

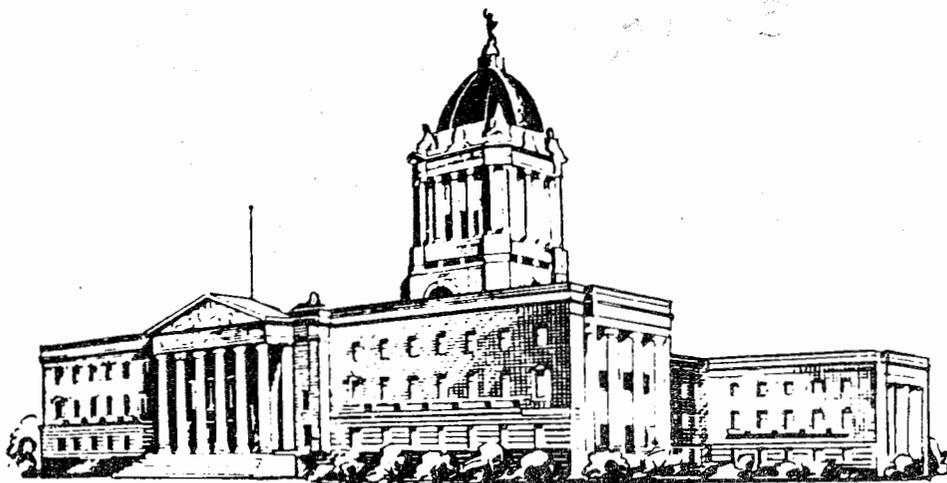


Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

Speaker

The Honourable Peter Fox



Vol. XVIII No. 88 2:30 p.m., Thursday, June 24th, 1971. Third Session, 29th Legislature.

ELECTORAL DIVISION	NAME	ADDRESS
ARTHUR	J. Douglas Watt	Reston, Manitoba
ASSINIBOIA	Steve Patrick	10 Red Robin Place, Winnipeg 12
BIRTLE-RUSSELL	Harry E. Graham	Binscarth, Manitoba
BRANDON EAST	Hon. Leonard S. Evans	Legislative Bldg., Winnipeg 1
BRANDON WEST	Edward McGill	2228 Princess Ave., Brandon, Man.
BURROWS	Hon. Ben Hanuschak	Legislative Building, Winnipeg 1
CHARLESWOOD	Arthur Moug	29 Willow Ridge Rd., Winnipeg 20
CHURCHILL	Gordon Wilbert Beard	148 Riverside Drive, Thompson, Man.
CRESCENTWOOD	Cy Gonick	115 Kingsway, Winnipeg 9
DAUPHIN	Hon. Peter Burtniak	Legislative Bldg., Winnipeg 1
ELMWOOD	Hon. Russell J. Doern	Legislative Building, Winnipeg 1
EMERSON	Gabriel Girard	25 Lomond Blvd., St. Boniface 6
FLIN FLON	Thomas Barrow	Cranberry Portage, Manitoba
FORT GARRY	L. R. (Bud) Sherman	86 Niagara St., Winnipeg 9
FORT ROUGE	Mrs. Inez Trueman	179 Oxford St., Winnipeg 9
GIMLI	John C. Gottfried	44 - 3rd Ave., Gimli, Man.
GLADSTONE	James Robert Ferguson	Gladstone, Manitoba
INKSTER	Hon. Sidney Green, Q.C.	Legislative Bldg., Winnipeg 1
KILDONAN	Hon. Peter Fox	627 Prince Rupert Ave., Winnipeg 15
LAC DU BONNET	Hon. Sam Uskiw	Legislative Bldg., Winnipeg 1
LAKESIDE	Harry J. Enns	Woodlands, Manitoba
LA VERENDRYE	Leonard A. Barkman	Box 130, Steinbach, Man.
LOGAN	William Jenkins	1287 Alexander Ave., Winnipeg 3
MINNEDOSA	Walter Weir	Room 250, Legislative Bldg., Winnipeg 1
MORRIS	Warner H. Jorgenson	Box 185, Morris, Man.
OSBORNE	Ian Turnbull	284 Wildwood Park, Winnipeg 19
PEMBINA	George Henderson	Manitou, Manitoba
POINT DOUGLAS	Donald Malinowski	361 Burrows Ave., Winnipeg 4
PORTAGE LA PRAIRIE	Gordon E. Johnston	Room 248, Legislative Bldg., Winnipeg 1
RADISSON	Harry Shafrensky	4 Maplehurst Rd., St. Boniface 6
RHINELAND	Jacob M. Froese	Box 40, Winkler, Manitoba
RIEL	Donald W. Craik	2 River Lane, Winnipeg 8
RIVER HEIGHTS	Sidney Spivak, Q.C.	1516 Mathers Bay, West, Winnipeg 9
ROBLIN	J. Wally McKenzie	Inglis, Manitoba
ROCK LAKE	Henry J. Einerson	Glenboro, Manitoba
ROSSMERE	Hon. Ed. Schreyer	Legislative Bldg., Winnipeg 1
RUPERTSLAND	Jean Allard	602 - 245 Provencher Ave., St. Boniface 6
ST. BONIFACE	Laurent L. Desjardins	357 Des Neurons St., St. Boniface 6
ST. GEORGE	William Uruski	Box 580, Arborg, Manitoba
ST. JAMES	Hon. A. H. Mackling, Q.C.	Legislative Bldg., Winnipeg 1
ST. JOHNS	Hon. Saul Cherniack, Q.C.	Legislative Bldg., Winnipeg 1
ST. MATTHEWS	Wally Johannson	23 - 500 Burnell St., Winnipeg 10
ST. VITAL	D. J. Walding	31 Lochinvar Ave., Winnipeg 6
STE. ROSE	A. R. (Pete) Adam	Ste. Rose du Lac, Manitoba
SELKIRK	Hon. Howard Pawley	Legislative Bldg., Winnipeg 1
SEVEN OAKS	Hon. Saul A. Miller	Legislative Bldg., Winnipeg 1
SOURIS-KILLARNEY	Earl McKellar	Nesbitt, Manitoba
SPRINGFIELD	Hon. Rene E. Toupin	Legislative Bldg., Winnipeg 1
STURGEON CREEK	Frank Johnston	310 Overdale St., Winnipeg 12
SWAN RIVER	James H. Bilton	Swan River, Manitoba
THE PAS	Ron McBryde	Box 1295, The Pas, Manitoba
THOMPSON	Hon. Joseph P. Borowski	Legislative Bldg., Winnipeg 1
TRANSCONA	Hon. Russell Paulley	Legislative Bldg., Winnipeg 1
VIRDEN	Morris McGregor	Kenton, Manitoba
WELLINGTON	Philip M. Petursson	681 Banning St., Winnipeg 10
WINNIPEG CENTRE	J. R. (Bud) Boyce	777 Winnipeg Ave., Winnipeg 3
WOLSELEY	Leonard H. Claydon	116½ Sherbrook St., Winnipeg 3

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, June 24, 1971

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements; Tabling of Reports.

TABLING OF REPORTS

MR. SPEAKER: The Honourable Minister of Health and Social Development.

HON. RENE E. TOUPIN (Minister of Health & Social Development) (Springfield): Mr. Speaker, I would like to table an Order for Return No. 10 dated May 3rd, 1971, on the motion of the Honourable Member from La Verendrye.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Mr. Speaker, I would like to take this opportunity to table the report dealing with Autopac supplementary rates and truck rates - farm truck rates.

MR. SPEAKER: Any other ministerial statements or reports to be tabled? Introduction of Bills.

INTRODUCTION OF BILLS

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona) introduced Bill No. 72, an Act to amend The Public Servants Insurance Act. (Recommended to the House by His Honour the Lieutenant-Governor.)

ORAL QUESTION PERIOD

MR. SPEAKER: Oral question period. The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, my question is to the First Minister. In an interview, the First Minister indicated that the policy people of Metro and the City of Winnipeg indicated that it was advisable that the procedure being followed with respect to the staging of the uni-city bill be proceeded with. I wonder if he could indicate to the House what policy people he was referring to.

HON. EDWARD SCHREYER (Premier) (Rossmere): I'm not sure that I follow the question entirely.

MR. SPIVAK: In an interview, the Premier indicated that policy people of Metro and the City of Winnipeg had indicated that the staging was advisable and necessary with respect to the uni-city bill and no delay should be undertaken. I wonder if he could indicate to the House what policy people he is referring to.

MR. SCHREYER: Well, Mr. Speaker, that is basically correct. I indicated at the time of the interview that it was my distinct impression that no members of the Metropolitan Corporation Council or the City of Winnipeg Council -- that the majority view was that we should proceed with the bill without any delay.

MR. SPIVAK: A supplementary question. Then I take it that the Premier was referring to the politicians and not to the administration.

MR. SPEAKER: Order, please. The honourable member is making a statement. The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, yes, that is correct. I was referring to the policy people, which is the elected people - the elected people, not the administrative.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, I'd like to direct a question to the Honourable Minister of Transportation and ask him, although my line of vision may be impeded, if there's any reason why he is not a part of the flower power being demonstrated on the government side of the House.

MR. SPEAKER: Order please. The question is irrelevant. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is also for the Honourable Minister of Transportation. Some time ago I asked for an Order for Return and got some of the information; could the Minister indicate when the rest of the information in that Order for Return will be forthcoming?

HON. JOSEPH P. BOROWSKI (Minister of Public Works and Highways) (Thompson): I'm

(MR. BOROWSKI cont'd.) not sure what Order he's referring to. Could you tell me what it's about?

MR. GRAHAM: For the information of the Minister, it was regarding the number of drivers in the province over the age of 65 and those that had been tested and those that hadn't. I did get a partial reply to my Order but the full thing was not filled in.

MR. BOROWSKI: Well, Mr. Speaker, as is normal, the request goes to the Department and I expect that they answered the question. If they haven't, I'm sure the information will be forthcoming shortly, if it's available.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, on a point of order in connection with the last question. The procedure is well understood that when an Order for Return is moved and accepted and then replied to, that the person receiving the reply may not be satisfied with it but he is not to assume that there is additional information yet forthcoming. What he should do in that case is to file a new Order for Return making more precise exactly what information it is that he would like, and then the Order is treated de novo.

MR. SPEAKER: The point of order is well taken. Orders of the Day. The Honourable Attorney-General.

HON. A. H. MACKLING, Q.C. (Attorney-General) (St. James): Mr. Speaker, I would like to table the proceedings of the 52nd Annual Meeting of the Conference of Commissioners on Uniformity of Legislation -- (Interjection) -- Oh I'm sorry. By leave, Mr. Speaker, I would like to table the Proceedings of the 52nd Annual Meeting of the Conference of Commissioners on Uniformity of Legislation in Canada. (Agreed)

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. SPEAKER: Adjourned debates, second readings. The Honourable House Leader.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, the Attorney-General had a bill which I believe he discussed with members of the opposite side the other day. He wants to proceed with it today on the basis that it's referred by leave to the Committee of the Whole House and comes out of the Committee of the Whole House so we won't have to leave the Chamber, and I take it that leave is given for him to do that.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): As I indicated to the Minister yesterday, we would be prepared to deal with that in all of its stages today if the government so desires.

MR. SPEAKER: The Honourable the Attorney-General.

MR. MACKLING by leave presented Bill No. 95, an Act to amend The County Courts Act (2), for second reading.

MR. SPEAKER presented the motion.

MR. JORGENSEN: . . . could make a short explanation of it.

MR. SPEAKER: The Honourable the Attorney-General.

MR. MACKLING: Mr. Speaker, I think that this very short bill can be readily understood, and I believe that in introducing the bill my colleague on my behalf, the Minister of Finance, indicated the nature of the bill and the reason for its urgency. As a result of an appointment by the Attorney-General for Canada or the Minister of Justice, a County Court judge who was seized of a very complicated case, it has now become awfully difficult for all of those who are involved in this case to have an early resolution of it. I'm advised that there are 36 lawyers who are involved in this mechanics lien case, and by virtue of the fact that consent was not readily obtainable, it would be necessary to commence the case anew because the County Court judge who was elevated to the Court of Queen's Bench was in the process of hearing, of still hearing evidence in respect to the case, and unless there was entire consent he couldn't carry on and complete his hearing of the case. The effect of this bill would be to provide for exigencies such as has occurred, that where a judge has resigned his office or is appointed to another court or is compulsorily retired by reason of Section 26 of The Judges Act of Canada, that for a period of time - the bill provides for a period of twelve weeks - he can, notwithstanding the changed circumstances, continue to act as if any one of the exigencies had not occurred, complete his hearing of the case and render his judgment. I would appreciate the cooperation of the House in allowing leave at this time to proceed with the second reading, move into Committee of the Whole and deal with it, and then give it third reading as well.

(MR. MACKLING cont'd.) Thank you, Mr. Speaker.

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

MR. GRAHAM: Mr. Chairman, my comments on this are strictly my own comments but there is one thing that the Attorney-General has brought out here that does concern me somewhat. This is the fact that he said there were 36 lawyers appearing in this case and they could not get consent of all the members to having the judge continue to hear the case. Now we are going to proceed with this bill in this House at this time and we are not going out of the Chamber so that representation could be made by those members of the Bar Association who objected, and, Mr. Speaker, I just wonder whether we are doing the right thing here because the members of the Bar who did not appear to be in approval of this will now be denied any opportunity of making representations before this becomes law.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to the gallery - I was remiss in not doing this earlier - where we have 24 students, Grade 6 standing, of the Peretz School. These students are under the direction of Mrs. Brooks. This school is located in the constituency of the Honourable Minister of Youth and Education.

We also have 85 students of Grade 4 standing of the Buchanan School. These students are under the direction of Mesdames Coleman, McDonald and Reckseidler. This school is located in the constituency of the Honourable Member for Assiniboia.

And we have 21 students of the Wanipigow School. These students are under the direction of Mr. Wesley and Mrs. Leary. This school is located in the constituency of the Honourable Member for Rupertsland.

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

GOVERNMENT BILLS (Cont'd.)

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

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, I was aware of the particular circumstances that prompted the request for speedy passage of this bill. We understand this. We're prepared, I think, to facilitate the passage on the explanations given by the Minister of Finance and the Attorney-General. We would again point out that we regret the need to make this legislation retroactive. It was brought up as an urgent matter yesterday and yet the bill is to be retroactive until the 30th day of April. It would indicate somewhat a delayed reaction to the requirement here. Nevertheless, Mr. Speaker, the requirement is accepted; we're prepared to support the bill.

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

MR. LEONARD A. BARKMAN (La Verendrye): Mr. Speaker, just a few comments concerning the retroactiveness. We wish to go on record to agree with the Member for Brandon West. This is becoming a problem. But the other question that I would like to pose to the Minister when he closes the debate is: is he aware of any particular opposition to the bill, or as far as he knows there really is no opposition? I wish he could tell us.

MR. SPEAKER: The Honourable the Attorney-General.

MR. MACKLING: If I speak, then I will be . . .

MR. SPEAKER: Closing debate.

MR. MACKLING: . . . closing debate. Mr. Speaker, the fact of the matter is that there is no bar to the rights of any of the litigants here. The fact of the matter is the litigants are before the court and they're represented by counsel. What this would mean is that all of the costs involved in ten days of hearings would be abrogated by the appointment, the federal appointment of this judge. There's astronomical cost involved to all of the litigants. Now, if honourable members are opposed to the bill, then we won't proceed with it; it will die. The fact of the matter is that because of the unusual circumstances - and they are unusual - we have introduced this piece of legislation to facilitate the administration of justice, to facilitate the litigants that are involved. There is no erosion of rights; there is no unfairness; there is no arbitrariness to this action.

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

MR. SPEAKER: The Honourable the Attorney-General.

MR. MACKLING: Mr. Speaker, I move, seconded by the Honourable the Minister of Mines and Resources, that Mr. Speaker do now leave the Chair and the House resolve itself into the Committee of the Whole to consider the following bill, by leave, No. 95, an Act to amend The County Courts Act (2).

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

COMMITTEE OF THE WHOLE HOUSE

MR. CHAIRMAN: The matter before the Committee is Bill No. 95, an Act to amend The County Court Act. (The bill was read section by section and passed.) The Member for La Verendrye.

MR. BARKMAN: Before you -- I wonder if the Honourable Minister would reply to the question I tried to pose before. He is not aware of any particular opposition? We have no disagreement with the bill but I wish to have that confidence that he can report . . .

MR. MACKLING: Well, Mr. Chairman, in any litigation there are people who are pursuing the satisfaction of their rights and there are people who are trying to frustrate the ends of the parties who are pursuing their rights in court, and the reason that there wasn't a consent is that those who were resisting the advance of rights by others didn't want to facilitate them, but this would mean that the case would have to be reheard, ten days of effort on the part of 36 counsel and the judge and all the clerical staff, all of the transcription of evidence, would all be wiped out, and the fact of the matter is that there is no injustice or no impairment of the rights of those who wouldn't consent to the judge continuing to hear it. Their rights haven't been impinged upon in any way by the continuance of the proceedings, so there is no unfairness in this at all.

MR. CHAIRMAN: Committee rise. Call in the Speaker.

IN SESSION

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J. R. (BUD) BOYCE (Winnipeg Centre): Mr. Speaker, I beg to move, seconded by the Member for Flin Flon, that the report of the Committee be received.

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

GOVERNMENT BILLS (Cont'd.)

BILL NO. 95 was read a third time, by leave, and passed.

MR. SPEAKER: The Honourable the House Leader.

MR. GREEN: Mr. Speaker, would you call Bill No. 52, please.

MR. SPEAKER: On the proposed motion of the Honourable Minister of Municipal Affairs. The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Well, Mr. Speaker, in the second reading of this bill I have a few remarks that I would like to read into the record. Again we are back to amending or patching up Bill 56, which of course is of great concern even today in this province to the insurance agents. I had the privilege of attending a meeting of the insurance agents this morning and it comes out loud and clear that this government are going to try and make the insurance agents of this province work for less than the minimum wage, which I find most regretful and very untimely. This bill, Mr. Speaker, in my opinion has sections of it that seem to give the advantage to the government with regards to the competition on the excess coverage, and I dare say that, and listening to the news this morning, that the private insurer will in no way be able to compete with the rates that I saw this morning on the excess coverage. And of course it's a well-skilled and designed plan to have the original rates that come out are maybe in excess in many cases, but where you're going to kill the insurance agent and the agent are on these excess rates that came out this morning. With the commissions as it's offered, and I say this is the whole structure of it -- there's no way that an agent, unless he wants to starve to death and maybe this is the way they are going to force the agency system out is starve us out and put us on our way - and this section of the bill is the one section there I'm most concerned about, because the private insurers have to abide by the Insurance Act of this province and the Insurance Act of Canada, and yet the government, the Corporation, will

(MR. McKENZIE cont'd.) be able to opt out or opt in as it pleases.

MR. SPEAKER: Order, please. I wonder if the conversations around the room could be kept down to a dull roar so I could hear the honourable member. The Honourable Member for Roblin.

MR. McKENZIE: And so it becomes very interesting, it becomes very interesting in many aspects. We find that the Honourable Minister's own constituency now is classed as in Territory II. It's very interesting to find that the Minister can get his own constituency into a sort of a prior type of rating in the plan. So I say, maybe there is some protection for friends of the government in the scheme; there's certainly nothing for the agents that I can find.

In another section of the bill, because of the existence of the absolute liability provision in the Insurance Act, I find that the motoring public in Manitoba have been always protected, because even though there may have been a policy violation, an insurance company up to this time has always been required to pay the minimum liability in this province, and by the very fact that the compulsory insurance will not be subject to the Insurance Act, we must therefore assume that in a situation involving a policy violation, then the Corporation, the Manitoba Insurance Corporation, will deny their coverage under this plan, under this bill, and consequently the injured party will have no recourse against the incorporation to collect his claim. And Mr. Speaker, I can suggest an illustration would be where a breadwinner of a household is killed by a drunk driver. The breadwinner's family would have no recourse of action against the Manitoba Public Insurance Corporation and would only, as I understand it, obtain the death benefit amount under the plan. So, in other words, there's an area here in this bill wherein the public is not properly protected, I submit.

The other section of the bill that concerns me somewhat is that the Insurance Act clearly indicates to me that at the present time where an individual purchased another vehicle, that he's given an automatic 14 days in which to transfer his coverage, have that change of coverage made, so that he's completely covered. But then, supposing a party purchased a car on a Saturday night or a Saturday afternoon, the insurance office is closed under this legislation, all he can do is wait until Monday morning to notify his agent that he has bought a car, so he would not be able to drive that car. The compulsory insurance, by not being subject to the Insurance Act, therefore doesn't grant the same extension as the citizens of Manitoba under the new plan. And here again is an area, I think, where there is a great lack of coverage afforded to the motoring public.

The Insurance Act for the Province of Manitoba, in my opinion, Mr. Speaker, exists for the protection of the motoring public. The rules and regulations with regard to automobile insurance as contained in the . . .

MR. SPEAKER: Order, please. The Honourable Minister of Consumer and Corporate Affairs.

HON. BEN HANUSCHAK (Minister of Consumer, Corporate & Internal Services) (Pembina): Would the honourable member permit a question?

MR. McKENZIE: When I'm finished I will.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: The Insurance Act for the province, Mr. Speaker, exists and has always existed for the protection of the motoring public. The rules and regulations with regards to automobile insurance, of course, is contained in the Insurance Act and are so set down as to properly protect the motorist for every possible eventuality. By not making the compulsory government insurance scheme subject to this Insurance Act, the public therefore is not protected in the same manner which it has been in the past, and I submit that this must be made known to the public, and to afford the motoring public of this province with the type of protection that they've had in the past, I think this government monopolistic plan should be subject to the Insurance Act of this province and of Canada carte blanche. I can't see any need for them to opt out and ask that the insurance industry carry on under the Insurance Act whereas the compulsory scheme of the government will not be affected by those laws.

There's another section of the Act, Mr. Speaker, which allows for payment out of the Consolidated Fund for the purposes of initial financing respecting payment and interest, and otherwise, it says - I think the wording of it is: otherwise as the Lieutenant-Governor-in-Council may prescribe. I wonder if the Honourable Minister -- could it be possible that by the existence of this section that in the event that the Corporation gets into a financial jam or a financial tight spot, that the Consolidated Fund would be subsidized, the Insurance Program?

(MR. McKENZIE cont'd.) The Manitoba Public Insurance Corporation should be subject, I think, to the same terms and conditions and laws as the private insurers, and therefore I think there should be some form of audit, some outside audit, so that the public of this province will know what's going to take place with the Corporation. I understand that there will be no public audit. We'll likely get a financial statement from the Board of Governors and that will be about it, and I think this is something that has not existed in the Province of Saskatchewan and I think for this reason it is extremely difficult to determine the actual true cost of any insurance program, and I don't think we should let ourselves get into the same jack-pot if we can avoid it.

Mr. Speaker, in view of the limits of liability which this government intends to provide through compulsory insurance, and the excess coverages - and also possibly due to the catastrophic exposure, may I say, they may have - it would seem to me that it's economically feasible for some form of reinsurance to be brought to the attention of citizens of this province at this time. This, I think, custodian should be put once again to the government to actually determine where in fact this reference, where is the co-insurance clause or who is going to co-insure this scheme, or is the government going to carry the co-insurance of the industry itself.

I also think that the reference, Mr. Speaker, in questioning at this time should be done with regards to the apparent false advertisement the government is promoting respecting the no-fault concept. The coverages that are being afforded by the Manitoba Public Auto Insurance Corporation are identical in every respect with regard to the intent of that provided down through the years by the private insurance sector of this province. The accident benefits as presented, provided by the private insurers, is on a no-fault basis, and if a man is involved in a collision and has physical damage protection under his policy, he can have his property repaired regardless of fault, and this is no different, I submit, Mr. Speaker, than that being provided by the government, and how they can then promote their program as being a new concept for Manitobans in their advertising plan, I just can't understand. It just doesn't add.

In the Minister's original statement on Bill 56, if I remember it correctly when he introduced the bill at second reading, Mr. Speaker, he stated that the government would be able to reduce automobile insurance costs because of less advertising by agents' commissions being reduced and by reduced legal fees, I think was the term, if I remember it correctly. Today, the advertising bill which the government is running up regardless of, you know, the words that he said, but trying to promote this new program combined with the fact that the agents now are going to be paid a 10 percent commission, I understand, on the excess and 7 percent on the compulsory, but that combined further illustrates that the Honourable Minister of Mines and Natural Resources was speaking the truth when he stated in the debate of that bill that the government plan in all probability wouldn't save any money for the motorists of this province and would not provide a better service, that all the government actually wanted was to get its hands on the \$35 million.

MR. SPEAKER: Order, please. The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, I rise on a point of privilege to state that I never made . . .

MR. SPEAKER: Order, please. There is no point of privilege in a matter which refers to debate and in which another member has maybe misquoted. The Honourable Minister of Mines can debate the point later. Order, please. The Honourable Minister.

MR. GREEN: Mr. Speaker, with great respect, I'm suggesting that if a member in the House . . .

MR. SPEAKER: Order, please. A matter of privilege of the House: (1) - I will state it for all members. (Would the Honourable Minister please sit down.) Is "(1) Wilful disobedience to orders and rules of Parliament in the exercise of its constitutional function. (2) Insults and obstructions during debate."

Privilege of members. "(1) Liable upon members and as persons upon them in relation to Parliament. (2) Interference of any kind with their official duties."

Those are privileges of the House and of the members, and any debate which takes place where there has been a difference of opinion is a debatable subject and not a matter of privilege. The Honourable Member for Roblin. -- (Interjection) -- I would like to indicate to the Honourable Minister there is no debate on a Speaker's ruling. He may challenge it. . . -- (Interjection) -- Order, please. The honourable member has recourse, as he well knows, to a Speaker's

(MR. SPEAKER cont'd.) ruling. -- (Interjection) -- Well there is no debate and I'm not going to debate it with the Honourable Minister. -- (Interjection) -- Order, please. I have indicated what is a matter of privilege to the House and what is a matter of privilege to members, and I can quote the citation out of Beauchesne. Now I don't know what further this House wishes me to do, but I shall not recognize a matter of privilege which is a debatable item and that's final. Would the honourable member state what he is speaking to.

MR. GREEN: I am speaking to a point of order, Mr. Speaker.

MR. SPEAKER: Very well.

MR. GREEN: Speaking to a point of order as to whether your ruling with regards to what are matters of privileges of the members constitutes all of the things that are matters of privileges of the members, and whether the fact that a remark is being attributed to a member which he did not make, is not a matter of privilege to that man.

MR. SPEAKER: The Honourable Minister is asking me to debate the point with him and I certainly won't. I couldn't find his point of order that he has placed. He was placing a question to the Chair which is irregular according to our rules. The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Speaker, as I mentioned earlier in my remarks with regard to -- (Interjection) -- when I'm finished, certainly. In the earlier part of my remarks on second reading of this bill, Mr. Speaker, I mentioned the fact that the Minister in charge of instituting the compulsory automobile insurance program for Manitoba represents the constituency of Selkirk, and one of the apparent reasons why he's so keen on bringing this insurance program in is, I think, that possibly because he was campaigning during the '69 election in that area and the citizens of his constituency complained bitterly about the insurance premiums which they were being asked to pay to the private industry at that particular time. I think it is fairly evident that the Minister has not looked into the reasons why the people of Selkirk were complaining or were being asked to pay higher premiums, because under the government program I find it very interesting to note that his constituents are classed in Territory II and thereby paying the same rate as an individual, say, in Crystal City or Roblin or Minnedosa or Grandview or Plum Coulee, and on checking the summary of the Motor Vehicles traffic accidents for the province as of December 1970, Mr. Speaker, it's very interesting to note that during the year 1970 the Town of Selkirk had some 185 accidents, an increase of 35 accidents over the 136 accidents recorded in 1969.

Another town of comparable size is that of Flin Flon, and in Flin Flon during the year 1970 there was a total of 154 accidents, a reduction of 26 from the 180 which were recorded in that town for the year 1969, so Flin Flon therefore had a reduction of accidents over the previous year and at the present time has less accidents than the Town of Selkirk, and when comparing the compulsory rate for an individual driving to and from work and using a 1970 Chev. 8-cylinder Impala, I find it very interesting, Mr. Speaker, to note that the Selkirk resident who drives into Winnipeg to work will pay a premium of \$65.00, whereas the steel worker at Flin Flon, using the same car to drive to and from work, would pay a compulsory premium of \$102.00.

Another section of the bill, it mentions, Mr. Speaker, that information and reports shall be the property of the Corporation and shall not be made public. How, I wonder, do these conditions or this part of the bill compare with the regulations that are being introduced under Bill 27, The Personal Investigations Act. I find that the one isn't compatible with the other.

There is one other question, Mr. Speaker, I'd like to draw to the Minister's attention and that is the question of compensation to insurance companies and if in fact the government is considering some form of compensation. I think precedence has been set in that Government has indicated compensation will be paid to agencies, and it should be therefore, I submit, paid to insurance companies because their business is the one that's being expropriated by the government as well as the agents.

I also find it -- I'm just about finished, Mr. Speaker. I'm just about finished and then I'll take all the questions. I'm still alarmed of this type of legislation and the agents, as they indicated at their meeting today, are most concerned. In fact, Mr. Speaker, a resolution was passed there this morning, and I wrote it out, and they said, "We all realize . . ." - this is as I took it down myself, "that government has no sympathy to our position and no sympathy to our financial problem. We all realize that the government has indicated to our communities that we have an extended time in which to opt out.

(MR. McKENZIE cont'd.) Therefore," they said, "Be it resolved that we should, as a body, apply for licencing privileges and make it known to the citizens of Manitoba and the government of this province that we are not endorsing the policy of this government but endeavouring to protect ourselves from being stampeded into a further financial beating."

And that again is very indicative of the feeling of the industry today, and I know the list of insurance companies that have already left our province and the other group that have indicated they are leaving in the next short time, makes me wonder if in fact the formula that was used in the briefs

MR. SPEAKER: Order, please. I realize we are having a problem because honourable members want to continually interrupt. Now I did recall that I mentioned the other day our Rule 40 said that unless a member yields the floor - and apparently the Honourable Member for Roblin has not agreed to yield the floor to anyone - to a number of people who have asked a question, our Rule 40 states: "When a member is speaking, no member shall interrupt him except to raise a point of order or privilege." Now, the Honourable Minister of Municipal Affairs.

MR. PAWLEY: Mr. Speaker, on a point of order, I wonder if the honourable member would table the document from which he is reading the resolution which he has indicated was passed this morning at the Agents Association Meeting.

MR. McKENZIE: Gladly. It's my own handwriting. I'd be only too pleased.

Well, Mr. Speaker, those are basically the remarks that I have to ask of the Honourable Minister in the second reading of this bill, and if the Members have some questions I'll do my best to try and answer them.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, inasmuch as the honourable member indicated he would entertain a question, I would ask him whether he is aware that in the case of other programs where transitional assistance was established, that transitional assistance payments were made to employees, for example, but that the owners of any operation or factory were not provided with any payments or grants but only with loans, and I refer specifically to the one instance where there was a fully developed transitional assistance program. I refer again to the U.S. - Canada auto pact. Is he aware that that is the arrangement?

MR. McKENZIE: Specifically the reason that I want to ask the Honourable Minister the question, if in fact they've considered it at any time in the debate of this legislation. If it's only going to be the agents and the transitional guidelines that were discussed there this morning, it doesn't look like -- There's a lot of agents not going to get anything so the whole industry itself will just break down under the legislation.

MR. SPEAKER: The Honourable Minister of Mines and Natural Resources.

MR. GREEN: Mr. Speaker, would the honourable member permit a question? Mr. Speaker, would the honourable member identify the quote that he attributes to me, which I allege is entirely incorrect, where he says that I said that the automobile insurance program would not save anybody any money and would not provide a better service. Would he identify that quote and, if he is unable to identify it, would he undertake to apologize for having suggested that I made that remark?

MR. McKENZIE: Certainly Mr. Speaker. I'll go back and go through Hansard where I got it, and if I have erred, I certainly will.

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

MR. PAWLEY: The honourable member made certain references to territorial rating, reference to St. Andrews and St. Clements being included within Territory II under the Autopac scheme. I wonder if he has contacted any of the existing insurance agents in Selkirk, St. Andrews or St. Clements, and enquired from them where they presently rate auto insurance policies sold within those areas.

MR. McKENZIE: I haven't enquired of the agents in Selkirk.

MR. PAWLEY: Would the honourable member undertake to do so?

MR. McKENZIE: If I happen to come across the gentlemen, certainly I will, but I'm not making a special trip out to Selkirk. I'm entitled to my opinion the same as the Honourable

MR. SPEAKER: Order. The Honourable Minister of Consumer and Corporate Affairs.

MR. HANUSCHAK: Mr. Speaker, I have two questions I wish to put to the honourable member if he would entertain them. The first one: could he tell the House which particular

(MR. HANUSCHAK cont'd.) sections of the Insurance Act that he is most anxious to see be made applicable to the publicly-owned auto insurance program. And the second question: I believe he mentioned, he spoke of the inconvenience that there may be caused by the Autopac office being closed on weekends; could he name the insurance companies which presently offer their policyholders that service over the weekend?

MR. McKENZIE: Mr. Speaker, I'll have to ask the honourable member to repeat the first question. On the second question - I'm an insurance agent; I provide service to my clients 24 hours a day, seven days a week.

MR. HANUSCHAK: Mr. Speaker, if I may, which sections of the Auto Insurance Act, of the Insurance Act, rather, is he most anxious to see be made applicable to the publicly-owned auto insurance plan? I believe he said that it should come under the Insurance Act.

MR. McKENZIE: The complete Act.

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

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I beg to move, seconded by the Honourable Member for Portage, that the debate be adjourned.

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

MR. SPEAKER: The Honourable Minister of Finance.

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, I beg to move, seconded by the Honourable the Minister of Industry and Commerce, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the Supply to be granted to Her Majesty.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Morris.

MATTER OF GRIEVANCE

MR. JORGENSEN: Mr. Speaker, I should like to rise on a grievance at this stage, before we proceed into the Committee of Supply.

Sir, my grievance deals with the apparent attitude that the government is taking towards the conduct of business in this Legislature. Sir, this government is either wilfully or stupidly - and they can take their choice - destroying, or trying to destroy the function of the Legislature by their callous disregard of the rights of members and the very purpose for which this Legislature is sitting.

Sir, the purpose of a Legislature or of the House of Commons is to enable members of the House to oppose, to criticize, to examine, and to ask questions of the government, and to elicit answers to those questions. What is perhaps not generally understood is that the difference between a totalitarian state and a democratic government is a very thin line. The powers of the government are such that they can, by Order-in-Council and by the will of the government itself, do many things without reference to this Legislature. There is only one difference between a totalitarian state and that is, in a totalitarian state the government does not have to subject its spending estimates, its proposals and its legislation for examination before a Legislature such as this. And so the purpose, then, of the Legislature is to enable members of the Opposition or those who are not in the government to seek information regarding the manner in which they conduct the business of the province, to ask questions and to get answers, so that the public are informed as to the reasons why money is spent, the reasons why legislation is brought in, and the reasons why the government are taking a specific or a particular course of action.

Sir, our role as an Opposition is to examine, to criticize, and to elicit information, and unless that is done, then we do indeed have a totalitarian state, and any effort on the part of the government or on the part of anyone to prevent the Opposition from exercising that function is a denial of the rights of the members of this House, and I submit, Sir, that this government is denying members that right.

A MEMBER: Nonsense.

MR. JORGENSEN: The actions -- well, my honourable friend says "nonsense." He should have been here during the time that the Minister of Highways' estimates were before this House. Deliberately, wilfully, with the concurrence of the Minister of Mines and Resources, the House Leader, and with the laughing interjections and the support of the backbenchers. . . .

MR. SPEAKER: Order, please. I should like to inform the honourable member that

(MR. SPEAKER cont'd.) he's attributing motives to members of this House. He is debating on a grievance which he attributes to others and he shouldn't do the same thing himself. The Honourable Member for Morris.

MR. JORGENSEN: Well, Sir, I do not intend to offend against the rules of the House. My grievance deals with the denial of the right of the members of this side of the House to get information on the Department of Highways and, I might add, other departments as well.

During the course of the consideration of estimates, a rule has been passed in this Legislature which allocates 80 hours for the time for the consideration of estimates. Through the years that that rule has been in effect, members of the Opposition have tried with varying degrees of success to attempt to consider all departments of government, and there are occasions when it does not work out that way. Sir, we were making a sincere attempt this year to do just that; to consider those departments that we felt should be examined; to ask those Ministers questions that we felt we should have answers to because the public are demanding some answers to some very important questions about government spending. The Minister of Highways deliberately monopolized the time of that committee during the course of the consideration of those estimates and prevented members from asking questions, and when they did ask questions, when they finally did get an opportunity, he callously disregarded those questions and insulted members of this side of the House as if we had no right to seek information from his department.

Sir, if that isn't a denial of the rights of members of this House, I don't know what is. And, Sir, there have been a substantial number of Orders for Returns, 26 or 30, introduced into this House during the early stages of the sitting of this Legislature some three months ago, and to date only three of those questions have been answered, some of them requiring very little time to . . .

MR. SPEAKER: Order, please. I wonder if the honourable member would yield the floor while we have the Lieutenant-Governor come in for . . .

ROYAL ASSENT

DEPUTY SERGEANT-AT-ARMS: His Honour the Lieutenant-Governor.

MR. SPEAKER: May it please Your Honour, the Legislative Assembly, at its present Session, has passed a bill which in the name of the Assembly I present to Your Honour, and to which bill I respectfully request Your Honour's assent.

MR. CLERK: Bill No. 95, An Act to amend The County Courts Act (2). In Her Majesty's name, His Honour the Lieutenant-Governor doth assent to this bill.

MATTER OF GRIEVANCE (Cont'd.)

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: There are various ways in which members of the Opposition are entitled to elicit information from the government. Daily question period is one of them, and there are limitations, and rightfully so, placed on the kind of information that can be sought at that particular time of the day. The Orders for Return are supposed to supply detailed information to members who seek answers to questions that require some search and some detail in explaining. But, during the course of the consideration of the Estimates, it has been the long-standing practice of this House, and I might say practiced by some members opposite, that they honestly endeavour to give proper answers to proper questions during the consideration of Estimates, and in many cases some Ministers will seek to provide answers later if they are not readily available - and this is only proper. This is what is expected of a government. But when a Minister stands up in this House and makes it pretty generally known that he does not intend to answer any questions and he does not intend to allow any time to answer questions, and he makes it pretty well-known that he does not intend to relinquish the floor so that another Minister's Estimates can come up, then I, Sir, consider that this is a callous disregard of the rights of members of this Legislature - and my honourable friend the Minister of Consumer and Corporate Affairs laughs at that because this is the sort of thing that he enjoys. He thinks that this is right and proper.

Sir, there have been two or three occasions when statements that should have been properly made in this House - and there is an opportunity for Ministers to make statements at a time provided on the Order Paper, which also provides the Opposition members with an opportunity to comment on that statement - I raised a question of privilege on one occasion

(MR. JORGENSEN cont'd.) regarding a statement that the Minister of Industry and Commerce had made, and instead of paying heed to what I thought was a legitimate question of privilege, the Minister of Industry and Commerce the very next day made another statement outside this House. And, Sir, it's done simply because they don't want any comment from anybody on this side of the House when they make statements, for fear they will maybe not look so good.

But surely the crowning touch must have come from the Minister of Highways when the Member for Brandon West, during the consideration of the Estimates on the Department of Highways, asked the Minister a perfectly legitimate question concerning some construction project in his constituency. That question was not answered in this House and yet the Minister of Industry and Commerce read a written statement in Brandon the next morning answering that very question. Sir, surely members of this Chamber and the people of this province cannot any longer tolerate this arrogant, callous disregard for members of this Legislature, and the First Minister must assume the responsibility for the conduct of the affairs in this House. Surely the First Minister, who goes and parades around the country as the nice guy who is not attempting to deny anybody their rights, the man who is reasonable, the man who would not become arrogant, and the man who runs an open government, Sir, if he was sincerely attempting to live up to that kind of an image, he would put his foot down and would not permit the Minister of Highways to carry on the conduct that he does carry on in this Chamber.

Sir, we read when one of the first Speeches from the Throne was brought into this Chamber, we read with some questioning in our minds what the first Minister meant when he said that they were going to throw out all the old traditions and the dogmas that had outlived their usefulness. Sir, at that time we little realized that one of the traditions that they intend to throw out of this House, which is a movement in the direction of a totalitarian state, is the right of members of this Chamber to ask questions of the government and to get legitimate answers to those questions. That, Sir, means that they want to stifle the Opposition, and whether they do it openly or whether they do it subtly, stifling the Opposition is the first step on the road towards totalitarianism.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN: The matter before the Committee is Resolution No. 56. The Minister of Industry and Commerce.

MR. LEONARD S. EVANS (Minister of Industry & Commerce) (Brandon East): Last day I had begun a brief introductory remark, a statement, with respect to policy considerations of the Department of Industry and Commerce. Unfortunately we ran out of time and today, Mr. Chairman, I would like to conclude with a few brief policy remarks and then hopefully allow all members of the House, including the Honourable Member for Morris, to have ample opportunity to ask questions, and I can assure him that I will do my best to provide the answers.

I might add at the beginning, Mr. Chairman, that this government, the New Democratic Party, is committed to working towards the creation of a society in which each member of that society can participate fully, not only in its economic wealth, but also in its social and political institutions. We are committed to the development of a social and an economic system in which the basic needs of health, of housing, of education, food, clothing, are bountiful and easily available to everyone regardless of income. And I'm pleased to note, Mr. Chairman, that the good people in the province to the west of us in Saskatchewan yesterday saw the light and decided to join us in this march forward in social and economic progress. Saskatchewan will join us in the pursuit of goals that this government has enunciated, goals of selective economic growth as opposed to crude growth policies.

You know, I didn't hear the Honourable Member from River Heights, but I was informed that he was very critical of our selective growth policy and made reference, I'm advised, to various companies which have gone into receivership. You know, CFI is in receivership; Futuronics is in receivership; Lake Winnipeg Navigation is in receivership - you know, if that's selective growth we can't afford it. Well the fact of the matter is, Mr. Chairman, every one of those cases are cases that this government has inherited from the previous administration. Every one we've had to deal with, we've had to cope with, they are problems

(MR. EVANS cont'd.) that have been created for this province by the Conservative Government, the previous Conservative Government of Manitoba, and we're doing our darnedest to solve them.

Our selective growth policies are policies which do not see production as an end in itself and society as a means to achieve that end. We have substituted instead, Mr. Chairman, a qualitative plan of development which conceives of production as the means to satisfy the needs of the people of this province. These basic needs, many of them being public in nature and thereby benefitting all without exclusion, are not easily transferred into private demand. These needs cannot manifest themselves in the market because many who require them do not have the money or, due to their social nature, it has not been profitable for private corporations to fulfill them. These basic needs include the public services and facilities that are absolute prerequisites for a humane environment in the present complex urban industrial society in which we live.

Some of these needs to which this government has directed itself are: improved public health; improved opportunities for education; the development of humanely planned and governed cities; housing; public automobile insurance; improved income security; and cultural and athletic facilities. And the satisfaction of these basic needs, Mr. Chairman, is imperative if we are to provide a base and a context for human initiative and creativity in this province.

Speaking specifically regarding the Estimates of the Department of Industry and Commerce, let me say, Mr. Chairman, that the programs of my department recognize the value and contribution of business enterprise to our society as an instrument for harnessing and channeling the creative ability of our citizens. And we don't question this. The effectiveness of this instrument has resulted in unprecedented wealth and abundance.

It is the intention of my department's programs to lend support and assistance to business enterprise as an instrument of man's creative efforts, and in this role we will work to assist the private sector to grow and prosper. However, our assistance, Mr. Chairman, is not unqualified. We wish to provide assistance where we can obtain truly net benefits for the people of this province. We refuse giveaways to big business - this is not our policy; but aid to deserving business enterprises, to deserving companies, yes, this is our policy. It is the objective of this department's programs to encourage the development of those types of enterprise that maximize the external benefits to society such as pollution-free operations, high wage employment, maximum linkages with other Manitoban industries, local ownership, and avoidance of over-concentration. And in this light, Mr. Chairman, I have introduced gradual reforms in the activities of my department to make it truly development-oriented in the broadest sense of that word, so as to yield the greatest net benefits to the people of this province.

As I said the day before yesterday, when I began my remarks in the introduction of my Estimates, we have renounced the flamboyant, the extravaganza style of the former government. Super salesmanship style of promotion, from my investigations, has not resulted in effective economic development, Mr. Chairman. Instead, what is needed and what is being achieved is more research, careful research, hard work and sophisticated presentation, which will enable us to make the economic progress which we all desire.

In the same line, Mr. Chairman, I would like to make it very clear that this department does not intend to be a welfare agency for business. It is not the intention of this department or of the Manitoba Development Corporation to provide business owners with what amounts to simply welfare payments disguised as loans or incentives or grants, or whatever nice-sounding name you want to use. It is not our intention to make multi-millionaires out of millionaires, and when a private firm honestly needs government assistance - and, Mr. Chairman, this is not something that they should be ashamed of - this government intends to provide such assistance. But in giving this aid, the Government of Manitoba intends to get proper value for the people of this province who ultimately lend that assistance. And I have talked before in this House about a partnership between government and industry, each helping the other in the areas it can do best. Well, I'm serious about this partnership and I intend to provide considerable assistance to business through the Department of Industry and Commerce. However, I do not intend that this partnership be the type fostered under the previous administration in which government put in most of the money, bore most of the risk, and in which industry collected the profits - and obviously, the classic example of this is the CFI Complex at The Pas. It is the intention of this government, therefore, to drive a harder bargain, to

(MR. EVANS cont'd.) get a better deal, a better bargain for Manitobans.

It is the intention of this department, and I feel that this is reflected in the Estimates, to provide a considerable range of services to Manitoba business to help them improve their management, to increase their efficiency, to expand their exports, and to get involved in new and expanding opportunities. We do this, Mr. Chairman, not just to assist a firm in growing and prospering, but in order to improve the lives of all Manitobans, in order to provide the necessary economic basis. And therefore it is our responsibility, Mr. Chairman, when administering these programs, to ensure that the benefits these firms received are passed on to other Manitobans and that the taxpayers, most of whom are workers and not owners, get a fair return for their investment. Therefore, Mr. Chairman, this department is continuing with a program of incentive grants to industry. But these incentive grants are intended as incentives and are aimed specifically at those smaller companies that genuinely need such help.

There are a number of basic policy approaches that I would like to underline, Mr. Chairman, in my brief opening statement. First, while my department will not be a welfare agency for business, I realize that some private companies genuinely require assistance. The Department of Industry and Commerce will assist firms which confer substantial net benefits upon the people of Manitoba. Firms falling into this category would include those which pay relatively high wages, are price competitive, are relatively pollution free, and which provide decent employment to the people, particularly in the underdeveloped regions of the province. And to these firms, my department will provide extensive business and economic information, technical assistance and, where necessary, financial assistance.

A second policy approach, Mr. Chairman, that I would like to underline is this. I feel that the development of indigenous entrepreneurship is a precondition for the development of the Manitoban and the Canadian economies. If Manitoba is to prosper and if Canada is to become the great nation which she should become, it will be because of the efforts of Canadians, it will be because of the efforts of Manitobans. It's my feeling that foreign domination of our economy in many ways has had, and will continue to have, a discouraging effect upon economic development. While we often talk of the need of foreign investment dollars, it should be understood, and there is a growing realization of this point among professional economists, among business leaders, among political leaders across the nation, that foreign investment can be a mixed blessing. Canada, like many Latin American countries, has largely been used by foreign nations as the source of raw materials and as a market for goods produced in the metropolitan economies, and the statistics, Mr. Chairman, are quite conclusive. The bulk of American investment and the bulk of foreign investment in total in Canada, historically, over the years, has been in the basic primary resource sectors of our economy; in iron ore, in oil and gas, in coal, in timber resources, pulp and paper resources - in the forestry resources, I mean; and it is a typical pattern of foreign investment, and we have experienced it as have the Latin American countries in Canada.

Well, our interest, Mr. Chairman, is in promoting the indigenous ownership of industry. The Manitoba ownership of industry, then, is not based on considerations of nationalism, but rather on sound economic considerations. One can take a very nationalistic stand but you can also take the same position from a purely economic point of view. We need to process the raw resources now being extracted from our economy. We need to have our industry purchase maximum amounts of their inputs from local producers. We need our firms to establish research facilities in the province and to carry on research and development in Manitoba, and truly, we need companies in this province which will optimize their export performance and which will not be inhibited from exporting by foreign law or by a parent company which imposes trade restrictions.

INTRODUCTION OF GUESTS

MR. CHAIRMAN: I'm sorry to interrupt the Minister, but I would direct the attention of members to the Gallery where we have 82 members of the Anamosa School Band under the direction of Mr. R. Warner. On behalf of all members of the Legislature, I welcome you here today. The Minister of Industry and Commerce.

COMMITTEE OF SUPPLY (cont'd.)

MR. EVANS: Mr. Chairman, the point that I am making is that we need companies,

(MR. EVANS cont'd.) we need enterprises in Manitoba, which will optimize their export performance. We badly need such types of enterprises, and history shows - and the record is there for all to read, whether you look at the Financial Post or whether you look at other trade and economic magazines - the record is there for all to see that there have been many cases whereby the export drive of companies which are owned by foreign enterprises have been thwarted because of the policy of the parent companies. And therefore, Mr. Chairman, I suggest that we cannot afford this. These needs, I suggest, Mr. Chairman, can best be served, our needs to export, our needs to optimize a situation, can best be served by stimulating the expansion of Manitoba ownership and Manitoba control of industry in this province. And the efforts of my department, Mr. Chairman, will be directed and are being directed towards this end.

There is a third policy situation, a policy question that I would like to speak for a moment on, and that is the question and the issue of public enterprise. I know this is an issue which has often concerned members opposite and has concerned people throughout the province. I think there's been a lot of what amounts to misleading statements made on this particular issue by many people in this province. This government, the government in Manitoba, believes that, where necessary, Crown corporations and mixed enterprises - if you wish you can call them joint enterprises - can be used to successfully promote the social and economic development of this province, and we reject the notion that public enterprise is inherently less efficient than private enterprise.

You know, whenever I dwell on this, I can never forget the situation, a case in my own city, or the city which I have the pleasure to represent at least 50 percent of - Brandon, in the case of McKenzie Seeds, and if the House is still sitting and if a report is forthcoming by that time, I will be pleased to table such or make this information available. There's no doubt that McKenzie Seeds, which is 90 percent owned by the people of Manitoba, has become the most efficient package seed company in the industry in Canada. McKenzie Seeds, when we took over, was floundering and it need not have floundered, Mr. Chairman. The fact of the matter is that this government took an interest in it. We revamped the Board of Governors, or Board of Directors of the company, gave it new guidelines, and management was changed - senior management was changed. And today, Mr. Chairman, rather than facing a company being on the verge of bankruptcy, we have today in Manitoba in the case of McKenzie Seeds, the No. 1 seed company in Canada, the No. 1 seed company in this whole entire nation of ours, and this is something we can be proud of, and if you want to argue the case of a publicly-owned enterprise being efficient, let's talk about McKenzie Seeds.

And you can look at the Canadian experience. You can look at Polymer. You could look at Eldorado Mining and Refining. You could look at Air Canada, Canadian National Railways, the various provincial public hydro-electric companies, the various provincial telephone systems, and they all indicate that it's simply not true that you cannot have an efficiently run operation if it's owned by the people. Public enterprises can be used for a variety of purposes and they can be used to provide high wage employment, incidently. And they can be used to stimulate the development of underdeveloped regions, and they can be used as institutions wherein workers are given the opportunity to influence production, investment and organizational decisions. In other words, they are and they can be ideal vehicles for industrial democracy.

Well, I should therefore state, Mr. Chairman, as a policy move, that my department will continue now to identify areas where public enterprises might be used, and in these efforts we will work with other government departments and agencies. Now that is not to say that we have not and will not continue to assist the private sector. Indeed, we spend a great deal of time in helping to improve the efficiency in the productivity of the private sector of Manitoba, and I make no bones about it. It's in our general interest to do so, whether you're talking about productivity programs, productivity audits, whether you're talking about design institutes, whether you're talking about export promotion, whether you're talking about various kinds of market information that can help our companies prosper. There is no question that we will continue to effectively play a very substantial role in that way, and having said that too, I will also say what I've said on other occasions, that basically this province is a private enterprise province and basically the bulk of the economic activity of this province will remain in the private sector.

But let's not have any, you know, ideological hang-up on the fact that there are areas

(MR. EVANS cont'd.) where the public enterprise organization can play a role, as it has indeed in Canada under various kinds of governments, various parties who have had government in various provinces and at the federal level. And the Conservative Party incidentally, at periods of its history, had been very notable for setting up publicly-owned enterprises. You know, so let's not have any ideological hang-ups on that. As I've said many times before, let's take a pragmatic view of this. Let's do what's right for the people of this province; let's do what's right to raise the standard of living, and therefore let's not put on the blinkers when, if necessary, it is time that the public investment occur as opposed to private investment.

One other policy area, Mr. Chairman, that I would like to refer to before sitting down, and that is the thrust of my department in the area of regional development in Manitoba. Not only had we been reviewing the roles of our regional development corporations with the objective of making them more viable and stronger yet more flexible tools of economic development, but we have also initiated an intensive socio-economic study in the southern sections of this province, and this multi-faceted study will provide my department and indeed the entire government, and certainly this information will be made available to the public. We will obtain information that is a prerequisite for concrete, swift, direct and yet responsive changes demanded by the ongoing dynamic processes in our rural economy. We realize that there is a well-developed systematic relationship between the cities and the towns and the villages in Manitoba, and in recognition of this fact, Mr. Chairman, we will integrate rather than impose our developmental policies into this system. Now we are able to move still further away from the scatter-gun approach to regional economic development.

Now having said that, Mr. Chairman, I must hasten to add that we cannot promise a smokestack in every hamlet. We cannot promise every village, every town, that they shall have a factory or that they shall have some given size of economic enterprise. This is absolutely impossible. But by concentrating our economic development efforts in certain key locations in all regions of this province, locations that play key roles in relation to their surrounding regions, we anticipate the returns per dollar and per man hour invested in regional development will be appreciably increased. By concentrating our efforts we can stimulate economies that will lower the locational and other economic disadvantages of our rural areas, and thereby stimulate agglomerative economies that will complement our previous efforts.

And on this subject, Mr. Chairman, I cannot help but observe that a great deal has been made about a report recently issued by the Metropolitan Corporation of Greater Winnipeg. I frankly think that far too much attention has been paid to that particular report, because what is it? It is simply an informational report. It's a collection of statistics and some observations on those statistics, and it naturally makes a case and a plug for more money for Metropolitan Winnipeg. But, you know, it should be made very clear - there is some confusion particularly in rural Manitoba - that that is not a policy document of the government in Manitoba. It is simply a piece of information that has been made public by that particular urban level of government.

I think that we have to cast aside this consideration and this so-called problem of competition between the city areas and the country areas, and I'm not only comparing Metropolitan Winnipeg with the rest of Manitoba, but I'd even go to my own city of Brandon and relate it to its particular economic hinterland, the particular region of south-western Manitoba which it serves. We should recognize that Metropolitan Winnipeg and small cities and towns and their rural hinterlands complement one another. Certainly they don't compete; they exist in harmony. They have to exist in harmony. They have to exist, one supporting the other, each fulfilling the role that geography and our social and economic institutions enables them to play. They fit into an economic pattern, a rather complicated, a rather sophisticated economic pattern, a pattern that's become more sophisticated as transportation, communication and other technological developments bring us along in the jet age in the latter part of the 20th century.

So I say, Mr. Chairman, let us not think of rural economic development at the expense of Winnipeg, Winnipeg or Brandon development; or think of the reverse, that developments in Winnipeg are at the expense of rural Manitoba. That should not be our stance and that isn't really the case. I suggest that we must live as we do live - in economic harmony. The fact of the matter is that Metropolitan Winnipeg has a large economic hinterland. It extends beyond the province of Manitoba; as a matter of fact, if you want to look at Manitoba's economic hinterland, you should go right to the Lakehead and at least half, if not more than half, of the province of Saskatchewan, Metropolitan Winnipeg services in various ways; through financial institutions,

(MR. EVANS cont'd.) through commercial enterprises, as a transportation network, through financial institutions. In a very complicated way, a very sophisticated way, Winnipeg serves as a center, as a nerve center for a vast economic hinterland which extends far beyond the province's borders, which extends far beyond the borders of the province of Manitoba. But even so, there is harmony in this relationship and that is the fact of the matter, and to make a big issue of one progressing at the expense of the other, is to be unrealistic.

Mr. Chairman, I hope to conclude now very briefly by harking back on our philosophy of economic development. We must remember that industrial development is a means, or a tool, it is not an end in itself; and a concrete example of what I mean - justifies our beliefs, Mr. Chairman. Naturally we are concerned with creating more jobs in certain areas, in raising income levels, but we do not want to do so to enable ourselves to brag that in 1971 we created X jobs versus, say, another province's Y jobs, using X and Y in the arithmetical, mathematical sense. We are concerned only to the extent that these achievements can be translated into terms of richer, more meaningful lives for the people of this province, and to many residents of rural Manitoba a job is just a part of this concept. I think the people in the rural parts of the province perhaps are a little more philosophic about living than some of the people, like myself, who has lived practically, well all of his life in an urban area. They are concerned with identification with their community and with living among life-long friends and relatives, and many rural Manitobans are forced, because of economic circumstances, to move to city areas to seek employment, and of course this goes on and is going on throughout the North American continent, not to speak of other parts of the world. And true, they may find a job but they also may find loneliness and they may also find alienation. This is but one explanation of the failure of many programs aimed at facilitating the rural urban shift, and our regional economic development programs are aimed, if I may use everyday language, Mr. Chairman, to bring the mountain to Mohammed. We are endeavouring to bring about a solid development of selected economic growth centers so that the people in the rural part of the province can find a decent living in their own natural environment. We do not intend to allow purely economic factors to coerce rural Manitobans into a life of unemployment or, alternatively, in despair in rather foreign or rural surroundings.

Mr. Chairman, we are the Manitoba government. This administration and this department is developing an economic development program which will raise the standard of living of all of our people, and whether they live in the cities or in the country, whether they live in the north or, as my good friend from Churchill refers to, in the south, we are sincerely and conscientiously and systematically working on programs, as I indicated the other day, a whole host of programs, whether you are talking about a Bank of Manitoba, a financial institution for Manitoba, or whether you're talking about loans for service industries in rural Manitoba, or whether you're talking about small loans for business, or whether you're talking about strengthening regional development corporations, or whether you're talking about the whole question of ownership of industry in Manitoba by Manitobans. There's a whole host of policy approaches, there's a whole host of programs which we are working on, Mr. Chairman, which I am confident in the long run, given time, will raise the standard of all the people of this province no matter where they live, and I invite members of this House, Mr. Chairman, to pass the Estimates of this department to enable us to carry out this very worthwhile task. Thank you.

MR. CHAIRMAN: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Chairman, this is rather an unenviable position to be in today in this function of opposition, particularly in the wake of yesterday's Saskatchewan holocaust. It's a little bit difficult to escape the feeling that one is standing naked and defenceless on the prairies, as the cyclone roars through overturning a great many things in its path. In short, I must confess to feeling a little exposed in this particular role on this particular date, because one has to concede, politics aside, that my honourable political opponents across the floor on the government side of the House, have reason and justification for taking some considerable satisfaction today in the positions they have been espousing for some time. Nonetheless, that's no reason, Mr. Chairman, to relinquish the battle or give up the fight, or allow them to pursue courses which we feel are ill-advised, and there are a number of aspects of the program outlined by the Minister of Industry and Commerce which I must take strenuous exception and opposition to, Mr. Chairman, on a wide variety of grounds.

The Minister is a very nice person, a very nice fellow, and it's a difficult thing, it's a difficult thing to have to say the things that one in all conscience has to say about his department,

(MR. SHERMAN cont'd.) about his estimates, his program and the manner in which it's being administered in the interest of the economic health of the province.

The Minister is a nice guy but, as Leo Durocher observed long ago, nice guys finish last, and this is the thing that concerns me, Mr. Chairman, about his performance of his duties, about the performance -- (Interjection) -- I'm sorry I didn't hear that remark.

MR. HARRY SHAFRANSKY (Radisson): Did the nice guys finish last in Saskatchewan?

MR. SHERMAN: Well they certainly did. They certainly did finish last in Saskatchewan. The honourable member asked me did the nice guys finish last in Saskatchewan, Mr. Chairman. I would say they finished in a dismal last in Saskatchewan. This is the thing that concerns me most about the conduct of the department's program and the Minister's fulfilment of his role -- the fact that while he is taking a nice guy approach to the problems of our economy, while he's trying to formulate a diplomatic program that is acceptable and harmonious with the high academic ideals that he brings to economic planning, the province is liable to finish last, the economy of the community in which we live is liable to finish last in terms of our competition for survival and existence, not only in Canada but in North America, in terms of our competition for economic health and progress and survival, Mr. Chairman.

The Minister has talked about the different thrusts of his department, thrusts in various directions. The thrusts do not impress us on this side of the House. Obviously that comes as no news to the Minister. The thrusts strike us as being about as vital and about as electrifying as the fizzle of a damp squib, about as effective as a dead battery, Mr. Chairman. There is evidence on all sides in our economy, in our society today, that there is an exodus of talent, energy and ambition from Manitoba which we can ill afford, and if the thrusts that this department is undertaking and applying are so dynamic and so effective, I ask the Minister: why is this exodus of talent and ability taking place? Why are we suffering the kinds of expensive losses in economic imagination and creativity that we are suffering with the departure of individuals and of corporate entities in some substantial number?

Mr. Chairman, the Minister has talked about getting away from the old approach of super salesmanship, and he has had considerable criticism to level at what he feels was a flamboyant kind of marketing technique adopted by the previous administration and by the member of this party that occupied his Ministry under that administration. Well, I think that perhaps, Mr. Chairman, what the department, what the government, what the province lacks at the present time, is precisely that element of super salesmanship. I think the Minister would probably make a darn good super salesman, if he could get up and go out and make the effort to convert himself into a super salesman. I have no qualms or doubts or misgivings about the Minister's ability to sell. The thing that disturbs me is that up to this point there has been little evidence that he has put in the effort and made the attempt at selling that is necessary to move the concept of Manitoba, in economic terms, with those in positions of capital, of investment, of finance, of industrial input, with whom he should be talking and dealing. What we need is some super salesmanship from this Minister, and I suggest if he makes the effort, he certainly possesses the powers of persuasion, at any event, that could enable him to be an excellent salesman for Manitoba and Manitoba's economic potential.

The Minister can sound all the messages of hope he wants to sound about the programs that this department is undertaking, Mr. Chairman, with a view to strengthening our economy. He can talk about the data research centres and the research banks and the different academic studies and all the intellectual input that he and his colleagues are giving the problems besetting Manitoba's economy today, but he can't escape or deny the fact that overriding our economy, overriding our society, across not only the Metropolitan Winnipeg area but across the length and breadth of the province, there is a kind of a climate of depression, Mr. Chairman; there is a kind of a climate of despair about the economy, about prosperity, about opportunity, and I wonder, has the Minister talked with any leaders of industry or any leaders of business as to why there is this climate of anxiety and depression, as to why there is this concern and worry about the immediate prospects for the economy and about the immediate state of opportunity, not only for them in their enterprises, but for the thousands of young people coming out of our high schools, our community colleges, our trade schools and our universities, who are looking to private entrepreneurs, certainly as much as to government, for job opportunities here.

The Minister says he has no hang-up about public enterprise, Mr. Chairman. Well I have no hang-up about public enterprise either, and I suggest that in different confrontations and conversations between the Minister and myself, both inside and outside this Chamber, we have

(MR. SHERMAN cont'd) . . never had any strongly divergent viewpoints. We have never taken any strongly opposing positions on the question of public enterprise vis-a-vis private enterprise and how the two can fit together and work together to make an economy in an economic society healthy and viable. I have no hang-up on public enterprise. Certainly my own party has a historical record, as the Minister suggested, of leading the way in converting a number of previously private enterprises to public enterprises and in blazing a trail of successful mixture of public and private enterprise in the Canadian economy and in the economy of this province of Manitoba. My own party, provincially and nationally, has a record that's an enviable one in that respect, and a record on which I myself and my colleagues in the party proudly stand. There is no hang-up whether or not we should be into ideological conflicts and confrontations. We are not concerned with the philosophical and ideological argument as to whether public enterprise is devoutly to be cherished or devoutly to be avoided in the kind of economic mix we are trying to build here in Manitoba. I'll take public enterprise where it can do the population of Manitoba economic good, and I'll take private enterprise where it can do the community of Manitoba economic and social good, and the two can - I agree with the Minister - fit and dovetail together if properly organized and if properly motivated by persons such as himself who are charged with that responsibility of leadership.

But what the Minister and his department seem to overlook, it seems to me, Mr. Chairman, is that first and foremost the necessity in the Province of Manitoba at the present time, as indeed is the case in many other parts of Canada, is that we have to create some public wealth, some common wealth here that provides through its existence, through its generation, job opportunities, living opportunities, social opportunities, not only for the people who are in a position to work today, but for the thousands who are coming out of our institutions of education, trade and academic, and who need those opportunities tomorrow. And what has not been done in all the philosophizing and intellectualizing about the examination of our economic problems, what has not been done is attention given, necessary attention given to the generation, the creation of that kind of wealth that I'm talking about, wealth translated in terms of jobs and job opportunities.

The Minister talks about the extensive research programs. He said a few moments ago that his government, the government of which he is a member, is developing an economic program that will serve and benefit all Manitobans - I may not be quoting him exactly but this was certainly the sense of his remark - that the government is developing an economic program, working on it, and it will be a program that will benefit and serve all Manitobans. Well, Mr. Chairman, the government has been in office for nearly two years and I wonder how long Manitoba society and economy can wait for that kind of a program. In the meantime, we've had the drain, the exodus, to which I've made reference, of talent - the Minister of Labour shakes his head, the Minister of Labour shakes his head but I'm sure -- (Interjection) -- That's true. The Minister of Labour and I are still with it so all the talent, all the talent the Minister suggests has not departed, but a great deal of it unfortunately has - in relative terms, a great . . .

MR. CHAIRMAN: Order. . . . the Honourable Minister when a member is speaking if he wishes to have a point of order to rise in his seat otherwise keep quiet.

MR. SHERMAN: In relative terms a substantial amount of that talent and energy has departed from Manitoba in recent years and the Minister of Labour is as familiar with the news stories and reports of that exodus as I am, or as the Minister of Industry and Commerce and everyone else in this House is. Mr. Speaker, the approach of this government in economic terms is an approach of hypothesis, it's an approach of idealism and it's an approach of academics. What it lacks is realities, what it lacks is the hard core kind of gut economic material that makes the difference between people having job opportunities and people lacking job opportunities. We talked in the House the other day on a resolution that was introduced by the Member for La Verendrye which it seemed to me, as I indicated at the time, clearly identified some of the basic economic problems and challenges facing this government in a way that the approach of the government itself has never identified them. And I cite the recent report of the Economic Development Advisory Board as an example of the government or quasi-government agencies failures to recognize and identify those problems.

The resolution to which I refer talked about the necessity of job creation, the necessity of proper economic opportunity development, the necessity of inviting foreign capital in those areas where the capital input required was not forthcoming from home-grown enterprises or

(MR. SHERMAN cont'd.) entrepreneurs or governments, the necessity of facing up to the need to keep producing job opportunities sufficient in number to absorb our people, our young people in particular as they come on to the market year after year. This is something, Mr. Chairman, that the Minister himself and the academic treatises of the government and in particular the reports so far made available to us in this session of the Economic Development Advisory Board have blindly, have blindly refused to recognize and identify. Whether it's been a deliberate kind of philosophical approach or whether it's just that the people responsible for guiding our economic fortunes in this province are incapable of understanding those basics of the marketplace and the market system and the market problem, I do not know, Mr. Chairman, but it's a costly oversight for Manitoba. It's a costly predicament for our economy, and that means our society, to find itself in when a department and its related agencies are concerned more with theory, with idealism and with academics at this stage of economic crisis - and there is economic crisis in our province today - than they are concerned with the realities of getting the capital here to produce the jobs and produce the wealth that will create the continuing availability of opportunity.

Mr. Chairman, it's no exaggeration to say that this economy in Manitoba is beset with crisis today. It's a crisis economy, an economy that is in difficulty on a half dozen levels. It's an economy that features, unfortunately, a crisis in job creation and job opportunity; it's an economy that is flawed by a crisis in the aerospace industry on which we had pinned high hopes in Manitoba for some time past. It's an economy which is flawed by the crisis in departure of talent, exodus of talent that I've referred. It's flawed by an indisputable crisis in the construction industry and it is certainly badly marred by a crisis in the morale and the operations of the Manitoba Development Corporation.

Not more than a week or ten days ago, Mr. Chairman, there were newspaper reports in the Winnipeg Tribune of difficulties that a number of entrepreneurs and businessmen felt they were having in terms of having the properly enunciated policies of the MDC applied to them and of difficulties expressed by members of the Building Exchange in the construction industry on the subject of the building and construction crisis afflicting Manitoba at the present time. These were only two of the subjects of crisis to which I've referred, only two out of the catalogue of crises to which I've referred, but both were given substantial coverage in a report in the Winnipeg Tribune of just ten or eleven days ago.

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(MR. SHERMAN cont'd)

Mr. Chairman, I see that it's 4:30 and I know that I'm running — (Interjection) — Oh, I'm all right. Excuse me. I thought I was running into Private Members' hour. I'm all right. Thank you, Mr. Chairman. One of the stories to which I referred was headlined "Bleak Year Predicted in Construction Work" and it quoted the President of the Winnipeg Builders' Exchange, Mr. A. F. Rebiffe, who said in the report to which I refer, and I'm quoting Mr. Rebiffe: "I don't like to cry gloom but the outlook is not very promising at this stage." The story paraphrased indicated that Manitoba's construction outlook this year is bleak in the opinion of officials like Mr. Rebiffe and his colleagues. Quoting from the newspaper report I would like to read this paragraph into the record, Mr. Chairman: "The Builders' Exchange President says he would like to see the Manitoba Government follow the lead of some other provinces and drop the provincial sales tax on building materials." "It would make quite a big difference to our industry," says Mr. Rebiffe. "We recently made a presentation to the government that they do this to stimulate the economy but so far we received no comment other than that they would take our suggestion under advisement." Well, whether the Minister and his colleagues are in a position to remove the provincial sales tax on building materials is a contentious point and I concede that. I don't suggest it would be easy to remove that kind of an imposition in terms of revenue and find the necessary replacement for it. But the point is that stimuli of that kind are going to be necessary to get indicator industries like the construction industry, the building industry moving at the tempo at which they should be moving if they're going to help restore the economy to the position of health which is long overdue.

The point is that the construction industry through one of its chief spokesmen, the President of the Winnipeg Builders' Exchange, is admitting that it is a bleak and grim outlook that faces it this year in Manitoba. And this is one of the crises in terms of our economy that I refer to. This is one of the extreme problems, the extreme difficulties afflicting us in economic terms with which the present government has I suggest not come to direct grips. This is one of the problems which seems to me is swept under the rug and ignored and overlooked when we get the kind of academic approach taken by the Economic Development Advisory Board in a report that talked about all kinds of wonderful ideals ranging from pollution control almost all the way to motherhood while ignoring, while ignoring the basic problems afflicting the factors in the marketplace at the present time that make the economy go. There was nothing in that report that said anything either about how to turn the economy into a socialist paradise or to turn the economy into a successful free enterprise paradise. I wouldn't have objected nearly so strenuously to that report if it had at least come out and said - well this is the way we should do it in terms of pure socialism. That's fine, that's acceptable. But to do neither, neither to take the approach of state enterprise and spell it out in such a way as to offer productive results, nor to take the approach of free enterprise and spell out guidelines that could produce benefit and job opportunity and growth, seemed to me to be a total waste of time and I found that that report in its entirety lacked backbone, in its entirety it lacked economic meaning and backbone and this is what I'm afraid is applicable to the over-all approach of the Department of Industry and Commerce itself.

I do not necessarily lay the fault or responsibility for that at the doorstep of the Minister himself, I think that there are influences in terms of economic planning in the administration that probably are as powerful or almost as powerful as the Minister's own influence is and he probably loses debate and loses his share of arguments from time to time in the administration as to the direction that the economy should be taking. So I don't necessarily lay the blame at his doorstep, but I do lay it at the doorstep of the government in general, of the administration in general. I do say that in total they are to be sharply and roundly criticized I think for developing only idealistic, academic, sermonized approaches to the economy rather than getting down to the gut issue of creating jobs and job opportunities, none of which was even broached in the report for example to which I've referred, the report of the Economic Development Advisory Board. And I haven't heard too much about it so far in the opening statement of the Minister on his Estimates.

Mr. Chairman, the Minister has talked about selective economic growth. This seems to be one of his favourite phrases and one of the favourite phrases of the present administration when it comes to economic thinking. Well, earlier this afternoon the Minister made reference to a comment that my Leader apparently made outside the House in which he had a humorous criticism of the application of the term "selective economic growth" insofar as it's practiced by the government. I'm not sure what interpretation my Leader placed on it, but I can tell you

(MR. SHERMAN cont'd) this, I can tell you this, Mr. Chairman, that up to this point in time at any rate my impression and interpretation of what the Minister means by selective economic growth is an economic policy that gives, in fact confronts enterprisers, individual and corporate in Manitoba, with the necessity of selecting other parts of Canada in which to live, selecting other parts of Canada in which to go to practice their enterprises and make a reasonable living and a reasonable return. And if this is what it means . . .

MR. CHAIRMAN: Order.

MR. SHERMAN: Well, my honourable friend the Minister of Labour says "now Saskatchewan," Unfortunately that's likely to be true. I think only time will tell whether the exodus, the drain of talent and energy from Saskatchewan west and east will match the present drain of that talent from Manitoba west and east. -- (Interjection) -- Well that's the one reassuring, that's the one reassuring aspect in the whole situation.

Mr. Chairman, if that is what selective growth means, selective economic growth means, then I suggest that Manitobans have had it up to here and the Manitoba economy has had it up to here. We can't afford much more of that kind of an approach and hope to be able to hold our young people and hope to be able to compete in North American terms. The problem, as I've suggested, Mr. Chairman, is that it's the others, it's the others who are practicing the selective economic growth not this government, not this Department of Industry and Commerce, not the Economic Development Advisory Board, not the economic planners in this administration. It's everyone else who has got something to put into a society, something to put into an economy that is practicing selective economic growth and selecting other places to go so they can achieve that economic growth. Or perhaps selective economic growth means selecting sectors of the economy that the government feels it should take over next. That may be the interpretation. Whatever, it certainly is not having the practical application, interpretation or result of the term as the Minister applies it, as the Minister conceives it. What he means by selective economic growth and what is actually happening in terms of selective economic growth are two tragically different things, tragically different for the Manitoba economy.

Mr. Chairman, we know of at least four insurance companies that have decided that their difficulties of operation will be so severe here under the public insurance program that they're better off closing their operations or the major part of their operations here and moving to other parts of Canada. We know of a number of other enterprises that have made similar moves. We know, for example, of an enterprise of considerable talent and energy, the R. C. Baxter Development Company, deciding to make the move west largely, in the words of Mr. Baxter himself, "because it was too difficult to recruit people to the company here in Manitoba as a consequence of the unattractive tax situation." -- (Interjection) -- Well we know of those difficulties with Air Canada as the Minister suggests all too well. But . . .

MR. CHAIRMAN: Order. Order.

MR. SHERMAN: . . . the administration through various of its spokesmen has denied from time to time that it has any substantial or documented evidence that this kind of thing is actually taking place. They suggest that no companies have ever really stated openly and directly that the reason they are leaving Manitoba and heading elsewhere in Canada is because they don't like the economic climate here. The fact of the matter is that most of the companies that have left have said that sort of thing privately. I regret the fact that for reasons best known to themselves they have failed to say publicly, but the President of the R. C. Baxter Company did finally register something of a breakthrough in terms of admissions the other day when he did put it on the record as the reason for his firm's departure. And the Minister knows, and I know, and everybody in Manitoba knows that the same reason applies in the cases of a great many other companies that have gone. The companies have not said so for obvious reasons in some cases and unknown reasons in others but privately, privately they have confessed to their colleagues that that's the reason they're going and the Minister is fully aware of that, and unless something is done to improve the climate, the economic situation in which they and all companies and all enterprisers and all individuals, can operate in this province in the very near future, there will be other departures of that kind. What I suggest strenuously to the Minister, Mr. Chairman, is that this economy of ours cannot stand that kind of a drain, cannot stand that kind of a departure, cannot stand that kind of an exodus, cannot stand that kind of a loss. That's what it is. It's a direct and an oppressive loss, and it will reflect itself in a loss of job opportunities necessary to hold our people here and to provide opportunity for our children and all our young people, on whom we are spending substantial sums for

(MR. SHERMAN cont'd) academic and technical training in all our various educational institutions.

Mr. Chairman, the Minister participated at some length with an economic mission from Japan that was here recently and I commend him for his efforts in interesting members of that mission in opportunities in Manitoba. I feel that in terms of the length of time devoted to Manitoba by members of that mission Manitoba did extremely well and I commend the minister and his colleagues for the efforts that they applied to have that kind of attention focused on our province; but that's only the starting point and the Minister knows that. This in fact, is one of the most hopeful rays, in my view, in the whole economic horizon, being fitfully put together by this government and this department insofar as there is any kind of cohesive, economic goal that one can zero in on on that misty and hard to identify horizon, the Japanese opportunity, the opportunity for trade, investment, joint ventures, between enterprises in this province and enterprises in Asia and particularly in Japan is the best and the brightest and the most direct and the most singularly identifiable opportunity and I commend the Minister for that; but it's only a starting point and he knows that. I would hope that from that starting point, he now will become the super salesman that he has to be and keep the pressure on, maintain the follow-through with intensity, with effort, with conscience, such as he has not yet had to apply, or not yet been able to apply to other economic problems, until we get some tangible benefit out of the breakthrough that was made when the mission spent the time here that it did earlier this month. It's not enough just to have had them here for a day and a half, which was a half day or a day longer than they visited in other parts of Canada; it's not enough unless that length of time pays off in comparable economic benefits and in comparable economic developments for the Province of Manitoba. The Minister is not going to achieve anything other than the initial glow of success from having that mission here unless he works devotedly and feverishly, Mr. Chairman, in keeping the pressure on and following through on the initial contacts and communications made during that visit, and driving, driving, driving, until he gets something out of those communications, out of that initial contact that is tangibly an input into the Manitoba economy that will produce jobs and will produce wealth — and when I speak of wealth, I speak of it in the broad sense as opportunity as well as capital.

Mr. Chairman, the Minister earlier this week when he spoke said that we in government are doing the best we can to face up to the real issues of economic life in Manitoba. This is the essential and fundamental level on which I take exception to the posture of the department and in fact the posture of the whole government where the economy of Manitoba is concerned. It's precisely, Mr. Chairman, that the government and the department is failing to face up to the real issues of economic life in Manitoba that finds us in the wide-ranging catalogue of economic crises that we are in here in this province today. It's precisely that they are not able to recognize and identify those real issues that we are in economic trouble. The Minister said . . .

MR. CHAIRMAN: . . . remind the honourable member he has five minutes.

MR. SHERMAN: Thank you, Mr. Chairman. The Minister . . .

MR. JORGENSEN: Mr. Chairman, I want to raise a point of order. During the course of the debate on the estimates of the Department of Highways, I raised the same question, that there was a time limit imposed. I was later told that I was in error and that there is no time limit. I have no objection to that, I think there should be a time limit but I wish that this matter would be cleared.

MR. SHERMAN: Well, Mr. Chairman, on the point of order. If it helps you in your position, Sir, you won't be in any difficulty because I only have about two or three minutes to go, so that way we'll avoid the problem.

Mr. Chairman, the Minister said in his initial remarks the other evening that we have brought about new guidelines for the Manitoba Development Corporation. Well he may have brought about new guidelines for the Manitoba Development Corporation, Mr. Chairman, but I'd like to know who understands them. Certainly very few small businessmen in Manitoba understand them. There was a story in the Tribune of Friday, June 11th headed "Firm Feels Led Astray by Evans' Offer." The story is not as critical of the Minister as the headlines would imply, but what it is critical of, is the incompatibility of the policies for MDC loan assistance spelled out by the Minister and the application of those policies by the MDC itself. There is particular reference to the high risk small loans division of the MDC and the extreme frustration and disappointment experienced by one Mr. William Bond, part-time general

(MR. SHERMAN cont'd) manager of a manufacturer of all weather instant shelters and garages, when he went to the small loans division of the MDC to obtain a high risk category loan of some \$8,000 on the basis of the kinds of inspirational charges to the Manitoba business community that the Minister had himself expressed. The Minister had apparently invited in rather broad terms, small businesses to avail themselves of this opportunity in dynamic and adventurous ways. He had apparently suggested in fairly broad terms that these loan opportunities were widely available - and that is obviously the Minister's interpretation of the terms of reference of the small loans division, and in my opinion that's what the terms of reference should be. Unfortunately, however, nobody in the small loans division apparently understands the terms of reference in the same way for there is frustration and disappointment and rejection, rejection when small enterprisers, small businessmen go to that division and try to follow-through and take up the opportunity sketched for them by the Minister.

Ironically enough, in the very same newspaper and on the back page, the page behind the page containing that story to which I refer, Mr. Chairman, there is a substantial advertisement placed by the Manitoba Development Corporation headed "We help get ideas off the ground," and the ad goes on to say "Great oaks from little acorns grow and great ideas often spring from small beginnings." Well, tell that to Mr. Bond, tell that to the man who went to obtain one of those small loans believing that the terms of application, the terms for receiving the loans were as the Minister suggested they were, and as indeed, they should be, and got there and found that the administrators of the small loans division have no concept of what the Minister has in mind and that the result for any applicant is the entanglement of red tape and bureaucracy and ultimately a rejection. In other words, does the right hand in the department of Industry and Commerce know what the left hand is doing? The answer apparently on the basis of this kind of difficulty would be no, and this is the depressing, discouraging thing for those of us who are interested in a revitalization and a strengthening and a restoration of health for our economy, the fact that there is no cohesion and that there is no understanding between different agencies and different offices of the department itself and that there is on the available evidence considerable conflict even within the administration as to the kinds of economic principles and policies that this government should be pursuing.

Mr. Chairman, in the one or two minutes remaining to me, I just want to say that when we talk on this side of the House about what is necessary for business and for industry, it is not business in a social sense to which we are referring, it's not business in a social sense that we are concerned about here, it's business, it's business as a part of our community that can produce benefits for society. It is business as a factor in the economy. It is business as a supplier and a producer of jobs and it is business as a payer of taxes. It's the loss of jobs, Mr. Chairman, it's the loss of job opportunities, it's the loss of potential for economic input, it's the loss of growth and it's the loss of sources of wealth and revenue that we are concerned about when we talk about the necessity for this government to face up to the basic issues of our business climate, the basic issues afflicting our economy, not the academic idealistic issues, but the basic issues of creation of job and wealth opportunity so as to give people something to shoot for and something to stay here for.

Mr. Chairman, we've had data studies up to here, we've had statistical agencies up to here, we've had research operations up to here and all of this is just gilt on the lily, all of this is just academic flourish and frill. Gilt on the lily is all right, Mr. Chairman, if you first have the lily but there's no lily to gild right now in Manitoba, in economic terms there is no lily to gild. The Minister is rushing around gilding something that isn't there; there is not even any lily to gild, Mr. Chairman. If in fact that's not something of a contradiction in terms to start with. But there ain't no lily, Mr. Chairman. The Minister is rushing around with a can of gold paint, affixing all these little flourishes and all these little touches, data studies, research centres, computers, all that kind of thing and there's no job there to research. There's no salary, there's no pay cheque there to compile any data on; there's no promotion opportunity there to feed into the computer, so it's a bunch of academic redundancy. It's a bunch of academic redundancy, Mr. Chairman. Mr. Chairman, first you need an economy that will produce wealth, wealth for society in terms not only of capital but of opportunity and then you can worry about the frills and the little luxuries that this government seems to be concerned about in a priority way.

What economics means to this administration, unfortunately, Mr. Chairman, is academic flourishes. What economics means to it on the evidence that we have before us in our economy

(MR. SHERMAN cont'd) at this point in time is frills. The present philosophy of this administration and of the department as it's presently being directed, not only by the Minister but by his colleagues in the administration that present philosophy will find us strangling, Mr. Chairman, in frills and flourishes if we don't first do something about meeting the basic need, the job opportunity, the wealth opportunity, the reason for staying here and working here, the incentive to improve and to grow, to work harder, to put more effort into the economy, the opportunity for promotion and advancement -- and the opportunity, Mr. Chairman, for some fair profit.

MR. CHAIRMAN: I must apologize to the committee, I was a little remiss in not watching the clock, I got so interested in gilding lilies that I . . . The Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Chairman, I will have an extremely difficult act to follow because the Member for Fort Garry certainly has an excellent command of the English grammar and his humorous style will make my job that much more difficult. But, Mr. Chairman, I did sense some, you would probably feel, a conflict of opinion as to the Minister and as to his chairman of the Economic Affairs Committee that presented its brief to us the other day. In that brief, the report, there was mention made of the TED and COMEF reports with the date illustrated, the target approach of economic development, and it stated that under the approach specific detailed goals are set for the whole range of economic activities which are open to us.

The other day as the Minister introduced his estimates, he certainly didn't give any substance to either the COMEF or TED report. I think he says they are probably in the proper place where they belong collecting dust -- I just may not have the exact words, but if this is what he said, I think it's unfortunate because here he has a committee that's a standing committee on economic development, or economic development advisory board that gave its report to the committee of the House and surely the Minister should give some substance to his own board or to his own advisory board, and in this instance it appears that he certainly doesn't add any weight to it at all, which would concern me.

The other point, Mr. Chairman, I do feel that economic growth is a very important objective in Manitoba because we must create new jobs, not only to keep the present jobs but for the people that come on the labour market every year and surely this is somewhere in the neighbourhood of 15 to 18,000 people so the Minister has a big job and he must create new jobs for these people. I am somewhat concerned when at the present time I have the information, and the information is quite accurate, we have 13 insurance companies who have given notice they will be leaving this province which will affect some 700 employees -- and I will not get into the insurance debate, but I just want to make a reference to it for the benefit of the minister. It seems to me that the rates were designed in such a way that your basic rate was established high enough and that your supplementary is low enough which will be impossible for the companies to compete. Mr. Chairman, this will result in a total loss of some 3,000 jobs in this province. If this is not correct, and if there is any way that the Minister can prove it to me, I would be interested, because I think it's most important to the people of Manitoba. I think it's important to the Minister of Industry and Commerce as well, because it makes his job very difficult in this province and in this House to create jobs and at the same time when we're losing jobs at the rate of, I know for a fact now there's 13 companies leaving, I can name them if you want them; each one employees between 40 and 50 people; it's easy to figure there's 700 people. Now my understanding and information is that if they will not be able to compete into supplementary, then you will have a displacement of 3,000 people and I think it's a serious thing.

Mr. Chairman, I'll point another thing to you. The people that make -- (Interjection) -- I'll give credit to the Minister of Industry and Commerce, I think he's trying and I think he's trying awful hard. Any Minister in that position has to try and it's not an easy job, it's a difficult job. But when you have such members as the Member for St. Matthews in this House, I'll tell you he doesn't make his job easier, he doesn't make the job for this government easier, in fact I think he's discrediting this government. And I'll tell you why. When you have statements like this to the House, when a member the other day said and I'll quote, I'm quoting from Hansard, "I would be in favour of far more progressive income tax than exists today. I would be in favour of virtually taxing away entire estates. So my position personally is that I would be in favour of a confiscatory estate tax." This may be in his opinion, this is what he wants his front benchers to do, but I'm sure the front benchers would not agree to a total confiscatory estate tax. They may agree to some form but surely not total confiscation of estate tax. How

(MR. PATRICK cont'd) will you attract industry to this province? You will not attract industry to this province, Mr. Chairman. I'll use an example of R. C. Baxter and Company, a very good company that has a good record in this city in this province of making some good developments, what do they say? And the member said - look we don't get actual cash in putting a development together, we have to take an equity in it, and by the time we get any money out of it it may be 25 - 30 years, and with that type of attitude when you have this coming from the members from the backbenchers, I can't see any company, any developer staying in this province. I'm not saying that's the attitude of the front benchers because I think they have more sense and I think that the Minister is trying. But when you get that kind of garbage from the backbenchers, I think it's the most asinine statement that's coming from any member of that side and it's unfortunate because I'm sure this is not the attitude of most members. So, -- (Interjection) -- I will after I'm finished.

Mr. Chairman, with less than a million people in this province we haven't got enough consumers and I know this is what the Minister is confronted with to create a large market for the local consumer so we have to export and we have problems with exporting because of the freight rates which are not beneficial to western Canada. I feel that we in Manitoba have suffered traditionally from transportation disadvantages because goods produced here cannot compete in Eastern markets because of the location, because of the high cost of transportation. I have talked to an industry here just recently in Manitoba who have indicated to me that they developed a large plant - it's a garment industry that were thinking of expanding - employs 300 people in Quebec. They were thinking of developing here and they said there is no way, because of the freight rates we have a difficult time, and I'm sure the Minister knows the industry, so they developed in Quebec. I feel that the Minister - and we've had this problem for years and perhaps maybe he's a better negotiator and I feel that we have to do something to have some better regional transport policy from the national government so that we are not at this disadvantaged position, that we can overcome this factor. So I think if we are to achieve our goals of reducing unemployment, raising our living standards, if we need better education, we have to expand our economic base, we need more industry. But I'll tell you one thing, the Member from St. Matthews will never bring any industry to this province. He'll chase it away pretty quickly.

So, Mr. Chairman, there are a few things that I think that this government must consider. I think we must expand our economic base, but we must do it in a manner which does not centralize all your economic action and all your economic development in the city of Winnipeg. I think it must be on a decentralized basis as my colleague the other day presented a resolution to this House and indicated. I think we must accomplish our economic development and objectives with sound ecological control. I think it's most important now and I would like to just ask a question what is the performance of the present government? I think the Premier when he first got elected - and I'm sure that nobody will disagree with me - the Premier talked much about Sweden and described his economic objectives to develop Manitoba along the lines of Swedish economy and I believe Scandinavian, Denmark and so on. The Swedish economy I'm sure that everyone now knows is based on a welfare state which in fact the government probably is the whole economic structure. The individual is not required to do much for himself in social terms but he faces the highest taxes and the most severe inflation in Europe at the present time. Maybe the Premier at the present time has become a little disillusioned with the Swedish model, because did they not have the teachers, the railway people, the civil servants, the municipal workers, you had even the Army, all staged a strike. Why did they stage a strike, Mr. Chairman? Because they said of inflation and 44 percent of our dollar goes to the government. They were complaining of high taxation, that's why they were on strike. So these things finally catch up with you. I've been to the Scandinavian countries and I can tell you you still have to wait 20 years before you can buy a house unless you have a large family, otherwise you only get an apartment. So you know there may be benefits but there are also disadvantages of a staid planned economy. So perhaps I would hope that the First Minister has maybe become just a little bit disillusioned with the Swedish model. I'm sure he has because if there was any time in history this is the year for a good lesson for everybody, because what happened this whole past year? You had everyone - the teachers as I said on strike, you had 50,000 people protesting the high cost of living, the high taxes, and they said inflation and taxes takes away 44 percent of our earnings. If you care to find out or seek some information for yourself, I would say, talk to any professional person, talk to the architect, talk to the

(MR. PATRICK cont'd) engineers that come from Sweden and everyone that came here was disillusioned with their system.

I have no argument against the Minister of Industry and Commerce. I'm just raising a point what the First Minister had to say and I say let's not build our model on the Swedish model, let's build a Canadian model where free enterprise doesn't do the job. I've never said that there is no room for public enterprise but to say we're going to build it on the socialistic Swedish model because that's the ideal, I think it's wrong. I'm just trying to tell what was said before. This is not right and when you have a member in the backbenches saying - look, when you die why do you need to pass on any estate to your family. We'll take it all, give it to the State. Well, why work 18 hours? You know, why should a businessman work 20 hours. Certainly he's not going to work that long if this is the case. And I'll tell you if you'd seek some information a little closer, to R.C. Baxter, and you'll find out why. Not because what you did but probably what some of your, you know, fellow at the backbenches are saying which is not practical and realistic.

The other point I wish to make and the Minister had indicated that he had no choice, but I'll tell you, you have taken over some companies - and I don't know if you had to or not - but let me tell you there's no way - I hope that it's a financial success, but there's no way it can be success - the Lord Selkirk. You have three boats now on the river that have a hard time competing for fees of \$2.50. It's easy, you know, for the people to jump in the car or the bus and get down to the bridge, for \$2.50 you have a tremendous entertainment, you have live music, you can buy a meal. How many people during the week are going to travel to Selkirk and perhaps pay \$5.00 or \$7.00 for a boat?

MR. PAWLEY: Thousands . . .

MR. PATRICK: Well, to the Minister of Municipal Affairs, I hope he's correct, I hope he's correct, but I would like at the end of this season, the Minister of Industry and Commerce to table the financial statement of that operation and I'll tell you, you won't be happy with it. You know it doesn't take much, you know, I'm sure the high school business executive could work it out, but you know, before you pay your staff and everything else on that ship, it will not - it will not work. So I hope that the Minister is careful what he's doing in these areas.

MR. EVANS: Will the honourable member submit to a question?

MR. PATRICK: Well, I will after I'm finished. You know, I say our existing jobs are disappearing and they're disappearing at alarming rates which concerns me very much and some of them maybe the government can help because of economic slowdown, this is true and I agree, but I think that the DBS indicated that capital spending in Manitoba will also decline by four percent and I was concerned when you get a firm like Baxter and you get the insurance companies that are leaving at the rate they are and I would have liked to see the Minister meet with the industry and see if something could have been resolved.

I know that the revenue from the fishing industry will be down or is down by some 40 percent, this year will be down, and of course I can't blame the government for that but these are indications of what's happening. The construction industry, we have a report from the architects and I'm sure that the Minister has a copy of it, and it's indicated that the value of construction starts, actual or anticipated in 1970 was \$127,724,000, and in 1971 the indication is \$93,750,000 which is a reduction of 26 percent, and last year the indication was much worse, it was a greater decrease. In the above table survey indicates actual value for construction starts in 1970 whereas in the previous survey the last half of the 1970 was estimated. The present survey further is updated in the estimates for 1971 which are based upon current projections for construction starts during this year. It is to be noted that there is a reasonable consistency in the figures between the first and second survey. Of import is that present estimates indicate the continuance of reduction in construction volume that was correctly predicted earlier. I'm sure that the Minister has a copy of this and he's aware what's happening so it doesn't make his job that much easier.

I just wonder if the government really placed this top priority as far as Industry and Commerce was concerned in this province, and if you will look at his estimates I doubt it very much. I think it's a most unfortunate thing I think that this government continues to talk about the corporate elite, about the fat calves when you only have one percent of the people in this province make more than \$20,000.00. Less than one percent. I say the unfortunate problem is that there isn't enough capital in this province. I'll further say that, you know, there's quite a bit of capital that has been cut off by the - not cut off purposely but many finance

(MR. PATRICK cont'd) companies, mortgage companies if you talk to them individually they'll say, look, last year we put out, or two years ago we put out \$12 million in Manitoba, this year our quota is going to be only \$8 million or maybe six. And this is not one company there's quite a few companies. I'm sure the Minister if he's interested to find out he can talk to the finance and mortgage people, and certainly this doesn't help the province any when, you know, there's less money to spend and I think it's an unfortunate position. I hope that the Minister will make this department a priority department of government because he's the one that can create the jobs.

Mr. Chairman, our party did move a resolution that outside capital be welcome and that an outline of a code of good corporate citizenship be established and that outsiders coming to Manitoba would know precisely what is expected of them. Now the reason I would point out why you want guidelines for a corporate citizen, something that I am familiar with, and I'll name you one company, let's use General Electric. The Canadian General Electric has a quota or a limit to what amount of exporting they're going to do to other countries by their parent company, General Electric in the States, and that's why I say that you need a code of good corporate citizenship, because if we are going to have foreign subsidiaries in this country, in this province, purposely to refill the orders, purposely to replace the old fridges, the old radios and kettles and household items and they're going to be limited to what portion or to what percentage they can export, I think it's not good corporate citizenship. I think if our Canadian General Electric can compete with General Electric in the States, can compete for the foreign markets and can export and produce articles just as reasonably and cheaply, they should have open market. It doesn't matter where it is in the world. But that's not the guidelines that the present parent companies establish for the subsidiaries in Canada and I feel that there should be. If there's a different way of doing it, if there's a law that could be established, I'd say fine. But at the present time I'm sure the Minister is aware what's happening; that your companies establish how much you can export to different countries, so actually some of the subsidiaries in Canada what they're really doing is really producing for domestic purposes. And I say this is not good enough for Canada. I think if our people are capable people, if our workers are just as efficient and their productivity just as good as the one across the line, why shouldn't they compete for that market with their parent companies. I think this is an area that the Minister probably could undertake with the Federal Government because I think it is important and that's why I was interested in the resolution that was proposed by my colleague that we welcome foreign capital but we also make sure that they are good corporate citizens.

Mr. Speaker, the other point that I wish to raise - my whole speech almost was based on development of tourist industry in this province the other day. I don't think that the Minister of Tourism and Recreation took much cognizance of what I had to say, but again the advisory report, the Economic Development Advisory Board say the same thing what I said to the Minister, that our tourist industry is only a small percentage of what it should be in this province. All the indications and all the studies that have been made in this province have said that there is a potential, there is a potential for at least \$400 million of revenue or business - I mean tourist business not revenue - tourist business in the tourist industry and it also indicated that you can find employment for at least 1,200 people, and if that's the case I think that the Minister should certainly look quite seriously, and if I would be allowed to quote, Mr. Chairman, here: "We feel entitled to command that a high priority be given to the systematic encouragement of tourism and recreation for attaining Manitoba's economic development." That's again out of the report by the Advisory Board and I spent 20 minutes on it the other day on the Minister's salary on tourism salary so I feel there is an area that the Minister can develop.

Again, when you have a problem to find location for a second federal park I'd say let's go east of Lake Manitoba where you have 1,200 fishermen unemployed. There you would open an opportunity for them; there is a good location east of Manitoba that I'm sure you'll find land and surely you can develop a second national park there and have 1,200 fishermen that are looking for a job be close to location and be close to an area where they would be given jobs instead of being unemployed. Mr. Chairman, ever since I became a Member of this House I would venture to say I've probably presented as many resolutions to this Chamber as any other member, or perhaps more than anyone else, and I have also at all times tried to offer constructive criticism. Some of my recommendations have found themselves on the statute books, such things as condominium legislation, circuit strike vote or the labour board dealing with certification matters and many others, and I wish to offer some constructive ideas to the Minister now

(MR. PATRICK cont'd) as well.

I think that, again, I moved a resolution in this House the other day that we establish a Manitoba Trade Development Office in Ottawa to keep a pulse on the development of opportunities and outlets for Manitoba products and so on. I still think it's a good idea. It would take one man and probably one secretary. I have a development right now in my constituency for over a million dollars that's waiting for an incentive guarantee from Ottawa and maybe all it requires is a little bit of prodding and so on and this man could do this. If you would have a Manitoba person in Ottawa in a trade development office, I think he would do this. The second point is, I had an opportunity to discuss this with many people - when I say many I'd say about half a dozen - that had spent a tremendous amount of time in the Trade Commissioner's Office, some were High Commissioners that were all over the world, so they've had considerable amount of experience and I posed this question to them. I said would it be of any assistance do you think to have one and everyone said yes because he says the action is in Ottawa. That's where all the action is. Many people from every land come to Ottawa and if they want to find something about Manitoba they'd probably drop to a Manitoba Economic Affairs office and any information that they want they would find out. Furthermore, this person could be I think of great assistance to the Minister. I'm not saying that, you know, establish another bureaucracy where you have 30 or 40 people or a dozen people, it may only require one person. At the same time when you have an industry or person coming from Manitoba going to Ottawa I think it would be easier for him to say make an appointment with this person which you know instead of getting lost in the red tape and so on. I think it's a constructive point.

So I would feel that number one, he should establish a Manitoba Trades Development Office in Ottawa. Number two: I think analysis should be made of most articles we import from other provinces and from across the line and attempts should be made to encourage Manitoba people to produce the articles or the items here.

3. I think the government should move or designate growth centres for locating industrial industries in Manitoba. I know the Minister the other day said well we can't name little towns but surely you can name industrial growth centres. There's no reason why Brandon; there's no reason why Dauphin; there's no reason why Thompson or Steinbach or Gimli cannot be named and say the government as a government will put industries, direct industries to go to these areas because every centre -- or Beausejour -- every centre that's of good size naturally will have all the little towns around it in close proximity.

Next, No. 4, I think we must take advantage of the federal programs which finance such facilities to attract industries - and I'm referring of course to sewer, water and hydro and I believe Brandon has taken advantage of that. I think there should be the other centres as well take advantage.

I think we should initiate provincial incentive grants to encourage industry to locate in Manitoba centres. I talked about this the other day in my resolution, I still feel that it has a good point. What worries me, Mr. Chairman, when the Minister of Finance says that 85 percent or 90 percent of the people will live here by 1990 or 1985, I think he said 85 percent, and I think it's unfortunate if he's convinced that this should happen, because I'm inclined to say that the government hasn't got policies for rural Manitoba. If they're inclined to believe and have said well look, we give up, there's no policies you can have to reverse this trend, 85 percent of the people will live here in a short time and we have to accept it; I think that's not good enough, I'm sure the Minister knows it. If you name at least the larger centres in Manitoba and have some incentive grants for these people I'm sure that you'll attract industry to places like Dauphin and Brandon and so on, the larger centres. I'm not saying any small town but I'm saying the larger centres and as a result your smaller centres will prosper because of your larger centres.

I've mentioned this already, I think that the Minister should pursue and not give up to work out a better freight rate system for us which would include the rest of western Canada. I think we need an aggressive industrial incentive program through a system of perhaps some form of tax credits. I understand that to attract industries to rural parts I understand that Ontario have used this and it's been most successful. This is an area that the Minister may look at; I feel instead of paying large welfare bills to support people who cannot find work I think we should create public work projects. You have at the present time Red River is falling down, pretty soon you'll have no park at North Winnipeg if we don't undertake a program to do something about that. There's no reason why we can't create a public work project and have

(MR. PATRICK cont'd) people on payroll instead of on welfare system. So it's an area that I'm sure - I'm offering some very constructive suggestions to the Minister, Mr. Chairman, I think I have listed a few. And the last one that I just briefly mention that I think should develop our tourist industry. Right now we attract something like \$130 million per year of tourist spending in this province. This could be increased without too much effort to \$400 million, would create 1,200 jobs; the tourist industry is a seasonal industry and what a great opportunity it would be to employ all our university students, all our high school students because it would just fit in into this type of operation.

So I hope that the Minister has taken cognizance of some of the remarks that I have stated, will take into consideration the points that I have raised. All I can say, I want to wish him luck but I hope that he can instruct his backbenchers to be of some assistance to him instead of at the present time I think they are -- really I shouldn't say, when I say the backbenchers I think I'm using it as a blanket, I shouldn't say that, I should say some backbenchers are a disadvantage to the Minister. Thank you.

MR. CHAIRMAN: It has reached the supper hour. I am leaving the Chair to return at 8:00 o'clock.