provinces have put together in this field, and I just wonder at what point we are going to have some effective statement from the Minister dealing with this area.

I must mention as well that I did not hear from the Minister any statement about what his intention was in soliciting American investment in Manitoba. In fact, I heard nothing yet of whether the Minister's intention is to go out of this province to solicit investment. Does he feel, as the Minister of Mines and Natural Resources feels, that standing in Manitoba, sitting in Manitoba, investment will come here and that it's not necessary to sell? Does he feel that it's not necessary to try and attract American investment by going into the cities of Minneapolis and Denver and St. Louis and Kansas and Chicago and Milwaukee and in the Dakota areas? Well I don't know, but I do know, and without getting involved in that harangue again, we do know of course that the Minister was not prepared to appear in Chicago at the time the department was making a presentation and a solicitation for investment in Manitoba, and I think we have to know where he stands at this point, because I think it's important for us to understand whether there's going to be a government policy not to try and attract investment from the United States.

I would have liked to have heard, as well, some report, an up-to-date report, of what new Japanese investment is liable to occur in Manitoba as a result of the Premier's visit six months ago, or five months ago. I know that if I was to bring the newspaper clippings of the statements that were made, there were some great expectations of things that were going to

(MR. SPIVAK cont'd.) . . . . happen, and I wonder when we are going to have an opportunity of having listed before us the likely conclusion of that visit.

I mentioned regional development, and one cannot go throughout Manitoba without being concerned about the tremendous and increased need if our communities are to survive, if our young people are to remain in the rural areas, of new programs, new concepts, new ideas, in trying to attract, to hold, to expand industry, particularly in the processing field, in our rural areas. And while there was some reference made to it and there was reference made to the regional corporations, may I say to the Minister that regional corporations for the sake of regional corporations is not enough, and to be in a position to indicate that the Interlake had a regional corporation or that the northern area, Nor-Man, as it's now called, has been formed, that in itself is not enough.

I looked at the Member from Churchill and I now look at the Minister of Industry and Commerce, and I hope he'll enter the debate in a few moments, and I say to the Minister of Industry and Commerce, what you should have presented us was with a complete new incentive program for industrial development in the northern area, in the community. You should have given us a grant formula of some type, that in fact would allow new industries to take place in that area or to expand; that unless you are prepared to prime that pump, the kinds of development that will occur will not take place, and that we must do this in the total regional area, notwithstanding the fact that the Federal Government have their ADA program. There are new programs. There are new thrusts that must be taken in this area if we are to balance our regional economic development.

Now let me talk in terms of new industries. We are not going to achieve new industries in this province without salesmanship. Salesmanship means that you are going to have to first of all be sold on the province, and you are going to have to be sold as well that the way in which business is attracted is the development of a climate and that climate must be one of confidence and respect, along with the ability for profit. That if in fact that climate does not exist, the business activities will not take place and that there is going to be responsibility on the part of the Minister to go out and to solicit and to be with and meet the managers, the board of directors, the various institutions who in fact influence the corporate decisions and individual decisions which will attract industry here.

Now we have listened with interest to the Honourable Minister; we have listened to his answers to the various questions presented in the House in the past little while, we know that he's new and inexperienced in this field, we know that he brings to it a lot of sincerity, but I'm not convinced, and I don't think anyone is convinced, that he's really prepared to be the kind of salesman that he has to be in this respect, because unless he is prepared to do this, unless he is prepared to go and try and sell Manitoba, many of the things that could happen here will not happen here. If we really analyze the purpose of the TED report; without quoting you chapter and verse, the whole object of the TED report in statistics was to be able to indicate to Manitoba what goals could be achieved, and in the course of attempting to achieve those goals to influence the way in which the goals could occur. I'm saying to the Honourable Minister, there must be a recognition by him that it is necessary for him to apply all his energy to go out and sell Manitoba; he has a job to sell Manitoba, which is a difficult one, because we are in a competitive position; he must of necessity recognize the responsibility that he has not to relax in his sales to the American investors in Manitoba and he must act positively. One second and I know I'll finish my few remarks now.

With respect to export. Exports, particularly the development of the export trade in the midwest market will be one of the greatest factors of the growth of manufacturing in our province. We manufacture our own needs, western Canada's needs and part of Canada's - we will not gain productivity unless we in fact export to the rest of Canada. I would hope that the government would give consideration to setting up . . . office in the midwest part of the United States to complement the offices of the Federal Government so that in effect our people in Manitoba will have a direct liaison with someone from the Department of Industry and Commerce located in the regional areas close to Manitoba to be able to assist them in selling that market. There's a cost involved, but if we are really going to try and achieve our export goals, we'll need it.

Well, Mr. Chairman, the time has reached 5:30. I'll have more to say. I will listen with anticipation to what the Honourable Minister will say. -(Interjection)- No I'm not quitting, I'm just starting.

MR. CHAIRMAN: It is now 5:30. I am leaving the Chair to return again at 8:00 p. m. this evening.