

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

8:00 o'clock, Thursday, May 18, 1972

COMMITTEE OF SUPPLY Cont'd.

MR. CHAIRMAN: Resolution 75 (a) -- passed . . . the Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, in acknowledging the presentation of the Minister of Industry and Commerce we would like to of course associate ourselves with his words of commendation to his staff. We know that they have indeed been working hard and the Minister himself has said that he is demanding an extra effort from them in putting forward the programs which he has in mind.

I couldn't help comparing, Mr. Chairman, the words of the minister today and those of his presentation about a year ago, I think it was in June, when he presented the Estimates of the Department of Industry and Commerce. I think today his presentation was a more restrained one, a year's more experience and another year of facing the hard realities of developing the economy. I suppose it was also restrained because he was delivering his presentation at that time under the stimulus of some word from Saskatchewan that the members opposite seemed to derive some enthusiasm from, and not only that but over the period of two or three days during which the Minister was making his presentation he was able to conclude in real enthusiasm on the birthday of the NDP election, on June 25th I think it was. So it was understandable that he was perhaps more enthusiastic than he was today.

I found no real differences in his philosophical approaches. The guidelines that he has stated today were almost exactly as I read them, those that he stated a year ago. He did talk a little more about profit being not entirely an undesirable feature, that an industry should be viable, but then he talked about broadening the balance sheet for the areas in which there would be government support and this led me to wonder exactly how you do that in relation to public enterprise and the standard type of balance sheet of the private corporation.

I wonder if the Minister was referring to something that came up in this morning's meeting of the Public Utility Committee when we received the report of The Pas logging corporation and we noted a substantial improvement in the operation but still a deficit of some 23 or 24 thousand dollars. One of the arguments put forth was well really this wasn't a deficit because if this operation had not been established we would have had 25 or 26 people on relief. And so therefore if you consider the cost of relief for 25 families as opposed to this kind of a deficit you really have a profitable operation.

Mr. Chairman, here is a very difficult area in which to project a new kind of balance sheet. And if that is going to be the way in which we will assess the success or otherwise of a public corporation then I think we're going to have a real problem of determining whether in fact a corporation is really viable. Now by broadening a balance sheet does it mean, does it accept as the normal that if this industry did not exist these jobs would not have been produced and all of these people would then have been on public support? If that is the case of course then you have an argument for any kind of public enterprise and any kind of a direction for the Department of Industry and Commerce to go, and we can rationalize almost any kind of a deficit position and almost any kind of a loan from the Manitoba Development Fund. Well I don't think surely that that was what the Minister meant by a broader kind of a balance sheet than that that is used in private industry. I would hope not.

Now, Mr. Chairman, there was a general statement of directions and I took from it that nothing really had changed, that the corporation began - the Industry and Commerce Department I should say began dedicated to the idea of promoting primarily manufacturing in our province. And I see no reason to take from what the Minister said that he has in any way changed his priority here. I wonder if he would agree with the statement that all across Canada manufacturing is becoming less important relative to the total labour force, that in terms of percentage of total employment those employed in manufacturing are becoming less and that probably in Manitoba we have about 15 percent of our total labour force in the manufacturing sector and that if we go along in terms of other general growth we're going to see some shrinkage in this figure. And that in itself is not an indication that our economy is in any way contracting. But I do think that to provide the major thrust in the development of manufacturing we are perhaps adopting a theory that has come somewhat in disrepute across the breadth of our nation and to consider the manufacturing sector of the economy as the basic engine of growth is I think

(MR. MCGILL cont'd.) . . . . based upon economic theories which are not considered entirely valid today. I think that rather than that in western Canada we should be placing more emphasis on the primary resource sector and in those areas of resource processing in which Manitoba has some particular and distinctive advantages.

During the Minister's presentation he spoke in generalities and there were - that was another difference from last year when we got down to specifics and I was waiting for the Minister to discuss really what the measure of success of his department had been in the last year. What had actually taken place in the creation of job opportunities and of actual jobs in Manitoba? We have no statement as yet of this performance, this measure of the performance of his department in his primary field of job production. How many jobs, how many new industries does the Minister specifically relate to the year's operations.

I think that when we look at the Estimates for the department and note that the total money involved this year in terms of estimated spending is somewhat less than last year, even though admittedly the last year's spending Estimates included \$1.2 million in the form of grant to MDC, it still indicates some determination on the part of government to more or less hold the line in this particular department, and I'm wondering if the Minister and his Cabinet have been down to a real hard-nosed calculation as to what this kind of economic development promotion is doing in terms of practical production of new jobs. We've had a year in which to observe the refined guidelines of the New Democratic Party in operation. We've had many reports enthusiastically presented by the Minister of what his department is doing from time to time. But at the same time, Mr. Chairman, we've had many disturbing reports from industries that have been receiving government support that subsequently have fallen into difficulty.

One of the main areas in which we feel the department is labouring under extreme difficulty is in the creation of the kind of economic climate that he needs in which to develop industrial enterprise. I wonder if the Minister can tell me just what kind of support he's been getting from other members of Cabinet in creating the kind of climate that we do need? I wonder how the Minister of Finance has been able to support the Minister of Industry and Commerce in developing a climate in Manitoba which is attractive to industry? The kind of industry that we need in our province, the kind that we would use for the processing of our primary materials. I wonder if the Minister of Industry and Commerce made a plea for a retention of the exemption of sales tax on production machinery? This it would seem to our side would have done a great deal to improve the climate for the very things that the Minister of Industry and Commerce says he has dedicated to support.

Now how, Mr. Chairman, can we succeed in the promotion of industry if we haven't got the kind of competitive tax position for industry that is needed. In recent days we've had examples, and disturbing ones, of companies who are comparing the situation in Manitoba with those that exist elsewhere. So I think this is one area in which the Minister needs to explain quite clearly to the House what his position is in respect to the tax position on manufacturing equipment and in general the extension of the sales tax in this area.

Mr. Chairman, I don't want to spend a great deal of time on this item at this particular time because I know the Minister will expand and give us some further explanations and we want to ask many questions. But I cannot leave the subject on this resolution without offering a word or two in respect to the operations of the Manitoba Development Corporation. We feel that here is an area in which some very close scrutiny has to be given to the activities of the department. We have the latest report of the Manitoba Development Corporation which is for March 31, 1971, and we note that advances from the Province of Manitoba total \$118 million. Well it is true that they have many industries that they have offered loans to. There are many in which they have taken equity positions. But it's becoming quite evident that there isn't the roll-over in these loans that had been anticipated at the time this corporation was conceived, and in fact, we have the feeling that in particularly difficult loan situations decisions are made by the government to accept equity positions.

I'd like the Minister to tell us what are the guidelines, what are the determining factors that would encourage the government to offer Manitoba corporations the benefit of a government participation in ownership. If they are guidelines other than those which appear to us I think it would be important for us to understand this because as we read it, we tend to read it as an additional extension of assistance when loans have reached perhaps the maximum permissible in the circumstances and it is felt that with a little more assistance this corporation may achieve some viable position.

(MR. MCGILL cont'd.)

Mr. Chairman, these are the principle points at this time. I think that in the area of research and development the department is continuing to do some important work for the province. I think this is an area in which assistance can be given to the development of our economy. That might be extended by the additional assistance in the technical and engineering field as a backup to the primary research projects. It seems to me that in creating a general climate that this is one of the worthwhile areas in which the Department is proceeding. Another I think is in business management, in courses in business management which they are making available to the many businesses in the province and are, I am told, being helpful for what the Minister has been able to do in the way of promoting the idea of a balanced regional economy I think we support. This is a useful development, it's important that the whole economy of Manitoba develop in a balanced way in order that we can have an overall growth. But in the general presentation there is a lack of any real performance figures. There was a lack of the kind of enthusiasm that the Minister had a year ago. Maybe I'm overrating this factor but nevertheless it's there. We think that the economy of Manitoba is suffering under increased handicaps now, over a year ago, particularly in the tax field. We think there is much to be done there. We think the Department can be doing more in the field of freight rate rationalization and we've read some reports that the Minister has been doing some work in that direction. These are areas in which the Department can help industry, but in general this government can provide a much better climate for industry than is now being presented under its new tax laws.

MR. CHAIRMAN: The Honourable Member from Fort Garry.

MR. SHERMAN: Mr. Chairman, I would like to add to what my colleague has said with respect to this department, in one or two areas. I think first and foremost it should be noted that the Minister and his departmental colleagues deserve some credit for being one of the few departments in the spectrum of government in Manitoba this year to be seeking an appropriation that is lower than the appropriation they sought last year. I don't know that in the case of Industry and Commerce in the quest for a vital economy in this province that it's desirable that the spending appropriation sought by Industry and Commerce should be lower than they were before but the record deserves some notice because we have made considerable on this side of the House and we think with justification, Mr. Chairman, of the fact that the government's spending program is up extravagantly this year and I wouldn't want to have our comments and criticisms with respect to this department fail to mention or overlook the fact that the spending sought by Industry and Commerce reflects a hold the line attitude and a hold the line policy and I commend the Minister for that.

I also join with my colleague, the Member for Brandon West in the remarks that he directed to the departmental officers and staff, to the administration of the department itself, and the functions carried out by the public service branch in terms of administration and in terms of budget control and in terms of good management.

We would not be able to extend that kind of commendation to include the Manitoba Development Corporation as my colleague has suggested. We still reserve judgment, Mr. Chairman, on the performance of the Manitoba Development Corporation. We're not at all convinced that it has either been realistic or successful during the past year; in fact its record during the past twelve months is something less than distinguished it seems to us and my colleague has already touched on that point.

But if we don't extend commendation to include the MDC, we do as I say, Mr. Chairman, want to congratulate the Minister and the senior officers in his department for holding the line in terms of spending. Moving from that position though we have to ask ourselves what we're getting for the hold-the-line efforts being made by the Minister and what we're getting for the spending that has been done and that is being sought, and a number of questions come readily to mind in examination of that area.

On the surface, the Minister's introductory remarks sounded pretty good. They sounded rather philosophical and they sounded rather abstract but they sounded pretty good, Mr. Chairman, because they reflected an optimism and an objective, a general kind of objective with respect to the economy of Manitoba that all of us would surely subscribe to, but they never came down to the nuts and bolts or the facts of the challenge facing this Minister and facing this department and facing this province where the need for a stimulating and healthy economy is concerned. All one has to do is talk today to the graduates of our universities, of our community

(MR. SHERMAN cont'd.) . . . . colleges, of our technical schools and ask them to what extent they feel there is a healthy and a rewarding and a responsive economy in this province that has something to offer them and something to hold them here, and one can read in their eyes much less in their remarks, the kinds of disappointment and frustration in which that class of our society, that group or segment of our society is caught at the present time.

The fact of the matter, Mr. Chairman, is there are not the jobs, stimulating or otherwise, imaginative or otherwise, to attract the graduates of our universities and colleges in any great number at the present time, and what's worse even if they weren't jobs that attracted them, if they were simply only jobs that provided them with a means of making a living here in the province, we could settle for that for the time being while we were looking for something more creative and imaginative, but there aren't even those kinds of jobs available to our graduates. Many many of them, in fact the vast majority of them, are caught in this state of frustration and disappointment, questioning now their logic in having invested the time and the effort and the energy in the university and technical courses that they have undertaken. This applies very substantially, Mr. Chairman, to the areas of the economy in which the Minister has a fundamental interest; it applies very substantially to the business and commercial area of our economy and to some of the technical areas such as those embraced by the engineering profession. All these are parts and parcels of what could be called the commercial life of the province, the industrial life of the province, the actual nub, aspect of our economy and therefore they are aspects of our public life in which this Minister has not only a direct responsibility, not only a direct responsibility but professedly on his part, a direct interest. He has not been able to solve the problem of providing opportunities to hold these people here so one of the principal questions that comes up on our side as we examine the request of the Minister for some \$5 million to cover his departmental objectives for the year is what has he done, what is he doing and what does he propose to do to try to retain some of that talent, some of that energy and some of that expertise that we are developing and cultivating among our own Manitoba people, particularly our young people?

Another question, Mr. Chairman, is related to the Economic Development Advisory Board, the usefulness of that board and the future role, if there is one, for that board. We might ask whatever happened to the Economic Development Board and whatever happened to some of the recommendations of the Economic Development Advisory Board. We would ask at the same time, Mr. Speaker, whatever happened to the goals spelled out by the Minister in bringing his Estimates before this House in earlier sessions, to the goal of selective growth that he has talked about and the objective of creating jobs in selected areas. It would be an interesting statistic to - although it might be impossible to obtain because of the difficulty in relating certain aspects of the economy in one year to those same aspects in another year, it would nonetheless be an interesting statistic if we could obtain some kind of insight as to how many jobs, selective or otherwise have been created by this administration. How many units of direct input into our economy in terms of jobs can this administration and this Minister point to, selective or otherwise; whether in the Greater Winnipeg area, or the Greater Brandon area or the north or the southwest or any other part of the province.

Mr. Chairman, my colleague discussed the question of influence that the Minister's colleagues may have responded to with respect to creating a climate here in the province that is healthy for economic growth. It's a question that my colleague and I discussed while the Minister was making his introductory remarks this afternoon and which intrigues us a great deal. We would be interested in knowing what kind of co-operation and co-ordination exists, if any, in the rest of the administration, on the remainder of the Treasury Benches, where the Minister's goals for this province and this province's economy are concerned. Because on the surface although the Minister's remarks sounded good as I say in terms of the general goals they outline, on the surface it appears that there is a sharp dichotomy between the position which the Minister professes to hold towards the growth of business and enterprise in this province and that which is implied in the fiscal and taxation policies to which the Finance Minister has given his initiative. We would be most interested in an answer to the question as to whether there is any rapport and relationship and co-ordination between those two ministers and the Minister of Industry and Commerce and the rest of his colleagues in the Cabinet where the problems facing the economy are concerned. Is this administration, are these treasury benches working with the Minister of Industry and Commerce to build the job generating capacity of the Province of Manitoba?

(MR. SHERMAN cont'd.)

Mr. Chairman, on one or two other points I was happier with some of the things that the Minister had to say. I was interested in his reference to a recent visit, a very current visit I think he said of some businessmen from Japan with whom he was discussing some possible trade or business relationships. I had intended even before he mentioned that, I had intended to ask him what had happened to all the brave dreams and initiatives of a year and two years ago where Manitoba Japanese trade and business relationships were concerned. I am pleased to see that what I was beginning to fear has not hopefully transpired. I was beginning to fear that all those dreams and initiatives had bitten the dust because we had heard nothing since last June when there was a major visit here by a ranking Japanese trade and industrial delegation. We heard nothing since then of any concrete results in the area of joint venture operations or development investments by the Japanese or trading agreements between ourselves and Japan or Japanese interests, and it seemed to me that some of those bold plans and hopes, if not all of them, had died on the Order Paper, had died on the desk of the Minister and had really amounted to nothing more than a major disappointment for those of us who were interested in developing Manitoba's trade and investment possibilities.

Well to some extent my anxiety is allayed by what the Minister had to say in his introductory remarks this afternoon about a meeting of a current nature with some Japanese businessmen, but even at that, although it was gratifying to see the subject revived, even at that, it leaves me wondering just what there is in the way of concrete accomplishment in this field, in this area that the Minister can point to. Where do we stand on those initiatives that he and the First Minister and others of their colleagues undertook so boldly - and the Attorney-General undertook so boldly one and two and two and a half years ago.

Two other areas on which I would request expansive elaboration by the Minister are the present conditions, situation and prospects of the operations of the Small Loans Program of the MDC, and the Minister touched on this briefly, and the operations and success and prospects of the Communities Economic Development Fund, which was also touched on briefly by the Minister. The Minister told us that the Small Loans Program is going well and that the Communities Economic Development Fund is going well. That's very nice, Mr. Chairman but what does "well" mean? We'd like to know whether the appropriations asked for by the Minister are justified. We would like to know whether the programs which they embody are justified and we would like to know how we are doing in all aspects of our economy. If he says the Small Loans Program is good and the Communities Economic Development Fund is good, then let's hear about it, let's have him tell us just how good they are and how effective they are. Whether these programs are going to continue to be operated under the aegis of this department, whether they are going to continue to be part of our thrust and our initiative in this area or whether like the Economic Development Advisory Board, or as the Economic Development Advisory Board appears to have been, they are going to be relegated to a back corner somewhere and quietly disbanded or quietly abandoned.

Mr. Chairman, finally I would ask the Minister if he could respond and give the Committee some sense of knowledge of the responsiveness of the MDC and the Department itself to possible new business opportunities. I am exposed to a limited degree to initiatives from people in business and industry who are coming into the Province of Manitoba, as anybody in public life is. I would certainly not be exposed to that kind of inquiry or that kind of initiative to anywhere near the degree that the Minister is, but all of us in public life have inquiries made of us and in the economic and business field I have had a number. I must say that I have not felt that either the MDC or the Department of Industry and Commerce has been as responsive at the Ministerial level and at the level of the Chairmanship of the MDC to some of these inquiries and approaches as it should have been - and I specifically except, except the Minister's departmental officers, I'm talking about the Minister himself and the Chairman of the Manitoba Development Corporation and the Board of the Manitoba Development Corporation, I would like to be assured or re-assured by the Minister, Mr. Chairman, that there is a sensitivity to the need for introduction of new industrial and commercial enterprises and that there is a realistic response to them; and it doesn't just involve a pamphlet or some paper work, but it involves a constructive businesslike presentation of the facts and the attractions of Manitoba and the drawbacks that the entrepreneurs involved are going to have to cope with so that realistic business decisions can be made. It's all well and good to give the kind of optimistic forecast that the Minister gave us this afternoon, and it's all well and good to have the kind of bland reassurances

(MR. SHERMAN cont'd.) . . . . offered us that the Chairman of the Manitoba Development Corporation recently offered the Legislature's Standing Committee on Economic Development, but I can't escape the suspicion in my own heart, Mr. Chairman, that they are a pretty unrealistic, pretty soft appraisals, they are not the appraisals that would come, I suggest, from people who are taking a hard-nosed business look at the requirements in this province and at the opportunities - and at some of the handicaps and drawbacks that enterprisers coming in here are going to face. It's not good enough to present these people with dreams, and I labour perhaps under the delusions, certainly under the suspicion, that both the Minister and the Chairman of the MDC deal more in dreams than in facts.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I won't . . .

MR. EVANS: Mr. Chairman, on a point of order I believe the Honourable Member from Fort Garry referred to some forecasts that I made. I want it known for the record - as a matter of fact, I would refer my honourable friend to the record, I made no forecast this afternoon on economic performance. I gave a statement of objectives and philosophy, policy directions, but I made no forecast.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, I would like to make a few comments in reply to the Minister of Industry and Commerce. I should like to say that I rather denoted some of his remarks were rather of a philosophical nature and some of the things he had stated were very brief and I think requires some explanation insofar as the department was concerned. I took note of a few matters that were of interest to me and I think are of concern to not only the industrial aspect of this province but also things that have developed within his department in the past year, are of real concern to the agricultural community of this province as well. I notice, Mr. Chairman, that he mentions Mr. Len Shebeski, a gentleman I know very well in the Department which he has served over many years, namely as I knew him in the Department of Agriculture in research. The Minister, Mr. Chairman, made mention of Mr. Shebeski and the research that he is doing and this, Mr. Chairman, I would like some further explanation of just what is the nature of the research work that Mr. Shebeski is doing at the present time. This, Mr. Chairman, as I know Mr. Shebeski, I think would be of real interest to those of us in this House and to the Province of Manitoba.

Another matter that I would like to bring to the attention of the Minister, Mr. Chairman, is some of the private enterprise business that we're operating are now in the hands of the Department of Industry and Commerce. I think of one particular business, Mr. Chairman, and I think that it's something that many people in the province are not aware of. Unfortunately I don't have the article that was in the Manitoba Co-operator one week's issue last winter where if my memory serves me correctly, where it was stated that the McKenzie Seed Company had purchased Steele Briggs, which is a small seed company, and as well had purchased Brett Young Seeds. I felt at that time that the Manitoba Co-operator was much too kind to this government, Mr. Chairman, and would have given a much truer picture to the people and particularly the farmers of the province if the headline had been "Schreyer Gets Into the Seed Business". I think that would have been much more appropriate than seeing the McKenzie Seed Company is the one that was purchasing the Brett Young Seeds. I am wondering too, Sir, and many farmers have asked me, what is the cost to the taxpayers of this province in the purchase of both the Steele Briggs and the Brett Young Seed Company? What was the cost of those two enterprises to the taxpayers of this province - those two being purchased by the Manitoba Development Corporation as I am given to understand?

When I speak of these two enterprises I think of the many privately operated seed operations that are in the province, I can't help but wonder what effect it's having on the other enterprises. That is the private enterprises. I think of one particular business, National-NK who were in operation here in Winnipeg, are now folding up as I am given to understand, Mr. Chairman. Moving out of the Province of Manitoba. Are just going to have a small order house in Winnipeg to take orders but are going to establish their businesses in Ontario and the Province of Alberta. I am just wondering, Mr. Chairman, whether this - and I'm seeking information now, Sir - whether this has any significance to the fact that the government has gone into the seed cleaning business and handling of other commodities. Also they are in the hatchery business as I understand it where this hatchery is at The Pas and when discussing this whole matter I'm wondering what relationship now does the Minister of Industry and Commerce have with the Minister of

(MR. EINARSON cont'd.) . . . . Agriculture. Because I think these two portfolios do have something in common if they are able to work together. And I am wondering now just how well they are working together.

I also am interested, Mr. Chairman, as my colleague from Fort Garry made mention, of the fact that the Minister commented on a delegation from Japan visiting here today, I sort of related that comment that he had to make with a statement that the Minister of Agriculture had said at the Outlook Conference - and I made mention of that once in the House and I think that it's appropriate to reiterate that comment again - when he was referring to the meat packing plants in the City of Winnipeg and indicated to them that if they were not prepared to co-operate with the department that he might take some drastic action. Is there any possibility, Mr. Chairman, that the Minister of Industry and Commerce discussed with the delegation from Japan that they may be interested, that is the country of Japan, in coming into Manitoba and establishing a meat processing plant in this province? To process the raw product here and ship it over to their own country. I don't know, Mr. Chairman, but I'm just seeking information. It's rather an interesting subject and it will be interesting to hear what the Minister has to say in this regard. He merely made mention of the fact of a committee coming from Japan to Manitoba, but it will be interesting to know just what was the purpose of this delegation visiting the Province of Manitoba.

Another area, and it was mentioned by my colleagues from Brandon West and Fort Garry, is the Small Loans Program. Here again, Mr. Chairman, I am seeking information in regards to the number of businesses that are up for sale, private individuals or another corporate company, maybe interested in buying a small business, or getting into a business I should say. I'm given to understand, Mr. Chairman, if a business is already in operation and someone is interested in purchasing that business he cannot do so under the rules of the Manitoba Development Corporation. Is this correct or not? I am given to understand there are a few businesses that have been wanted to be sold but because of this restriction they were not able to sell. There was a willing buyer but because of this regulation they couldn't sell their business because it had been in operation for so many years. On the other hand, if someone wants to start up a new business the opportunity is greater for being able to get a loan under the Manitoba Development Corporation.

These are a few things, Mr. Chairman, that I am interested in hearing the Minister comment on. And getting back again to which just occurred to me, the business purchased by the MDC, namely the Brett Young Seed business. I'm wondering what kind of a contract did the Minister make. I understand that Mr. Al Johnson and Peter Dyck are still operating the business. Are they pleased to operate this business under the direction of the Manitoba Development Corporation or was the contract drawn up in such a way when the business was purchased by this government that they would have a free hand to operate that business as they would have done if it was their own? These are some of the things that I would like to hear the Minister speak on, Mr. Chairman and as the Member for Brandon West has stated, we may have questions on other aspects of his department.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BARKMAN: Mr. Chairman, thank you very much. I want to join in thanking and congratulating the staff of the Department of Industry and Commerce. I know quite often we have opportunities to work with them and that part I think has been very favourable.

I was rather disappointed in the Minister's opening remarks. I agree when he says that we must have more balance with the large and the small, the rural and the urban, and the economic and the social, and he goes on and he says the public and the private sectors. I think there's no argument in this. We need balance, but with balance we also need a principle, somewhere to start, and I was rather surprised that the Minister took the attitude that they had perhaps done overly well. I am not saying at all that they haven't been trying but I don't think that we have been succeeding to any great extent. I think it's commonly known that Manitoba has been growing less rapidly than the rest of Canada for the last 25 years so that Manitobans are really economically speaking worse off than perhaps any part of Canada. I think the major problem facing the province today is to reverse this trend. I am sure this is their intention, but how do you go about doing this? While my remarks will be very general I don't intend to go into detail at this time. I think that we have to take a look in a department that is so vitally important as the Minister said not just to the greater cities and to the larger towns, it is a must for existence in especially the villages and the towns today.

(MR. BARKMAN cont'd.)

At the present time I think some of the major barriers to a more rapid rate of economic growth in Manitoba perhaps can be divided into two or three categories. I'd like to divide them and first of all I believe that we have inadequate Capital Supply. I also believe that there are manpower deficiencies and I am inclined to think that we are also beset with a poor business climate at this time. I would suggest the present government is failing to take really any meaningful steps to lower these barriers and in some instances I think it can be pointed out it is actually increasing them.

Now, Mr. Chairman, the Capital Supply in Manitoba is inadequate both in the quantity and the kind of capital available. In particular, there is a decided lack of venture capital for entrepreneurs seeking to establish innovative undertakings. And it is from this group of undertakings that the so-called dynamic expanding activities that this government wish to talk of or that should happen in the future or should come in the future. I think without sustained economic development in Manitoba it just will not occur. We can look forward to it, but it just isn't going to happen. I think the initiative in correcting this lack that I call venture capital must come from the Provincial Government. This may sound like a strange statement but I'm of the opinion with worldwide demand for capital at the present time I think it's great enough that the available capital will be put to some use elsewhere unless the Provincial Government becomes more aggressive in encouraging some of this capital to flow into Manitoba undertakings.

Mr. Chairman, I believe that one way to increase the amount of venture capital to put to use in the province would be to establish a new financial institution designed to aggregate and channel the capital which is presently being put to other uses. This I think should be supplemented by the use of created tax policies to encourage this process.

I believe, Mr. Chairman, the failure to provide a pool of appropriate manpower, my second point, from which new undertakings can draw is another important barrier as far as development is concerned. I think today's technology is not satisfied with sheer numbers of human bodies. And I am sure that we all agree that tomorrow's demands will even be more demanding than it is today. I think what is needed are workers who have the skills, who have the abilities needed to utilize some of this so-called sophisticated equipment that we have to use today and processes of our modern industry.

Thus, Mr. Chairman, the labour force must be given more training which is in harmony with the times and with these demands. I think major changes in existing methods of schooling the labour force are necessary if Manitoba is to develop an appropriately trained labour force. The emphasis upon the various components of the present educational establishment which will have to be I think considerably changed with the increase, perhaps more weight being placed on the components which provide the training needed to work with this increasingly sophisticated technology.

Also, Mr. Chairman, I believe workers must be given an incentive to obtain the training which will be made available. In this regard, Mr. Chairman, I think the present method of financing training can be greatly improved. Much could be said on that perhaps even in the present tax system which goes out in all directions, but I sometimes think that perhaps the present tax system could be somewhat changed to give equal encouragement to investment in skills and in abilities of workers. I do not think that this is a socialistic move, I think this is a necessary move that we need as far as our skills and our trained labour is concerned. -- (Interjection -- It shouldn't be necessary sometimes one might say.

Mr. Chairman, I mention that I feel that the business climate in Manitoba at the present time is quite poor so that many businessmen are not really willing to establish new undertakings or for that matter expand existing ones in the province. Maybe I should explain by "business climate" I am referring to the perhaps more the tangible and the intangible factors underlying the businessman's operations, or the businessman's expectations of future conditions, and also the probability that his expectations will be fulfilled. I should perhaps give an example. While the government may not have taken over ownership, as two of the previous speakers mentioned, while they may not have taken over ownership of many industries yet, the continual discussion of, call it what you like, perhaps provincialism or provincialization, as a viable and a desirable policy by many members of the present government, I think has left a feeling of doubt with many business people and where they could have improved where they could have enlarged they seem to be somewhat doubtful. Now similarly the desire of the government to have an equity, this was also . . . mentioned, to have an equity position in firms

(MR. BARKMAN cont'd.) . . . . receiving development loans from the province, lead firms to prefer locating in other provinces which do not have this demand. And I don't have to mention the high tax rate that we already have in Manitoba because it will also help contribute to the negative image as far as the business community is concerned. --(interjection)-- Yes, Mr. Chairman. --(Interjection)-- If it is low it's the highest in Canada. I think you're quite aware of that.

Mr. Chairman, while I have discussed the major barriers to development in these three different categories, I think it is also important to remember that somehow they are very closely interrelated in that changes in one area - it doesn't matter which of the three I mentioned - will also have effects upon the other areas. And furthermore, as each additional barrier is added, and I have only mentioned three, but as each is added I think we know the negative effects increase at a much faster rate and if this happens the negative effects of course feed upon and reinforce each other. Mr. Chairman, I know that my time is running out but as far as the - we should, or I should say, that the selected growth policy of the present government can be challenged in perhaps more than two ways as far as the economics of the policy is concerned.

The most obvious is that Manitoba needs economic growth so desperately that it cannot afford to be very selective at the present time. We just simply cannot afford to be selective because there isn't enough of it. Instead, Manitoba is in the unfortunate position of needing every new plant we can induce or try to locate in this province. In fact, the major challenge - I would listen to the honourable member if I had a little bit more time but I think I'm being chased by the clock. In fact the major challenge facing the economy is to encourage as much economic growth as possible, not to keep the rate down. So, Mr. Chairman, the major challenge to the policy of selectivity is the failure, and I must put some blame on the present government, to establish a rational economic method of selecting industries that we should be encouraging. I know we are in a position where we can, but this is part of the problem, we will not overcome the problem if this keeps on going like that.

I should perhaps close off by saying that, Mr. Chairman, I do believe that the economic techniques are available to determine which industries will contribute in case we have that opportunity we don't have at the present, but I think this would very much improve the viability of conditions in the province and still guard against the hazards of such negative effects as sometimes we are so afraid of, or future pollution problems and the like. So, Mr. Chairman, I realize that time is running out. I will want to say more on this subject later.

MR. CHAIRMAN: Order please. The hour being 9:00 o'clock - there's one minute.

MR. EVANS: Let me say - I know that the hour is short - let me say that the notion that the business climate in Manitoba is not satisfactory to private investment is sheer and absolute nonsense. It's a myth. It's a myth. It's perpetrated by opposition politicians. That's all it is, utter nonsense, absolutely nonsense. And the reason that - if we don't have an adequate rate of economic growth in Manitoba it's because of some fundamental factors, federal fiscal policy, federal freight rate policy, federal monetary policy, federal fiscal policy, our geographic location, our climate, and so on. There's some very fundamental factors.

MR. CHAIRMAN: Order please. Order please. Order. Order please. Order. The hour being 9:00 o'clock we have now reached the time of day that is Private Members' Hour.

MR. PAULLEY: Mr. Chairman, may I on a happier note, before you vacate your chair as Chairman, I believe that there has been an agreement reached between all parties, and members of the House that tomorrow afternoon at 4:30 the House will adjourn instead of going into Private Members' Resolutions until the hour of 5:30, it will adjourn at 4:30 in order that all of the Members of the House will enjoy a happy Victoria Day weekend.

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

#### IN SESSION

MR. CHAIRMAN: Mr. Speaker, the Committee of Supply has adopted certain resolutions, has directed me to report same and asks leave to sit again.

MR. SPEAKER: The Honourable Member for Logan. Order please.

MR. WILLIAM JENKINS (Logan): Mr. Speaker I beg to move, seconded by the Honourable Member for Ste. Rose, that the report of the Committee be received.

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

PRIVATE MEMBERS' HOUR - PUBLIC BILLS

MR. SPEAKER: I wonder if the honourable members would put on their jackets. The first item Private Members' Hour Thursday night is Public Bills for Private Members.

Proposed motion of the Honourable Member for Portage la Prairie, Bill No. 19. The motion is open. The Honourable Member for St. Vital.

MR. JAMES WALDING (St. Vital): Mr. Speaker, I beg to move, seconded by the Member from Gimli, that the debate be adjourned.

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

MR. SPEAKER: Bill No. 30 on the proposed motion of the Honourable Member for Winnipeg Centre. The Honourable Member for Riel.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, may this be allowed to stand.

MR. SPEAKER: (Agreed).

The proposed motion of the Honourable Member for Rupertsland, Bill No. 34. The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): Mr. Speaker, I beg the indulgence of the House to have this matter stand.

MR. SPEAKER: (Agreed)

The proposed motion of the Honourable Member for Brandon West, Bill No. 38. The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, we have looked at the bill of the Honourable Member for Brandon. We have no objection to have this matter proceed to the Committee stage.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion of Second Reading? (Agreed)

On the proposed motion of the Honourable Member for Rupertsland, Bill No. 41. The Honourable Member for Ste. Rose.

MR. PETER ADAM (Ste. Rose): Mr. Speaker, could I have this matter stand?

MR. SPEAKER: (Agreed)

Second Reading - Public Bills. Bill No. 28. The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden) presented Bill No. 28, An Act to amend The Lord's Day (Manitoba) Act for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Virden.

MR. MCGREGOR: Mr. Speaker, this is nothing new, and I'm sure most members have made up their mind reasonably of which way they stand on this bill, and I just want to bring out the point that I believe it's nothing that's been looked at lightly by me. I've been looking at this for several years, just trying to figure when the timing was right, and whether some will say it's still premature, but I really think in this day and age that maybe the time has arrived to take an approach such as this when really it's the only sport that is sort of discriminated, not sort of, positively discriminated, on Sunday and I have had the privilege in the last few months to visit many other race tracks in connection with other junkets that I may have been on. I was down to Halifax in the past year, and I talked with them; in the last couple of weeks I was out at Exhibition Park in Vancouver, and certainly all the track operators, and rightly so, are interested in this approach knowing that Quebec and Ontario have it now, and knowing the advantages that they have in, because it does strengthen - the betting is the key to it - and that's a dangerous one to speak on that theme only, but us in Manitoba we do raise an awful lot of horses they do go elsewhere. Right at this moment the purse structure in Saskatchewan is much richer. much more lucrative than ours, and if we don't do something to have more racing days in Manitoba, we are simply losing our good horses and making those race meets not just quite as interesting for us who go. We like to go and think there's some real competitive horses there.

But I look at it on three steps. No. 1, and the most interesting one I suppose you would say, is the tourist attraction. I was just out at the Downs last night; I walked through the the parking lot to see how many Americans attend at the Downs and if we have better horses, we are going to have more attractions, and it's just like people coming from the far corners of Manitoba, they leave a lot more money than just what is left at the betting stalls.

The next point: In Virden where an awful lot of horses are raised, are trained, are brought through the winter, many people that do not really fit in to a full time job, are sort of

(MR. MCGREGOR Cont'd) . . . . horse conscious, like working with horses and make some side money, and I think this is also an added - it's still taking people off the labour force that we either bring in for a little bit of help to keep living, and also anybody that's active is moving, is a better citizen, rather than just sitting at home getting a cheque of a pension type or otherwise.

The third point is the biggest gain on the whole deal is the Provincial Treasury, because we know every dollar that goes into the betting stalls are - a percentage goes back to the treasury of this province, or any other province, and if we are going to upgrade this industry then I say now is the time. It does need upgrading. We have the potential. We have, and I'm thinking at this moment of rural Manitoba - how many places have I went by? I can think of Holland; I can think of Neepawa; I can think of Elkhorn, have race tracks that are now grassed in simply because there isn't a steady program to keep the good horses here, and with the addition of Sunday, and Sunday is the big betting day - if I can find it in my rushed status here - Sunday in New York or Montreal it's the big betting day, even though right at the moment we see the Triple Crown is still being run on Saturday, but I would venture to say in the not too distant future, you'll find these to be run, maybe in my lifetime, maybe not, but even with the big races still on Saturdays, the big betting day is still Sunday, therefore the Treasury's input of the province should be interested, and I think I'm fairly safe in saying, in talking to them, most of the colleagues in this House, some are pro and some are not, but a good many. It's most encouraging those who have indicated that they have no real hang-ups on this -- (Interjection) -- If I'm a gambler, I'm a poor one - I should have brought my tickets from last night just to prove my point. -- (Interjection) --

But I think that's pretty well the point I'm just trying to make. It's an industry we will lose in the very near future. I'm sure there's a big track being proposed in the United States fairly close to our boundaries, that if we don't come up with a better program than we have right now, they are going to take these horses and rightly so. If I had a stable - you've got to look where the purses are; where the purses are, the betting is, and I think this is an industry in the last ten years we've seen it grow in every other part of Canada and the United States, and I might say most of the States are now allowing betting. For an example, New York has allowed it in the smaller circuits and are now moving to do it in the biggest. Which - Aqueduct I believe is the largest race track. And in knowing that I never was that much of a religious man but I do see that my children get to church, and I'm sure whatever happens to the races, the betting, they will still be attending church first. And I had to get some help because I knew my memory, as I was brought up reasonably religious and I don't know whether that paid off or not, but there was a few lines something about Jesus and his disciples going through a corn patch and literally not eating, but stealing corn on Sunday, and I had to go to my honourable colleague of The Pas just to get the quote, and it is in the Gospel of Mark and I think, again I have to rely on memory, "Man was made for the Sabbath and not Sabbath for Man, so that the Son of Man is Lord, even of Sabbath" to quote the Gospel of Mark. Amen, Mr. Speaker.

A MEMBER: You've got it upside down.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BARKMAN: I wonder if the Honourable Member would permit a question? Would he tell us in what - he said in the Epistle of St. Mark. Could he tell us the verse and Chapter?

MR. MCGREGOR: I'm very pleased to, Mr. Speaker, 11:23:28. If the wording isn't exactly, it's because my memory has got it confused.

MR. SPEAKER: Is it the pleasure of the House to adopt the motion?

The Honourable Member for Souris Killarney.

MR. MCKELLAR: I would like to move, seconded by the Honourable Member for Swan River, that debate be adjourned.

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

MR. SPEAKER: The proposed motion No. 43, of the Honourable Member for Radisson.

MR. SHAFRANSKY presented Bill No. 43, The Manitoba Association of School Trustees Act, for second reading.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Radisson. Order. Order.

MR. SHAFRANSKY: Mr. Speaker, the existing Manitoba Association of School Trustees Act which was passed in 1962, requires a number of minor amendments, and it contains quite a number of sections which are no longer relevant. Under these circumstances members of

(MR. SHAFRANSKY (Cont'd) . . . . the association felt that it would be more satisfactory to rewrite the Act as a whole, than to repeal, or amend approximately one half of the existing sections.

I think they are having a little fun.

After discussing the matter at the Regional and Provincial Conventions a Resolution was passed last November authorizing the executive to request that the Legislature repeal the existing Act and replace it with the proposed new Act. Aside from general housecleaning by the removal of sections which are no longer relevant the proposed new Act does not suggest any major or controversial changes but a number of fairly minor changes are suggested which would bring the Act up to date in terms of clarity and convenience. Some examples - I think gentlemen you have had your fun now - some examples of necessary minor changes are the following: Changes to recognize the fact that under the By-law Amendment passed since Unitary Divisions were formed all trustees are eligible to vote at conventions, whereas in 1965 there was a restriction on the number of votes allotted to individual boards and groups of boards. Another example: There's a transference of some details from the Act of the By-laws so as to avoid the necessity of amending the Act every time a minor administrative matter requires adjustment. For example, the appointment of honorary members, changing the number of the records to coincide with boundary adjustments, allowing for decisions on convention locations earlier than at the previous convention; allowing for the election of regional directors at regional meetings rather than at the provincial conventions.

The only change in terms of principle involved would be the suggested deletion of the present section which requires approval with the Lieutenant-Governor-in-Council for By-law Amendments respecting membership fees. As fee changes must be approved by the members and as membership is voluntary in any case, it seems hardly necessary for the Cabinet to deal with annual adjustments in the rates.

As a matter of interest, mass membership fees for 1972 will amount to about \$164,000, while in that same year the membership previous to this particular change - there used to be a much larger number of people represented because of the number of school boards. The small school boards who used to be scattered throughout the province, but since the Unitary School Divisions have come in this has greatly reduced the number of people that are able to attend Conventions.

Members of the executive and staff will be pleased to be present before the Committee when this Bill goes to Committee stage. Thank you.

MR. SPEAKER: The Honourable Member for Emerson.

MR. GIRARD: I move, seconded by the Member for Roblin, that debate be adjourned.

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

MR. SPEAKER: Proposed motion of the Honourable Member for Portage la Prairie.

Bill No. 44. The Honourable Member for La Verendrye.

MR. BARKMAN: Could we have this matter stand?

MR. SPEAKER: Very well. Second reading Private Bills. Bill No. 26. The Honourable Member for Inkster. (Stand). Proposed motion of the Honourable Member for St. Matthews - The Honourable Member for Minnedosa.

MR. BILTON: May this matter be allowed to stand, Mr. Speaker.

MR. SPEAKER: Proposed motion of the Honourable Member for Assiniboia, The Honourable Member for Radisson. Bill No. . . .

MR. SHAFRANSKY: . . . have the matter stand?

MR. SPEAKER: (Agreed) Proposed motion of the Honourable Member for Assiniboia, The Honourable Member for Radisson. Bill No. 37.

MR. SHAFRANSKY: I think they like me. Have the matter stand, Mr. Speaker?

MR. SPEAKER: (Agreed)

#### PRIVATE MEMBERS' RESOLUTIONS

MR. SPEAKER: Private Members' Resolutions. No. 10. The motion is open; it has been amended. The following members have spoken: The Honourable Member for Virden, the Honourable Member for Swan River, the Honourable Member for Thompson amended it, the Honourable Member for St. George, the Honourable Member for Morris and the Honourable First Minister. The question is open.

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

MR. SPEAKER: No. 23. The Honourable Member for Winnipeg Centre.

MR. J. R. (Bud) BOYCE (Winnipeg Centre): Mr. Speaker, this is too important a matter to discuss and I am not prepared to - I didn't think it would be up until tomorrow, so I guess I will have to drop the order to the bottom of the Order Paper.

MR. SPEAKER: The bottom of the Order Paper. Proposed motion of the Honourable Member for Assiniboia. The last speaker was the Honourable Member for Osborne. Resolution No. 11.

MR. SPEAKER presented the motion.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, we are going so fast on these that I had made some notes the other day when the resolution was being discussed and this has to do with that the Government of Manitoba instruct the Manitoba Telephone System to extend the low long distance toll charge to Headingley, so that all the residents of the Village of Headingley shall be listed in the Winnipeg Telephone Directory, and shall be able to make and receive long distance calls to and from the metropolitan area, free of long distance charges. I think the exception was made at that time to the word instruct in the resolution.

Mr. Speaker, certainly I would be for the motion but as has been pointed out I think, by some previous speakers, that everyone living outside of the Greater Winnipeg area would like to have the same privilege, that we not be charged with the long distance charges either. I think on some previous occasions we've been discussing the matter of having regions in the province and that the centrals be increased, I mean enlarged, and that we have fewer in number of the regions, so that more of the people would be able to make calls without being charged for long distance. I know this would certainly be a great saving to the people in my riding if we had, let's say the Development Corporation as a region, as an area, where we could place calls without having to pay long distance charges. And certainly this would be a big advantage and a big step forward in my opinion.

I think also that this would then be probably more fair to some of the farther outlying regions of the province, certainly our Development Corporation is not that far away from the Greater Winnipeg area as those lying further west and further north of us, so that if it was brought on a regional basis this certainly would already be quite an assistance.

MR. PAULLEY: On a point of order. I wonder if the Honourable Member for Rhineland is speaking to Resolution No. 15 rather than the resolution dealing precisely with the Village of Headingley. Resolution No. 15 deals with the removal of long distance toll charges made within the boundaries of Manitoba. This particular resolution deals with the area surrounding Headingley. I just raised this, Mr. Speaker, as to whether or not we can bring the discussion into the proposition that we have before us rather than the overall picture of the whole Province of Manitoba, and, Sir, of course I leave this to you, the point I raised.

MR. FROESE: Mr. Speaker, on the point of order. I thought we were discussing Resolution No. 11 as listed on the Order Paper.

MR. SPEAKER: That's right, as amended. Resolution 11 with the amendment to it. The amendment is before the House. The Honourable Member for Birtle-Russell.

MR. GRAHAM: Maybe to assist the Member for Rhineland it might be beneficial to read out the amendment that was . . .

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I did not have the amendment that has been proposed by the Member for Osborne and the amendment that is being proposed is by various additions and deletions, so that unless you have studied it beforehand you don't really know what the amendment provides for, or what the amendment contains actually. But I think when we discussed the resolutions we are dealing with the principle of the resolution, the amendment is simply amending the principle that was laid down in the basic resolution and therefore I think it is quite in order to discuss the principle of the resolution as well, which . . .

MR. SPEAKER: The Honourable House Leader.

MR. PAULLEY: With deference to my honourable friend the decision as to whether or not he thinks it is in order is one thing. I raised the proposition to you, Sir, precisely dealing with Resolution No. 11, and the point that I raised of course is under your control, not his.

MR. FROESE: Well, Mr. Speaker, I would then have to forgo the comments that I wished to make because I have been unable to study the amendment that was made the other day. I wasn't in the House when the amendment was made, and therefore cannot speak intelligently on the amendment that is being proposed.

MR. SPEAKER: The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I would like to rise and speak in support of this resolution by the Honourable Member for Assiniboia. I am not too happy by the amendment of course that was proposed by the Honourable Member for Osborne. And of course this again raised the problems of Unicity government, and of course the First Minister was very angry at me yesterday raising a question that is a concern of many rural people of this type of legislation that was brought in here very hastily, wasn't given proper thought, wasn't -- I'm sure the people of Headingley weren't considered, Mr. Speaker . . .

MR. SPEAKER: Order, please. Order, please. I wonder if the honourable member would address himself to the Resolution and not to past debates. The Honourable Member for Roblin.

MR. McKENZIE: Well, Mr. Speaker, I as a rural member can sympathize with the people of Headingley that the problems that they face today with the matter of their telephone service. They are now part of the Greater Winnipeg Area through no -- maybe they're a very small little village on the outskirts of this great big metropolis of Winnipeg and through legislation that was brought before this House by this government, very hastily, unprepared . . .

MR. SPEAKER: Order, please. I'm afraid the honourable member is reflecting on the whole House when he reflects on past decisions of this House. I would caution him again to reconsider and to, as I once said in the vernacular, to put brain in gear before opening mouth. The Honourable Member for Roblin.

MR. McKENZIE: Mr. Speaker, I shall try and deal with the resolution then word for word and see if I can't get across to you, and through you, to the government the problems that they have created to some of the people who are residents of this province.

We have an example here of a group of people who live in Headingley who are very unhappy, Mr. Speaker, for the reason of their telephone service. And they have voiced their opinions through the medium of the press, through the medium of the radio through the medium of letters, every method that they have at their disposal to try and advise this government that they are being infringed upon with their telephone system. And the reason is quite simple, Mr. Speaker. I recognize it in my constituency. I know that the matter of rates and boundaries of telephone jurisdictions have to be renewed from time to time. But I regret that this government hasn't taken the time in their great haste to proceed along their lines of philosophy, and social justice, and social equality, and all these various social words that we get from time to time. Because we have a little small village on the outskirts of what was the former Greater Winnipeg . . . are now very unhappy because they have to pay long distance rates to phone into the city. I think that's very unfair, Mr. Speaker. I think the people of Headingley have every right to quarrel with this government, as I am quarreling with them right now through you, Mr. Speaker, and ask this government if again, they don't recognize that there are people who live out in rural Manitoba, at Headingley, or Roblin, or in Grandview, or in Pine River, or Ethelbert, and impose this kind of restrictions on people that basically somehow they can't seem to communicate to this government. And I don't know, Mr. Speaker, why this government, supposedly, when they came on the scene, said, "We're for the little guy. We're going to help all the little people."

Mr. Speaker, here's a case where this government can help the little people. The little people of Headingley, by permitting them to pick up their telephones in their homes and use the medium of exchange in this greater Winnipeg area. And is there anything wrong with that, Mr. Speaker? I'm sure you can't quarrel with it, Mr. Speaker, in all your great wisdom. And I'm sure -- I don't see how this government can quarrel with it. But they have amended it and with the amendment, Mr. Speaker, in all sincerity, they have put it into orbit. They're not concerned about the little people, Mr. Speaker, this government. No way! Social justice, social equality, they forgot what that word means. It's meaningless to them today, Mr. Speaker.

Certainly the boundaries were changed through the legislation of that certain Bill. Now they are part of this great metropolis and surely, Mr. Speaker, surely they should have the equal rights of the people that live in the centre of this great city, for their telephone system.

Maybe they haven't got the paved streets out there that they got in here. Maybe they don't have the lights and all the privileges that this city at the moment has got, and of course that, Mr. Speaker, is again through one of the faults of this government. They never think that far ahead about how they are going to step on the toes of little people, Mr. Speaker. So in all sincerity, Mr. Speaker, I can't possibly see how this government deny the little man, the little

(MR. McKENZIE cont'd) . . . . guy in Headingley the right for a simple little phone call into Winnipeg to talk to his mother, or his brother, or his cousin -- (Interjection) -- No, Mr. Speaker, he has got to pay a long distance charge. If that isn't gross discrimination, if that isn't gross discrimination, Mr. Speaker, I don't know what the word means. So I support the resolution of the Honourable Member for Assiniboia, Mr. Speaker, and I regret very much that I cannot support the amendment that was proposed by the Honourable Member from Osborne.

MR. SPEAKER: The Honourable Minister of Public Works.

HON. RUSSELL DOERN (Minister of Public Works) (Elmwood): Well, Mr. Chairman, I think that this issue has been discussed at some length and it seems to me that there has been more heat generated than light and I think that our good amiable friend the Member for Roblin has simply pointed out that some of his colleagues, and particularly himself, is simply adopting the tactic of jumping on the government for even the smallest question, and attempting to make it look as if this government is the blackest in Manitoba's history. This was the technique, Mr. Speaker, that you recall was adopted by the former opposition, the Liberal Party of Manitoba, who magnified every single issue, and every slight failing of the administration of the day, and made it sound like it was the most gross injustice of all time, and I draw your attention to what happened to them. If our honourable friends opposite pursue that course of action, they may find themselves reduced still further into a splinter group.

The question of Headingley phone service, or of phone service to smaller communities, I think is one that is in general clear cut -- in the case of Headingley I think it is a bit more complex than usual. The Telephone System's criteria for giving extended area service is normally on the basis of density so that if for example there was a large development between here and the town, or village, or hamlet, or whatever post office of Headingley, if there was a contiguous development out that way, then there would be no doubt that the phone service would have been extended, but I think it is because of the fact that there is some widespread development, and then a pocket of development in Headingley proper, that the Telephone System hasn't seen fit to extend that privilege. They obviously have to be careful. If they simply jump territories and jump thinly populated areas, and then extend to areas populated within a 40 or 50 mile radius of Winnipeg, they are going to wind up giving it to thousands and thousands of people, including LaSalle where two or three prominent citizens reside, they will find it a very expensive undertaking.

The complication of Headingley is of course the fact that they are presently a part of the City of Winnipeg. Now I say that what should be considered in the decision to extend or not extend telephone service to the area of Headingley is whether or not that area will be a part of the City of Winnipeg in the near future, because although of course they are presently in the City of Winnipeg, and I would argue on that ground, they are eligible for extended area service, connected to the City of Winnipeg, I say that when the people in that area find that their mill rate has sky rocketed, they may have second doubts as to whether or not they wish to argue, that as a part of the City of Winnipeg they are entitled to telephone service when they find out that their property taxes will greatly increase, and certainly outweigh any advantage of a monthly saving on telephone rates. So, as far as I am concerned, if it is clear and without question that Headingley will remain in the City of Winnipeg, I think that they have a strong case. However, if they get their tax bills in the next week or two, Mr. Speaker, and appeal to the City of Winnipeg to be deleted from the City of Winnipeg and its tax roles, then I think their case evaporates.

Now we know that the Minister of Highways has indicated that there has been an extended area service, the extension of long distance privileges, a complete study has been finished, and he is now studying the recommendations in that report. Also I might point out, that if the Telephone System simply proceeds on the grounds that Headingley is a portion of the City of Winnipeg, orders expensive equipment, undertakes the construction and completes the line, they might find themselves in a rather peculiar position of having spent several hundred thousand dollars to provide the technical equipment to Headingley, and then should Headingley decide to withdraw from the City of Winnipeg, then they'd have to either simply throw that money down the drain, as it were, or continue to provide Headingley with that kind of service even though they are not a part of the City of Winnipeg, in which case there will be an immediate appeal from towns and villages in the surrounding areas to equal the share in that kind of service.

(MR. DOERN cont'd)

Mr. Speaker, I think one of the questions that has not really been dealt with, by members of the Opposition in their quest for larger and larger long distance privileges in Manitoba, and I know that my honourable friend who is not yet a member of this House, but Mr. Asper has repeatedly made statements about the value of having free calling throughout the province of Manitoba. I'm not sure that he would like to -- (Interjection) -- I don't know whether he wants to foot the bill though -- it's very nice to pay a regular monthly telephone bill of three or four or five dollars a month but if one is confronted with 15 to 20 dollars a month for that privilege, one's enthusiasm might wane.

MR. SPEAKER: The Honourable Member for La Verendrye.

MR. BARKMAN: On a point of order, I think the Honourable Minister is speaking on Resolution 15. I believe we are on Resolution 11.

MR. SPEAKER: The Honourable Minister of Public Works.

MR. DOERN: Well, Mr. Speaker, I am aware of the fact that there are two resolutions, and I'm aware of the fact that the Member for Rhineland was faced with that difficulty. I was simply making passing reference to the fleeting career of Mr. Asper, and I don't intend to dwell on that particular point but I say that when one is considering the importance of extending free calling to the residents of Headingley, or extending the boundaries of present areas, or even, as Mr. Asper has demanded, to have free calling throughout Manitoba, one has to decide whether that really is the priority of a telephone system. I mean, is that the most important thing, or should the Telephone Company be concerned with trying to provide private lines to people throughout the province, or should they be attempting to reduce the number of people on party lines? I think some of the rural members would be more in favour of that rather than be in favour of simply being able to call a larger distance and I know that my colleagues throughout the House who are MLA's would like to have private lines so that they can deal in confidence with the problems of their constituents.

So, Mr. Speaker, to sum up, I think that those people who are pressing for the inclusion of Headingley in the Winnipeg Telephone Exchange had better as well decide whether they feel that that part of Manitoba should logically be a part of the City of Winnipeg. They are, we know they are. The question is, when they get their tax bills and when they demand equal services, not just telephone services but all municipal services, and when they look at the doubling or tripling of their tax bills, then the question will become: do they then wish to remain in the City of Winnipeg? They certainly do not qualify on the normal MTS qualification of density. There just is not sufficient population development to warrant their inclusion in the Winnipeg Exchange. Their basic argument is they are in the City of Winnipeg. My question is: should they remain in the City of Winnipeg, and in particular, will they want to once they have seen their tax bills?

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: Mr. Speaker, I would just like to add a word or two in support of my colleague from Roblin. I think the Minister in his efforts totally ignored the sincere words that he had to put forward in the interest of the people of Headingley. Well, Sir, I have a similar situation in Benito and I've been trying for years to get it cleared up. You have one person -- (Interjection) -- Very well if you want to have it your way . . . You sit back and be quiet for a few minutes.

MR. SPEAKER: Would the honourable member address the Chair please. Order, please. The Honourable Minister of Labour.

MR. PAULLEY: I can appreciate the situation of my honourable friend who was a Speaker of this Assembly.

MR. SPEAKER: Would the honourable member please state the point of order.

MR. PAULLEY: My point of order, Mr. Speaker, is by reference to Benito -- (Interjection) -- we are not dealing with the proposition of the Resolution No. 11, which deals precisely with Headingley. And I can appreciate, Mr. Speaker, that it is difficult for members of the House to deal precisely with Resolution No. 11 -- we have No. 15 before us which deals with an application . . .

MR. BILTON: . . . Point of Order . . .

MR. SPEAKER: Order, please. Order, please. I should like to ask the co-operation of all members, including the House Leader, to allow some discretion to the Chair to find out what latitude is necessary to find out what relevancy in debate before adjudication has to be

(MR. SPEAKER cont'd) . . . . made. The honourable member didn't get an opportunity to make his point. I must allow all members to at least try to make their words relevant to the issue. We do not have Resolution 15 before us. I don't know whether we'll entertain it after we've debated this one, I'll have to consider the rules in regard to it. So let's leave 15 for another day. The Honourable Member for Swan River.

MR. PAULLEY: Mr. Speaker, may I help you . . .

MR. SPEAKER: The Honourable Minister of Labour on another point of order.

MR. PAULLEY: Actually, Mr. Speaker, it's on the same point. In all due respect, Sir, to you . . .

MR. BILTON: Mr. Speaker, on a point of order.

MR. SPEAKER: Order, please. Order, please. I can only accept one point of order. The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, in all due respect, we are dealing with the proposition dealing with the Municipality or the Village of Headingley, and Resolution No. 11 is the resolution that we're dealing with. And I suggest in all due respect that that is the proposition that we have before us.

MR. SPEAKER: The Honourable Member for Swan River on a point of order.

MR. BILTON: I am just wondering who has the floor, Sir. You called me twice to take my place and the honourable gentleman is just wasting time. He already made his remarks. I accepted his comments. He has to get up again on a point of order and repeat them all over again. I'm not deaf. I don't need any comments from him. I know exactly what you want me to do, and I'm going to do it, if he'll let me do it.

MR. SPEAKER: The Honourable Member for Swan River. The Honourable Member for Fort Garry on a point of order.

MR. SHERMAN: On the same point of order, Mr. Speaker, on the same point of order. I wonder Mr. Speaker, if the House Leader would consider whether he would have to come to the conclusion that the only way out of the impasse he's got himself into is to challenge the ruling of the Chair.

MR. SPEAKER: The Honourable Member for Swan River. Order.

MR. BILTON: Mr. Speaker, I only intended to say a few words but the Minister of Labour, as you have witnessed, has said a great deal more than I intended to say, and he's told us nothing that we don't already know, and we are getting so tired of this recitation from the honourable gentleman -- I know he means well. He has the interest of the Assembly at heart, but my God he's driving us crazy.

MR. SPEAKER: Would the honourable member address himself to the resolution?

MR. BILTON: Mr. Speaker, I . . .

MR. SPEAKER: Order, please . . . ask of all honourable members to give the courtesy to the member that is speaking a bit of silence so that he can express himself and so that the Chair can hear what is being said. The Honourable Member for Swan River.

MR. BILTON: . . . put my armour on another day but anyway, Mr. Speaker, I can sympathize with the people in Headingley. I have a similar situation in the -- (Interjection) -- a similar situation in the constituency from whence I come, and I have an idea what the people of Headingley are going through. Apart from the intercity complex which I have no opinion of, but I do believe that these people in Headingley should get a more sympathetic view from the Manitoba Telephones or the government in the second place. I'm thinking, Mr. Speaker, of -- in matters of emergency, matter of fire, they need a doctor, a lawyer they can catch a bus and go in and see. Sometimes they are better off not bothering with lawyers, just coming to their local member to help them, which I have no doubt they did in this particular case, and that's why we have this resolution before us. I agree with the Honourable Member for Roblin, Sir, that the amendment does nothing, does nothing for the good people in Headingley, and I think this fracas or this upset, should be brought to an end and those people should be given this service that the rest of the people in the City of Winnipeg have. They are ultimately going to have to do it; why not do it first as last and give those people the protection they rightfully deserve and desire.

MR. SPEAKER: The Honourable Member for Thompson. The Honourable First Minister on a question.

MR. SCHREYER: The honourable member having just explained the problems that he has experienced in his own home riding of Swan River, I would ask him for approximately how

(MR. SCHREYER cont'd) . . . . many years has he experienced this difficulty with respect to telephone service in and around and about Benito. Would he say eight years, nine years or eleven years.

MR. SPEAKER: The Honourable Member for Swan River.

MR. BILTON: It will require that I go into some detail to answer that question and I'd be very glad to do so. Now I have your authority, Sir, to go ahead and talk about Benito. Well, they have a switchboard in Benito, Sir. And the community, or the area is split down the middle. Half of the people have the dial phone and can phone into Swan River without any trouble, or any extra cost, and the other half have to pay a toll. The people in Minitonas can phone to Birch River 35 miles away and no toll has to be paid. I have tried to get this -- a solution to this situation -- and as the First Minister has pointed out he and I -- what makes him so keen in asking the question is that I have talked to him personally about it -- and I've tried and tried and tried without success for some six or seven years. And having gone through this, Mr. Speaker, I sincerely hope that the unfortunate people in Headingley don't have to go seven years before their wishes are met.

MR. SPEAKER: The Honourable Member for Thompson.

MR. BOROWSKI: Well, Mr. Speaker, I wasn't intending to get into the debate but -- (Interjection) -- No. I was just scribbling notes after one of the members accused this government of being guilty of injustice and discrimination. This is an old problem that we have, as the Member for Swan River just clearly stated. It's been around a long time, and I think it's unfair to suggest that this government somehow lacks feeling or understanding about the problems that we have. It's been there a long time and I would ask the House to consider the injustice, if that is the proper word, that is being perpetrated on all the people in the rural areas. I'm sure that the Member for Swan River, or any of the MLA's on the other side that live in rural areas, know that if they get on that telephone and call Winnipeg long distance, even though they have three or four people listening on a line, that charge is the same.

I consider it an injustice that I pay approximately \$30 a month for long distance from La Salle, which is the same distance as Headingley, and in addition to that, Mr. Speaker, to add insult to injury, when I am speaking on the phone, I don't have a private line, people can listen in to me. I want to phone out I can't get the line because the neighbours are on, particularly in the harvest season. It's very difficult to get the phone.

I think, Mr. Speaker, before we get carried away about the injustice done to the residents of Headingley, I think perhaps the government and the Manitoba Telephones should really look into the whole question of first class service for people living in rural areas who cannot, unless they want to spend \$1,200 each per farm, \$1200 to get a private line, and I think that the first order of priorities must be, let's give these people private lines before we start talking about free telephone, free long distance service for the people of Headingley, which I have a great deal of sympathy for, but if I have to go on a basis of priorities I suggest that the people in rural areas, who are making a very substantial contribution to our economy, deserve at least equal consideration to those living in Headingley.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Speaker, I find myself agreeing a little bit again with the Member for Thompson, but I would like to remind him that the government did not pass legislation that put Headingley, or that put La Salle in the same position of tax as the rest of Winnipeg, and they used to have a little bit of consideration regarding tax structure because of their farm area situation before this great new government legislation put them all under the same body as the City of Winnipeg, and are paying the same taxes. So from that point of view I think that they have a little bit of a situation. -- (Interjection) -- No, Mr. Speaker, we are only at five to ten, and I have two minutes to ten, and I just as soon not.

The amendment at the present time, Mr. Speaker, is really taking away everything the people from Headingley are asking for. They have asked to be treated like citizens of the Greater Winnipeg area which they are and granted the exchange does cover some of the rural area, but by the same token that exchange covers the people of Headingley and they should have that right.

And this is an old problem, I'll very well grant you. I can remember the Member from St. James previously taking this up once before. I can remember the Member for Assiniboia taking this up once before, but all of a sudden it comes to a head and here these people are now saying, we don't want to pay this if we are going to pay city taxes.

(MR. F. JOHNSTON cont'd) . . . . They say we want to have the same reasonable type of consideration. You know I sometimes think, if the Minister was speaking that consideration would be brought up of, maybe they could be let out of Winnipeg or not out at Headingley, give the people of St. James-Assiniboia the same offer and we'll run, believe me, I couldn't imagine anybody wanting to be in it.

But anyway, Mr. Speaker, the people of Headingley deserve the right, and on the Charleswood side especially, the houses are nearly out there. You've got residents that are just about out there, that are having phone service and not paying extra charge for long distance, and it's time that it was done. It's time that this was put in. And this resolution by, I believe, the member of the House that is on the Telephone Board, is just absolutely ridiculous, it's saying that we just aren't going to consider it. The government should be forced to.

MR. SPEAKER: Order, please. The hour of adjournment having arrived the House is accordingly adjourned until 10:00 a.m. tomorrow morning.