

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Tuesday, May 22, 1973

Opening Prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 45 students of Grade 4 and 5 standing of the Holy Cross School. These students are under the direction of Mrs. Lesley Neufeld and Mrs. Gwen Buccini. This school is located in the constituency of the Honourable Member for St. Boniface, the Minister of Tourism, Recreation and Cultural Affairs.

We also have 26 students of Grade 5 standing of the St. George School. These students are under the direction of Mrs. G. Hilton. This school is located in the constituency of the Honourable Member for St. Vital.

And there are 30 students of Grade 9 standing from the Chief Peguis School accompanied by students from Donnacona, Quebec visiting Chief Peguis Junior High in North Kildonan on an exchange program. They are under the direction of Mr. F. G. Fontaine. This school is located in the constituency of the Honourable Member for Selkirk, the Honourable Minister of Municipal Affairs.

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

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports; The Honourable Minister of Industry and Commerce.

MINISTERIAL STATEMENTS

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, I have a brief statement that I would like to make on the National Energy Board's decision with respect to Trans Canada Pipelines rate application - I have copies for leaders of all parties.

Last Friday the National Energy Board issued its decision on the application of Trans Canada Pipelines for a rate increase. This concerned Phase 2 which was the determination of tariffs or tolls to be charged by the company in different rate zones across Canada. Manitoba intervened forcefully at the hearing which was held in Ottawa between June of 1972 and January of this year. Although we do not have the actual legal documents on the decision, it appears from the newspaper reports that the National Energy Board has allowed the company an overall increase of 8.6 percent in the rates which the company will charge. The rate increase will, according to the news statement, vary from 2.4 percent in Western Canada to 10.2 percent in a newly formed zone covering southern Ontario and Quebec. And while the percentage increase in Western Canada is lower, the company, the Trans Canada Pipelines itself in its application was for a decrease, the company applied for a decrease in costs in the Manitoba zone due in part to the level of the present rates.

The reason for the increase in costs is the National Energy Board's rejection of separate western and eastern transmission costs. As a result we in Manitoba will have to pay for some of the higher pipeline construction and operating costs associated with the Canadian Shield beyond Manitoba. It is an inconsistency, Mr. Speaker, by the Federal Government to be told in respect to railway freight rates that because of a geographic disadvantage of no water-borne competition we must have higher transportation rates, and now where Manitoba has a geographic advantage of prairie land with lower construction costs our advantage is denied and we must pay more. In addition, the new statement states that the two-system approach would tend to understate the cost associated with Trans Canada's export sales. It is more disappointing to learn that Manitobans have to pay more in order to support Canada's natural gas exports. These sales should more than pay for themselves. Manitoba argued at the hearings that the export price should not affect the Manitoba zone rate in any way and that the export price should be as high as possible so there would be no subsidizing these sales.

In conclusion, Mr. Speaker, I'd observe that it is difficult to comment further without analyzing the detailed report of the National Energy Board, except to say that we in the Manitoba Government are very disappointed to have to pay for another increase in the costs of gas which was not even sought after by the Trans Canada Pipelines Company.

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MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q. C. (Leader of the Opposition) (River Heights): Mr. Speaker, I thank the Honourable Minister for his statement. I think we are aware that in the state of the economy that exists in Canada and the degree of inflation that exists, Mr. Speaker, that prices will be going up in almost every respect, in almost every phase of both service and private activity undertaken for consumers in our province.

I think, Mr. Speaker, we must suggest that the increase that has been proposed is a substantial one and its implications for the increased cost of living in Manitoba is substantial. I think however, that the Honourable Minister has talked in terms of principles which are worthy of further discussion both in this Legislature and the Standing Committee on Economic Development and before the Federal Government; and I wonder whether it will be the intention, Mr. Speaker, of the First Minister at the Dominion-Provincial Conference now being held, or to be held this week, to present the point of view expressed in this Legislature particularly with reference to the news statements that Premier Davis of Ontario will in fact be requesting a further action on the part of the Federal Government with respect to the problems of energy, and particularly the problems of Ontario.

So, Mr. Speaker, I suggest to the Honourable Minister and to the government that the statement that's presented in the House is interesting in itself but, Mr. Speaker, is not indicative necessarily of the kind of direct action that should be undertaken by the government, by the First Minister, particularly this week, so that there can be an adequate opportunity for discussion and for the development of the principles under which we will deal with this matter. Whether in fact a two-price system in terms of Canada as has been suggested is realistically the answer is something that has to be determined. It's pretty obvious that those who receive the benefits of our exports should pay their full share and that Manitobans and Canadians should not subsidize them.

At the same time, Mr. Speaker, it would appear that there's a great deal additional information that is required by this House to be able to make its determination and I would hope that the hearings to be conducted by the Standing Committee on Economic Development dealing with the cost of living will be able to deal with this one matter as it affects the cost of living of Manitoba.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; Oral Questions. The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. Some time ago he took as notice the question that was asked of him as to what the position of the Manitoba Government would be with respect to the proposals by the Federal Government for the transferring of certain points in the income tax in connection with the takeover by the province of health matters. I do not believe that such a statement has been made by him either outside this House, or inside this House, and I wonder if he could indicate what the position of the Provincial Government is and, secondly whether he's in a position to indicate what the loss in dollars would be for the proposal that the Federal Government has introduced.

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, the Conference is starting tomorrow and in the sense that part of the agenda takes place this evening it is part of the operating rules of Dominion-Provincial Conferences that participating governments desist from the practice of releasing in advance their positions on the various agenda items. We are attempting to respect that. Accordingly, after our position is made known to the Conference we will be making public position papers.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. I recognize the bolivian position that he's expressed and the undertaking. I wonder if he could indicate whether though that the government, without dealing in the amount, whether the government's been in a position to assess what the loss would be to Manitoba if in fact the proposal of the Federal Government was undertaken and accepted?

MR. SPEAKER: The question is hypothetical.

MR. SPIVAK: Well, Mr. Speaker, I'm not asking for the detail of the presentation being made in Ottawa. I'm asking whether the government has made that determination as part of

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(MR. SPIVAK cont'd) that and whether they are aware of that. I don't think it's hypothetical; the government may not be in a position to make that assessment for a number of reasons, but I think it's relevant to know whether that determination has been made.

MR. SCHREYER: Well, Mr. Speaker, in a sense it has and I will arrange to forward to my honourable friend the calculations that we have run which indicates the differential or short-fall in dollars and cents anticipated each year up until 1978/79. But I should point out to the Honourable Leader of the Opposition that there are really two sets of figures, partly because the base figures we have been given by the Federal Department of Finance, the Honourable Mr. Turner, differ or vary from those projection figures which have been supplied by the Honourable Mr. Lalonde and the Department of Health. So we have had to run two sets of calculations.

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

MR. JACOB M. FROESE (Rhineland): Yes, I'd like to direct a question to the Honourable the Minister of Industry and Commerce. Could he make a copy of the presentation that was made in connection with the release just made that was made to the Federal Government in Ottawa, could he make that available to us?

MR. SPEAKER: The Honourable Minister of Industry.

MR. EVANS: Yes, Mr. Speaker, that is a public document which was filed with the National Energy Board. I'll check, I believe a copy is in the Provincial Library but I will check and ensure that a copy is made available either in the Library or by some other means so that the honourable member or any member of the House will have an opportunity to read it.

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

GOVERNMENT BILLS - SECOND READING - BILL 63

HON. SIDNEY GREEN, Q. C. (Minister of Mines, Resources and Environmental Management) (Inkster): Yes, Mr. Speaker, would you call Bill No. 63 on Page 3 of the Order Paper.

HON. RENE E. TOUPIN (Minister of Health and Social Development) (Springfield) presented Bill No. 63, an Act to amend The Health Services Insurance Act for second reading.

MR. SPEAKER: The Honourable Minister.

MR. TOUPIN: Mr. Speaker, the principle of this bill is to provide enabling legislation to bring the services of nursing homes under the umbrella of the Insured Health Services and to repeal those sections now in the Health Services Insurance Act providing for the collection of premiums.

Mr. Speaker, there is no question in our minds that health care to be complete must recognize the total health needs of individuals, and consistent with this recognition is the decision to insure care provided in institutions in Manitoba known as personal care homes and hostels. Furthermore, it is consistent with the objectives of this government that the cost of health care should be based on the ability-to-pay concept and for that reason the regressive system of taxation through premium collection is to be abolished.

Mr. Speaker, you will see in this bill that whereas provision is being made for discontinuance of premiums there is at the same time provision made that wherein employees now contribute a portion of the premium that the employee will continue to receive this benefit in the form of extra wages. This also applies in the case of retired employees who receive this benefit from their previous employer through retirement pension plans. These provisions are in Section 4 of this bill, Section 40 of the Act.

Section 11 of the Bill, Section 34 of the Act provides that where an employer does not pass this benefit to employees then regulations may be made providing for the continuing collection of premiums which in turn would be refunded to the employees.

Mr. Speaker, I would like to draw to your attention that this action to abolish premiums will relieve municipalities of their present requirement to pay premiums for their legal residents unable or not desirous to do so. This will result in the reduction of costs to municipalities in Manitoba of approximately \$800,000 each year.

Mr. Speaker, in Section 9 of this bill which amends Section 73 of the Health Services Insurance Act, it is made clear that Manitoba residents are entitled to care in personal care homes as well as hospitals without payment with the exceptions of certain authorized charges. It is the intention that there will be a residential charge of \$4.50 per day.

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(MR. TOUPIN cont'd)

Mr. Speaker, Section 10 and 11 of this bill which adds Section 87.1 to the Act and amend Section 90 of the Act provide for budgetary arrangements and the establishment of rates of payment to personal care homes and hostels for care given to insured persons. These arrangements are similar to and consistent with budgetary and contractual arrangements that now exist in hospitals.

I should also point out that this bill makes provision for basic eligibility criteria both in terms of residency requirements and health care need, and the bill provides a means under which standards of care will be established for the protection of patients.

Mr. Speaker, now is the time to take one more step in the establishment of a firm foundation for the delivery of health care which is a step recognized to be unique in North America. The need for insured personal care services has been identified and I appeal to this House for the unanimous action and support. I commend this bill to the members of this House.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I move, seconded by the Member from Minnedosa that the debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Attorney-General.

BILL 42

HON. A. H. MACKLING, Q.C. (Attorney-General) (St. James): Mr. Speaker, would you call Bill No. 42.

MR. SPEAKER: Proposed motion of the Honourable Minister of Health. The Honourable Member for Fort Rouge.

MRS. TRUEMAN: Mr. Speaker, perhaps the most significant effect of this bill is the change in emphasis, since it was previously included in the jurisdiction of the Public Health Act which provided the regulations and standards, inadequate as they were. Placing day care under the Child Welfare Act recognizes that there are broader implications to the provision of this type of service for children. Until now the Board of Health has been responsible for the group to look at regulations and they studied day care and submitted regulations, a final draft I believe, two years ago. I believe there are others who have worked on regulations as well such as the day nurseries board and staff of agencies. I would ask now whether the government will take cognizance of this work that has already been done, or I would ask whether the department intends to start over again and develop its own regulations. Surely the input of all these skilled people and professionals in the community should not be wasted.

There is another question that comes to my mind. In the City of Winnipeg, the day care agencies still come under the jurisdiction of the Health Department and since the City is the agent of the province I would ask whether the City will still have licensing powers and the inspection functions. So I wonder whether there will be a conflict here. Does the province intend to do all the licensing or will the City of Winnipeg still continue. I think we should recall too that the City of Winnipeg has had excellent Day Nursery Regulations which it would be proper for the government to study before they bring theirs forward.

I was a little disappointed to see that the Review Board is going to be perpetuated. This has been a very serious source of irritation to the law enforcement body, and it was interesting when the Manitoba Police Commission Annual Report came out that they too have joined the group who feel that this is an improper function, that there should be any Board set up to review the decisions of the Court and change those decisions on occasion. I would like to quote from that annual report: "A couple of years ago" and this is on page 16 - "A couple of years ago as a result of amendments to the Corrections Act and to the Child Welfare Act, there was a review board established. It has been suggested that in practice this review board has gone well beyond the original function for which it was intended. It has been brought to the attention of the Commission that this Board in many respects is challenging the authority of the courts and the police. The complaint has been made that juveniles involved are often scoffing at the police in the knowledge that the review board has full power to revert any sentence meted out by the Judge. The Commission has been urged to join forces with those seeking to solve this problem and has expressed its concern to the Attorney-General."

Of course this manoeuvre of having a review board in the first place was to have a means

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(MRS. TRUEMAN cont'd) of securing cost sharing from the Federal Government. But, of course, there are other ways to do that. A child who comes before the courts could be placed in the care of the Children's Aid Society and in that way they would also qualify for cost sharing. However, with the constant diminishing of the input of the private agency I suppose this doesn't appeal to this government. Well, of course, if the Children's Aid Society was doing this job of reviewing what treatment should be applied they wouldn't be standing in judgment on the courts in the manner in which this review board is doing.

Making the membership of a family court judge optional on this review board, I think just recognizes the reluctance of these judges to participate in a board which is sitting reviewing the decisions of the court and may change those decisions; it certainly is against their manner of operation or their respect for the court. So by making this optional I think this gives the government an out from a difficult position in which they have found themselves.

There are a great many additional powers being given to the Child Welfare Director. The advisory committee that used to set the rates I note is out, but I would hope that well qualified staff will be directing the orderly development of further child caring agencies so that the standards will remain high; and of course, asking that the standards remain high is not synonymous with their being expensive.

There's a question, too, of eligibility. We have seen a trend on the part of the government to make the day nurseries, the day caring facilities available principally to mothers who are on welfare, and for the mother who is trying to work and is able to earn her own keep we find that the government before they will subsidize her child's day care, are requiring her budget to be reviewed and she is being examined in the same way that she's being placed on the welfare budget.

Anything beyond the welfare budget has to be used towards that child's expenses and as we have seen in the Westminster Church and other lunch and after school programs, the profits that the mother might make from working have been wiped out because the cost even for the lunch and after school programs, can be \$50.00 a month. Most of these women don't have jobs that are very much above the minimum wage, but what has happened is that these mothers have been discouraged from working and have quit to go back on welfare because the penalties were so great.

So it becomes very important how mothers and children qualify, how the programs are implemented and under what authority. We have to enquire whether church basements and such facilities will measure up. The City of Winnipeg regulations were very definite about fire protection and the amount of space that's required for each child to insure their health; the outside window space, the fact the children would be able to be out of doors for some part of the day.

I recall one woman who was taking, I think there were five or six children into her home, perhaps as many as seven, and her basement access was through the kitchen. The windows in the basement were too high the children couldn't get to the basement windows to escape in case of a fire; and of course, it's obvious that if there was going to be a fire the kitchen was the most likely place for it to start. So it may very well be that some of the present facilities will no longer be able to qualify unless the government simply in its attempts to provide a less costly sort of day care may very well condone that sort of facility. So I would ask, for instance, what about those 80 applications which the Minister mentioned; what type of applications are they; where are they to be? Are they all in Winnipeg? Are they scattered through the province and what sort of structures are they going to be housed in?

I don't think anyone would quarrel with the fact that this type of service is being expanded, most definitely it is needed. As I say, I would query how the government intends to implement new services and whether they are going to interfere with the work of the private agencies that have traditionally been more flexible and of course they haven't in the past year or so. (I believe I have a Hansard here.) The Minister on page 2644 in introducing this bill - no it was in Supply - the Minister stated that meetings that would be needed in the future to determine the guidelines and the scales that will be needed based on the ability to pay with a service available to all. Now he spoke of these meetings that would be needed to determine these things and I would like the Minister to tell us with whom these meetings are to be held, who will be

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(MRS. TRUEMAN cont'd) making an input into this program? I deplore the fact too that the customary practice of informing and consulting with agencies on changes that are basic to their operation was abandoned in this case. The Minister must have consulted with someone but certainly not with the people who have experience in the field.

I believe that's all the questions that I have to ask the Minister at the present time. I have not in the period of time available since this bill had second reading been able to consult with all the people that I did want to talk to, so that with that reservation I believe we'd be prepared to see this bill proceed.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I beg to move, seconded by the Honourable Member for Assiniboia, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: No. 55, Mr. Speaker.

BILL 55

MR. SPEAKER: The proposed motion of the Minister of Labour. The Honourable Member for Emerson.

MR. GABRIEL GIRARD (Emerson): Yes, Mr. Speaker. I had a chance to look at Bill 55 and it is one of those that we should not treat lightly at all because it is substantial in nature and although there might be some precedents to base ourselves on with regards to this particular bill, I still think that we should receive answers to a great number of questions before we decide that this is the kind of legislation that we would like to see through.

I would like if I could, Mr. Speaker, to point out a few areas which to me seem to raise questions. I agree with the idea that the bill incorporates voluntary retirement of commissioners, or not voluntary rather. I'm sorry, it's the reverse. I wanted to see a voluntary kind of retirement and no different from other boards or commissions but I see now that this has been changed and the Commission has been made to, or the commissioners have been made to retire at the whim of the Lieutenant-Governor-in-Council. And I suppose that there might well be reasons for this but I see it as maybe an unnecessary kind of intervention by the Lieutenant-Governor-in-Council.

There is implied in the bill, or included in the bill, a somewhat different approach to the Civil Service Commission than we've seen in the past. In the past the Civil Service Commission had the responsibility of employing civil servants. They were the people who had the control over who was going to be hired and who was not. But in recent years we have seen a new practice that has arisen and it is to me, Mr. Speaker, a way by which the Civil Service Commission has been by-passed, legally or otherwise, and now we are simply making this procedure by this bill a legal one. What we're doing in this bill is we're saying that any Minister, or any department, can declare a position to be temporary and can hire their own people by-passing the Civil Service Commission. And that, Mr. Speaker, suggests to me that we are asking that our civil service become appointed, many times possibly with justifiable reasons, but sometimes possibly frivolously as well, or sometimes maybe for political reasons and political motives only. And I suggest that this is not the way I would like to see the Civil Service Commission go. I would like to see the respect that the Civil Service Commission had for many years retained.

We see in the bill that this can only be done of course where a job is termed "temporary", with respect to temporary employees. But I don't suppose that one needs a great deal of imagination to be able to design any job as being temporary. I think it is possible to say that any job within the department can be called temporary, can be called temporary until such and such a task is completed and then will be temporary again until the next task is completed, and therefore it's a nice way to be able to avoid the guidelines that were set down for the Civil Service Commission in the past.

I find it very interesting, Mr. Speaker, that in the case of the rights to appeal - and the Minister touched on that in introducing this bill - that one, a civil servant who is dissatisfied because of a promotion not taking place, or a promotion that has taken place and not affected him when he thought he should be affected, will be the right given to the Minister, or one who is appointed by the Minister. In other words when a civil servant is not happy with the appointment he will seek redress by going to the Minister and the Minister shall then appoint one whose

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(MR. GIRARD cont'd) decision will be final. I rather think that kind of responsibility should lie with the Civil Service Commission if the Civil Service Commission is in fact given the responsibility of doing the hiring, and I again see in that kind of thing some very embarrassing situations.

I will deal later on with the right of civil servants to partake in active political life, but let us suppose for the moment that one who is--one who has taken--a civil servant who has taken part in an election he is given a promotion or he is not. Regardless of whether he is or he isn't if he is unhappy his recourse will be to the Minister, and the Minister shall then appoint someone who will adjudicate on that particular matter. And it seems to me, Mr. Speaker, that it gives a great deal of discretion and there is room - and I'm not accusing the Minister of being partial - but there is room, there is in fact a great temptation on the part of some at least to be able to adjudicate in favour of what he sees within his own responsibility, and also with the attitudes, the political attitudes that he might himself espouse. However, this bill, Mr. Speaker, makes that particular adjudication final and therefore it binds the civil servant to that course only.

I am concerned about the sections in the bill that give the right to the Civil Service to partake in elections. I know, Mr. Speaker, that it is from a human rights point of view very highly desirable, and I'd be the last one to wish to curtail any rights that might be given to the Civil Service that is allowed to the rest of the public. And I think we have to be realistic and look at the consequences of this kind of action. We must remember that this bill doesn't only allow civil servants to become candidates in an election but it allows them as well to take a leave of absence in order to support, to actively campaign on behalf of one candidate or another. This means, Mr. Speaker, that you might well have in the Civil Service a number of people who wish to take a leave of absence to go and campaign for or against a certain individual. And by the fact that one leaves it might well trigger another one to leave as well, and you might well find a great number of people wishing to take leave of absence during an election in order to go and campaign. Well, Mr. Speaker, I suppose that we could overcome that by the fact that we can hire temporary help, and designate it as temporary, and fill the gap by someone who is suitable, but I suggest that this kind of thing could well lead to inducing a political - inducing a Civil Service to become very much more highly political. I think that it should be recognized that within a Civil Service it is desirable as much as possible that that group of people implement the policies established by a government regardless of whether they absolutely accept the policy or not. Their responsibility is mainly an executive one, certainly not a legislative one. It is administrative in nature and should be done with as little bias as possible. I see this kind of thing completely undermined, Mr. Speaker, by the fact that civil servants are allowed to partake in political life, in active political life. It has been long the custom for a civil servant to be able to tell the people he communicates with, the public at large, that whether he agrees with the policy or not is really not at issue because his responsibility is to administer regardless of his personal views on the matter. But if he's given the right to seek election he will have the right to defend or condemn that same policy, and he is no longer in my view able to hide behind the fact that the policy is ordered by the Minister and that he is not allowed to express a personal view on it. I can see problems in the rank and file of the Civil Service. Whether a person after an election, a person who is in the Civil Service and has been reinstated after a campaign, whether he is on the right side or on the wrong side will matter little because whatever happens, whether he gets a promotion or demotion, the accusations will be made within the department that he got his promotion or his demotion on account of his political activity. And I think that we will recognize that we probably have within the Civil Service enough of a problem with this particular kind of question that we shouldn't be including more necessarily.

I notice that the bill goes one step further and it says that civil servants might well take on the responsibility of raising funds for a political party. Now maybe I'm stretching the point a bit, Mr. Speaker, but I suggest that there is room for thought there because let us suppose for a moment that one who is in the senior administrative positions of let's say the Highways Department, for example, might take a leave of absence and when he gets back into his job he will be the one deciding on who gets the roadbuilding contract. And I suppose it would not be right to say that there might be favouritism shown because of those kind of activities, however, it is not removed from possibility that this could take place. I know that

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(MR. GIRARD cont'd) the Minister's intention is not to allow the Deputy Minister level to partake in this kind of liberty, but I would suggest if we in this Chamber say that we are right, we have a right to discriminate against the--against or for the Deputy Minister level, I feel that we have no more right to discriminate at that echelon as we have in any other areas the Civil Service.

The Minister in introducing his representative of the civil servants had recommended that this kind of bill be passed. Now it might well be so, Mr. Speaker, it might well have been recommended by the organizers or the work union representatives but I would suggest, and I would like the Minister to consider this seriously because I am trying to do it in all seriousness, I would suggest that before I would like to see this kind of legislation passed that there be a referendum within the Civil Service, and I don't see any great difficulty in having this kind of referendum taken, I don't think it would be a costly thing, but I would like to see a referendum held within the Civil Service that will spell out for themselves what they would like to see. I don't think that we have to spell out the pitfalls and the problems that might occur if they themselves were involved in politics, but I am sure that a good number of them will consider this matter very seriously and will not make a light decision in casting their views on whether or not they should be given the opportunity, or better still, Mr. Speaker, I think we often say that they ought to be given this kind of privilege. I think that we ought not to look at it so much as our giving them a privilege but what we are really doing is asking them to take on an added responsibility as well, and let's not forget that with that privilege that we so often speak of there comes a very serious kind of responsibility for the members of the Civil Service.

I would very much like to support this bill because from a human right's point of view, as I pointed out awhile ago, there seems to be no way that anyone should be prevented from exercising an opportunity to partake actively in politics.

I know that other jurisdictions have done this in part, possibly not to this extent, but I think I would like to hear it from those people who are directly involved before I say that I would like to support this bill and do it.

MR. SPEAKER: The Honourable Member for Swan River.

MR. JAMES H. BILTON (Swan River): Mr. Speaker, I move, seconded by the Honourable Member for Arthur, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, before calling the next bill I would like to make a change with respect to Law Amendments Committee. The Honourable Minister of Colleges and Universities is now on the committee. We would like to change that to the Honourable the Minister of Industry and Commerce.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Call Bill No. 61.

BILL 61

MR. SPEAKER: The proposed motion of the Honourable Minister of Finance, the Honourable Member for Morris.

If I may have one moment myself this morning I announced that a school was from Selkirk. That was an error. It has come to my attention that the school was from Rossmere, which is the constituency of the Honourable First Minister.

The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): Mr. Speaker, the Minister in introducing this legislation to the House did not deny himself the opportunity of introducing it with a great deal of fanfare and judging from the manner in which he introduced it, in addition to the contents of his remarks, one could not help but get the impression that he introduced with a great deal of pride, and also judging from the response from the backbench, who applauded in unison and with a great deal of enthusiasm, one gets the impression that the introduction of this piece of legislation, insofar as the government is concerned, is regarded very highly as their ticket to a return to power. But I want to deal with certain aspects of taxation policies of the government to indicate to the House, Sir, that in my view although the reduction of taxes is a very desirable thing that governments can do at this stage, the method that the government has chosen with which to introduce a tax reduction, if indeed it can be called a tax reduction, leaves a great deal to be desired.

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(MR. JORGENSEN cont'd)

The Minister of Colleges and Universities who rose in his place on Saturday to defend the legislation, stated that it was going to be beneficial to 30 percent of the population of this province and that we on this side of the House had little or no concern for that 30 percent if we chose not to support the bill. Well, Sir, I don't know why the government continues to do things in half measures. If it can be argued that this measure is going to be of benefit to 30 percent of the population, then why don't the government go all the way and confiscate all of the money earned by all of the people in this province and just divide equally amongst all the people. That would achieve what I think is the objective of honourable gentlemen opposite, but in keeping with the method that the government has chosen to bring us to that ultimate goal they prefer to do it in slow stages rather than reach the objective immediately. --(Interjection)-- Yes, my friend says creeping socialism and that it's not creeping as much as it used to, Sir. It now becomes very obvious that we are galloping in that direction and my friends opposite are using the spurs and the whip in order to achieve their objectives at the earliest possible opportunity.

The Minister of Colleges and Universities in one of his rare appearances on the floor of the Chamber in this session undertook a vigorous defence of the measure in stating that this government had little or no power to stop inflation, and I'm not going to quarrel with that. In this Chamber the measures that this government can take to stop inflation are not sufficient to effect the kind of cure that is necessary, because it's not only a provincial matter or a national matter, it's pretty much an international situation (Hear, hear) and before my friend the House Leader gets too carried away with hear, hears, I want to indicate, Sir, that in my opinion the reason for that is because the whole world has gone crazy in their - in the drift towards international socialism, and the Minister of Colleges and Universities stated also that it was the - and he made a statement there that I found rather interesting, he said it was the government's - in defending the advertising program that precluded the introduction of the administration of this program during the last session, or that preceded, I should say, the implementation of the program, that he was defending the program on the grounds that it was the government's responsibility to educate the people about the government's actions.

Well, Sir, I don't quarrel with that. I don't quarrel that the government have a responsibility in insuring that the people are informed. I also want to advise him that there are those who have views that are not exactly the same as the government, and it is those who hold those views of responsibility to make them known as well so that the people of this province can have not just one side of the story but both sides of the story, and conditioned upon that ability to state an opposite point of view is the opportunity to examine, the opportunity to speak, and the opportunity to debate those measures that are brought forward by the government - and I don't want to go into that matter because it's somewhat on the fringes of the particular legislation that is before us, but I have stated often, Sir, that that opportunity to debate legislation in this Chamber is an important part of the introduction of legislation and should not be circumscribed in any way.

Now, Sir, one of the reasons that the government have stated that their proposal that is now before us is necessary because of the mounting costs that people are beginning to face from time to time. The increase in the cost of food, the increase in the cost of housing, and the increase in - we'll see it this fall - the increase in the cost of clothing, which has already been forecast by those in the clothing business. The circle will be complete when we find that there is nothing in this country that comes cheap any more.

Sir, to suggest that nothing can be done about it is abandoning any hope that the country can be governed by anything else but socialism, and I for one have not abandoned that hope yet. Sir, when one looks at the kind of taxes that are levied against homes, the kind of efforts that are made to prevent those who can do a job just a little bit better and a little bit cheaper from putting that product on the market, then one gets an idea of why costs will continue to rise. Sir, over the weekend I had an opportunity to discuss this matter with one who is engaged in the business of selling - buying and selling mobile homes, and when you start to consider just how much influence directly, and that's not talking about the indirect effects of taxation, but how much influence directly that the government has on the total cost of a home, one begins to get some - appreciates in some way the kind of influence that the government can exercise in bringing costs down. Now my friend, the Minister of Colleges and Universities says much of that is on the national level and the Federal Government's responsibility, but I want to remind

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(MR. JORGENSON cont'd) him, I want to remind him who is keeping that bunch - that gang in office. And he'd better not lose sight of that responsibility that is squarely on the shoulders of the NDP party.

Now, Sir, well let me tell my honourable friend what happened when the Conservatives were in office, when we were in a minority position, when we were in a minority position in Ottawa the Prime Minister at that time, the Right Honourable John George Diefenbaker asked for and received nothing in the way of conditioned support from any political party. He preferred to take his own chances, and in spite of the fact that he was offered an opportunity to stay in power with the help of the Social Credit Party under Bob Thompson at that time, he turned it down because he wanted to be his own Prime Minister and his own man. That, my friend is the acceptance of responsibility by a Prime Minister, not the sort of wheeling, dealing, that is going on in Ottawa at the present time.

But, Sir, I have been diverted. What I intended to say, Sir, is that a mobile home which can be purchased in the United States just across the line today for \$6,353.60 has added to that a 12 percent sales tax, that is if you buy it directly. If you buy it through a dealer it's reduced to 9 percent, which adds to that home, which brings up its value to \$7,220, and then added to that \$7,220 is a 17 1/2 percent duty which now brings the price of the home up to, which amounts to \$1,263.50. You add that to the price of the home which has a 12 percent sales tax, a federal sales tax attached to it, and here is where the tax upon tax begins to accumulate, it brings up the value of that home, the duty paid value, to \$8,483.50. Then added to that total bundle, which includes 17 percent duty and a 12 percent sales tax, federal sales tax, the Provincial Government again taxes the two taxes by another five percent bringing increasing the price of that home now by \$763.52, which brings the total cost of that home to the person who is bringing it in this country up to \$9,246.82. That, Sir, is an increase of almost \$3,000 on the cost of a home that could have been brought into this country had it not been for three separate taxes that are imposed, two by the Federal Government, one by the Provincial Government.

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

MR. GREEN: Wouldn't his argument even be stronger if he included all the taxes that are included in the products that are purchased in the home and in the wages that are paid to the men who don't receive part of those wages and taxes, wouldn't he be able to get to a much higher figure?

MR. JORGENSON: Well that could easily be done, I am merely, and I mentioned that at the outset of my remarks, I said, not including those taxes which one is unable to see, and there are many. I merely pointed out the three taxes, two on the federal level and one on the provincial level, that are obvious and can be calculated. It's difficult to calculate those taxes which are included in corporation taxes, income taxes, and all the other taxes on the material that are coming in. One can only guess at that amount, but I chose only to use those three taxes because they are very obvious, and they are indeed indicated on the invoices that are used when the mobile homes are brought in from the United States. Now, Sir, why is that done? How can our government on the one hand cry crocodile tears day after day for the plight of the poor who are incapable of providing themselves with housing, proper housing, when there is a way of providing homes, and maybe not everybody likes to live in a mobile home, but when that kind of competition is brought to bear against those who are profiting from the assembly of land, from those who are profiting from the construction of homes, are given that kind of competition, that surely will have the effect of bringing down the price of homes. And I don't know of any better way if honourable friends opposite are serious about bringing to heel those who claim, who they claim, make so much profit out of home construction and out of manufacturing. I don't know of a better way of bringing them to heel than to exposing them to the rigours of competition. And because we don't do that, Sir, because we build a wall of protection against those who can do a job a little bit better, who can provide a service a little bit cheaper, and who can bring down the cost of living, there is no hope that it can be done other than by the kind of controls and the kind of measures that my honourable friends opposite are eagerly awaiting to bring into force.

Now, Sir, drugs are another example of the effects of taxes on the ultimate cost. We've had in this House time after time gentlemen opposite rising to talk about the tremendous effects of the high cost of drugs. And yet when one examines the pharmaceutical preparations that are brought into this country by those who can produce them cheaper, we find that there

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(MR. JORGENSEN cont'd) is a 25 percent general tariff applied on them all across the board, which has the effect of automatically increasing the price of those drugs by 25 percent. And, Sir, as long as there is a tendency on the part of government to protect those who profit - and I certainly have no objections to anybody who can make a legitimate profit - but to make a profit behind a wall of protection afforded by the government whether that be, whether that be a labour union, or whether that be a manufacturer, in my opinion, Sir, is wrong and contributes, and contributes, Sir, to the high cost of those things which Canadians have to buy. --(Interjection)-- Well, Sir, my honourable friend opposite says it's not socialism. I don't know what is socialism if that isn't. It's protection at its worst. --(Interjection)-- Well whether or not the Conservatives are the greatest protectionists --(Interjection)-- I am speaking as an individual in this House, and I'm attempting to point out that this kind of protection is the sort of thing that has destroyed the economy of this country, and indeed destroying the economies of the western world, this tendency to hide behind a wall of protection. It exists in the United States; it exists in Canada; it exists in the common market; it exists in almost every country in the world. And the reason it exists, Sir, is because there is a general drift and a general tendency to move in the direction of socialism. --(Interjection)-- Well my honourable friend opposite says the Conservatives are the greatest protectionists. I have never as long as I have been a member of the House of Commons offered a word of encouragement or support for that kind of protection. --(Interjection)-- and I never have and I never will, because I'm convinced, Sir, that it's hiding behind this wall of protection that it continues to increase the costs to the consumer of those things that he must buy in order to live.

And now, Sir, we go on to the question of inflation, which is a root cause of the problem, and we find that during the relatively few years the dollar has been devalued to the point that it buys less than half of what it did in 1949. And if you take 1961 as the base of the dollar equaling 100 cents and go back even as far as 1913, you'll see that in spite of the fact of those years that were considered to be the worst in the country's history, the depression years, at least the dollar was worth something. It went up as high in relation to 1961 dollars, it went up as high as \$2.18 and stayed there during that period. The erosion began following the Second World War, and there has been a constant deterioration of the value of the dollar since that time. Well today in relation to 1961 dollar it is worth 68 cents. Sir, as long as this constant erosion continues there's going to be difficulty for Canadians to meet the ever-increasing costs that are going to be imposed upon them by the effects of inflation and one of the root causes, as was pointed out - as a matter of fact I pointed it out some time ago and I'll repeat it again very briefly - one of the root causes of this inflationary problem is the tendency and the ability of governments to derive increased taxes without necessarily increasing taxes on a percentage basis. Because the governments themselves are the beneficiaries of inflation, and there is a built in incentive in the taxation system that we have today to encourage that sort of thing. My honourable friend has made some comments about the Conservative Party. I might add that it is Mr. Stanfield who has continued to ask for a revision of the taxation system which would take out the inflationary tendencies that are inherent in the present system.

Sir, there is an article that was written by Don McGillvary, a former representative of the press gallery here in this Chamber, and who has written from various parts of the world and has become one of the better known and the more qualified observers in political capitals across this country, and indeed across the world. He goes on to point out that the now defunct Prices and Income Commission had completed a study that the details of which have not been revealed. He goes on to say that the latest evidence of tax increases can make inflation worse is in that still unpublished study of the manufacturing wages carried out for the now defunct Prices and Income Commission. And then he goes on to say that evidence that taxes are a cause of inflation has also been piling up in the United States. A study prepared for the Joint Economic Committee of the United States Congress found that personal tax rates were a significant cause of wage inflation. And another United States study was cited by Professor Wilson, the average annual rate of inflation was 0.45 percent faster in 1966-69 than if 1965 tax rates had remained in effect. Increases in income taxes added one percent a year to the rate of wage inflation, and if indirect effects were added to those direct effects the contribution of taxes to inflation would be shown to be even greater. "One would hope," said Professor Wilson, "that in the next round of tax reform serious consideration will be given to designing a tax structure that is not automatically affected by inflation." And that is pretty much what the Leader of the Conservative Party in Ottawa is advocating.

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(MR. JORGENSON cont'd)

Sir, it also, in another article which appeared in the Tribune of May 12th, the headline of that story was: "Inflation Traced to Higher Government Spending." And the writer of that article goes on to point out that, "General government expenditure grew much faster, particularly since 1968, than population and the aggregate wealth of the country generates. The root of the cost price inflation that has by now cut the buying power of the 1961 dollar to 62.3 cents can thus be traced to runaway government spending that provides the impetus and justification for wage demands far in excess of what economic growth and productivity gains can sustain without currency debasement."

Sir, we now thankfully have a new set of economists who are beginning to examine and recognize that the root cause of inflation has as its origin the increase in government spending beyond the rate of growth which the country can stand. And that, Sir, is at least encouraging to the extent that somebody is beginning to recognize it. For a long time, Sir, we were indoctrinated with the theory that governments could control inflation through monetary practices by either increasing or lowering taxes, and they found that that sort of blood-letting doesn't work. Just like the old medical theory that you could cure a person by drawing blood from them has been replaced by now the more appropriate theory that by a blood transfusion a person can recover from an illness. Very much the same, Sir. Economic theories in the light of the evidence, and in the light of the practices that have been carried on in the past quarter century, have indicated that the old theory that governments by increasing or lowering taxes can control inflation, has not gone by the wayside. The fact is, Sir, it has been proven that it cannot be done. Today, notwithstanding all the efforts of government during the past 25 years to apply those economic theories it is safe to say that the poverty in this country is worse than it was 25 years ago. Those who were wealthy are wealthier than they were 25 years ago. The gap between the rich and the poor is greater than it ever was; the problems are greater, and there seems to be no evidence on the part of governments that they are going to apply anything other than the theory that the more the government drains away from the taxpayer in the form of taxes, the better they're going to be able to support, or better be able to control inflation. That theory, Sir, is now defunct, and it has been proven, certainly, to the satisfaction of a good many economists in this country today.

Sir, the Minister took great pains to point out that out of the \$700 million budget that \$42 million of that is going to be returned to the taxpayer, and all I can ask, Sir, is why did they have to take it from them in the first place? If that is money that rightfully belongs to the taxpayer and need not have been taken from him in the first place, then why could they not have allowed them to keep that money and spend it to meet their own priority rather than the misguided priorities that this government feel that they have the right to set for every individual in this country. It cannot be done without the loss of freedom; it cannot be done without the loss of personal liberties, and as long as we continue the drift in the direction that we are heading through this - through these measures such as this, then the ultimate result is the complete control and domination of the lives of every individual in this country by government. That, Sir, is an objective that I want to steer this government away from because it is in my view the destruction of civilization in this country such as we know it and I don't want an unconscious drift - and I'm not so sure that it's as unconscious as my honourable friends opposite would like us to believe it is - I don't want that drift towards totalitarianism to engulf this country without putting up some kind of a fight, and I intend, Sir, to do just that during the next election campaign.

INTRODUCTION OF GUESTS

MR. DEPUTY SPEAKER: Before we proceed I should like to draw the attention of the Honourable Members to the gallery where we have 37 students of Grade 11 standing from the McGregor Collegiate under the direction of Mr. Frank Froese. This school is located in the constituency of the Honourable Member for Gladstone. On behalf of all the members of the Assembly I bid you welcome here today.

The Honourable Member for Souris-Killarney.

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MR. EARL MCKELLAR (Souris-Killarney): Mr. Speaker, I move, seconded by the Honourable Member for Arthur, that debate be adjourned.

MOTION presented and carried.

MR. DEPUTY SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, there are two bills held in the name of the Honourable Member for Riel and I won't call them if he's not here, but there may be somebody who would wish to speak on them. If that is the case I would like to have those speeches heard now if there is anybody who wishes to speak on them. Mr. Speaker, would you call then the motion on concurrences?

MR. DEPUTY SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: . . . as the House Leader if it is his intention to call--we were sitting in Committee this afternoon. I wonder if it is the House Leader's intention to call those two bills standing in the name of the Honourable Member for Riel this evening.

MR. GREEN: Mr. Speaker, I intended to call them on the optimistic assumption that we would come out of Committee this afternoon, I would call them again this afternoon, because I expect that there is not that much that has been sent to Committee as I expected, and as a matter of fact, Mr. Speaker, I would think that we'll need to meet again in Committee at 2:30 tomorrow afternoon, but I will await making such a suggestion until possibly later today.

MR. JORGENSEN: It would be very helpful if the House Leader could indicate to us that I can arrange to make sure that we have the certain people here. I'm sorry that the Member for Riel could not be here this morning, but he indicated that he would be here . . .

MR. GREEN: Well it would be my intention to call those bills this afternoon and this evening, because we'll be coming into the House again. So they'll certainly be called again today.

MR. JORGENSEN: . . . the House Leader whether it is his intention to introduce the remainder of those bills that now appear under second reading of government bills.

MR. GREEN: Not at the moment, Mr. Speaker. I'd like to call the Concurrence Motion at the present time.

. . . . continued on next page

CONCURRENCE - INDUSTRY AND COMMERCE

MR. DEPUTY SPEAKER: Resolution dealing with the Department of Industry and Commerce. The Honourable Member for Brandon West.

MR. EDWARD MCGILL (Brandon West): Thank you, Mr. Speaker, I am pleased that today the Minister is in his seat. On Friday afternoon - I'm sorry, Saturday afternoon, we did have an opportunity to begin discussion of the Concurrence Motion in respect to Industry and Commerce resolutions, and I did mention at that time that I was disappointed that we hadn't during the discussion of the estimates come to a full examination of this department and that I felt we had missed the stimulation of the Minister's announcements and his unfailing optimism as to the great things that were imminently in store for the Manitoba economy. So we missed that, Mr. Speaker, and we've had to go really on just what was contained in the Minister's report for the year ending March 31, 1972. And in comparing with the statements contained in his report with previous years, I notice that there has been a constant reevaluation of the guidelines of his department, and this has been going on for three years at least, and the conclusions that are reached in this latest one is that they expect that - and he says in a concluding paragraph of his statement: "I am pleased by the progress that is being made and can state that we are reaching the stage where we will soon be fully implementing our new policies."

Well we have been in that state of anticipation for the last three years. The guidelines have changed in some respects but the events which hopefully these guidelines will bring about have not yet really come to pass. I mention, too, that in terms of his responsibilities the Minister perhaps was second in importance to the Premier in this province. I, of course, was making that observation in terms of his responsibilities at the time that this report - for the period covered by this latest report. We would have to of course amend that statement now inasmuch as his responsibility for the Manitoba Development Corporation has been taken away from his portfolio. I am not in any way objecting to that change by the First Minister because I think in a sense the responsibility of the Minister of Industry and Commerce for Manitoba Development Corporation is a basically, or was, an incompatible one. It's incompatible in the sense that the objectives of Industry and Commerce were to create a climate of confidence in the private sector and to generally encourage the activities and development of industrial enterprises in this province related to private business. It's incompatible in the sense that the Manitoba Development Corporation was doing somewhat - taking somewhat different direction in that it was tending to increase the amount of public enterprise and public ownership. And it seems to me that it's a very difficult thing to try to encourage private business to go into competition with a government and a public type of operation which has somewhat different terms and guidelines in its balance sheets. It's not only incompatible for a Minister of Industry and Commerce to be promoting and governing the activities of Manitoba Development Corporation and the takeover of private business, or the acquisition of equity in those businesses by the government, but it's also incompatible in the sense that perhaps the personality of the Minister is somewhat well perhaps not employed in its full - as beneficially as it might be for this province. I would think that the Minister is basically a man of enthusiasm and optimism. He likes to look upon the prospects for the future with a great deal of optimism, and sometimes this optimism is very difficult to reconcile with the results and objectives that have been achieved by his department. Perhaps a portfolio that would bring his abilities, and his personality to full bloom would be Tourism, where I think his ability to project and to describe in optimistic terms the great things that exist in our province would be of greater value than they are in the kind of projections that he is making as the Minister of Industry and Commerce.

We've gone over a number of his announcements that have seemed to me to have been overly optimistic and have to have been revised, or changed, or corrected, as time and circumstances brought about the decisions that he was anticipating or that he had over-anticipated. One such case was the one of the affairs of the McKenzie Seed Company Limited, in Brandon, where he has at one time described the affairs of the company, and I'll just, to make sure that I get it exactly correct, I will read it from the quotation of the Brandon Sun on the 17th of December, 1971: "Mr. Evans who is responsible for McKenzie Seeds as part of his Cabinet duties, told the employees dinner that no company in Canada has made such progress in 1971 as McKenzie Seed." Well that, Mr. Speaker, has to be the most optimistic, and I would even have to say that's an over-statement, but nevertheless it was made. And in the same article on the 17th of December, 1971, there was also a statement by Mr. Cham, who was at that time, I believe, Chairman of the Board of McKenzie Seeds, and he said that, "Being Chairman

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(MR. MCGILL cont'd) was not a challenge any more, now it's just a game." Well, Mr. Speaker, in December of 1972 there was some changes made in the McKenzie Seed Company Limited but the Minister said they were not significant and that there was really no cause for concern, and he indicated at that time to a meeting that he considered that the profits of the McKenzie Seed Company Limited would be as good as in the previous year, and probably would be a great deal better in the coming year.

The final announcement as to the profits of the company was not made by the Minister as was the case in the past two years, but was made eventually by the new President of the company when Board Chairman, who indicated that losses of \$126,000 had been experienced and they were attributed to costs involved in takeover of other seed companies during the year in question.

Well, Mr. Speaker, I give that as an indication of the kind of compulsion to optimistic statements that the Minister has exhibited over the years of his office as Minister of Industry and Commerce.

Another such situation was developed when the Minister announced in Brandon that his government was concluding arrangements with the Kraft Food Company to build an oil-seed reduction plant in the City of Brandon. Now why this announcement was made at the time only the Minister of Industry and Commerce will know, and perhaps some day he will give us an explanation of that, but apparently it was a premature announcement in that it invoked a great deal of response from other organizations who thought this was not a proper direction for the Minister to be taking as Industry and Commerce director, and the result, as we all know, was that no such arrangement came to pass. The Kraft Food Company either decided that the climate in Manitoba was not the kind they were looking for, but in any event a very large industrial possibility was lost for the West-Man area.

So, Mr. Speaker, I feel that the Minister of Industry and Commerce has been - it's been characteristic during his period of office to overstate the future, to make announcements prematurely, and in some instances, as in the one just noted, has been somehow perhaps not encouraged but actually caused opportunities for Manitoba that might have developed to have been lost.

Early in the Minister's career as Minister of Industry and Commerce in an interview he mentioned that he didn't particularly like the activities of the previous Minister of Industry and Commerce, and the previous administration, in travelling about the country actively promoting the opportunities that were possible for private business in Manitoba. Nevertheless during last summer he did make a trip to the United Kingdom and to Europe to promote business opportunities in our province and -- (Interjection)-- Yes, one of the stops on that trip was Poland where a speech was made by the Minister indicating that there was a great deal in common with the political scene in Manitoba and that which existed in his host country, Poland. Now. --(Interjection)--

MR. SPEAKER: Order, please.

MR. EVANS: Mr. Speaker, on a point of -- a matter of privilege.

MR. SPEAKER: A matter of privilege has been raised. The Honourable Minister state his . . .

MR. EVANS: The honourable member is referring to a statement which I had categorically denied subsequently. A certain newspaper had quoted me wrongly, in fact it did not have a copy of my speech. That particular statement is complete and utterly false, and I regard it as a matter of privilege for any member of this House to make that statement based on a statement which I subsequently stated was not a correct statement.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Speaker, my statement was that he did -- the Minister made his speech in Poland which was reported in Canada, not in detail, I don't think there were any actual quotations from the speech but some inferences were drawn to that. Now if the Minister rejects these completely, then I accept his statement. He did make a speech in Poland but he did not in any way say that there was anything comparable between the political scene in Poland and that in Manitoba. But, Mr. Speaker, the results of this trip to the U.K. and to Poland, we might have had reported to us had the Minister had an opportunity to make to present his Estimates to this House, and I think that it would be very interesting to have the Minister tell us what success he did have in promoting the Manitoba scene and the Manitoba business climate

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(MR. MCGILL cont'd) in Central Europe and in the United Kingdom. Certainly the trip was well publicized, there was a great deal of press coverage given to it with the exception of that one speech which I mentioned which didn't get the proper press coverage or perhaps the kind of press coverage that it deserved.

But, Mr. Speaker, these are the activities of the Minister of Industry and Commerce which concern this side of the House the most. He has, as one reporter described it, had had somewhat of a sheltered existence in respect to Industry and Commerce in respect to actual participation. In his academic background he has not had the opportunity perhaps to engage in a practical way in a business enterprise, or to perhaps meet the responsibilities of a payroll, or to have gone through difficult periods in the development of a business where markets and sales were below projections and the financing of the company became difficult. I think this is the kind of experience that the Minister lacks and which he is unable to bring to bear on the decisions which his department makes.

In the guidelines that he has now presented as his most recent terms for development, he has mentioned a number of tests that he would make to businesses which might develop in Manitoba, but he has not yet and I wonder if it's too obvious a statement to make, he has not yet even given any attention, as far as we can determine from his report, to one that Professor Kierans mentioned as being important to Manitoba's development, and he stated, I believe, in one of his speeches somewhere in the province, that we should be doing those things that we can do best, promoting businesses in which we have some natural advantages. It seems to me to be a basic guideline to our future development as an industrial province.

But nowhere in the guidelines published by the Minister does he indicate that he's giving any special attention to perhaps those areas in which Manitoba does have the natural ability to excel. We are still apparently more preoccupied with exotic industries that have been brought from other areas where natural pools of competent--where a large experienced labour force exists. And I notice that this year for the first time the Minister has given some attention to that fact and indicated that in future his department will hope to place more emphasis on those kinds of industries which will employ people who we now have trained and experienced within our province.

Mr. Speaker, these are just a few of the remarks that I wish to bring to the attention of this House at this time, and I trust that perhaps during the few days that remain for this House to be in session that we will have some further explanations from the Minister of Industry and Commerce and perhaps an optimistic report on what we may expect as a result from his trip to Europe and to Poland in the summer of 1972. Thank you.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I rise on the Concurrence of the Department to express a few opinions with respect to the Department and the Minister and the conduct of activity by him, and by the members of the Department, and also to, I think, highlight what I consider is probably one good example of waste and inefficiency on the part of the government. Mr. Speaker, I have certain qualifications to be able to deal with this department because I was its Minister for three years. And, Mr. Speaker, I'm in a position I think to discuss and deal with the breakdown of its estimates, and to be in a position to make some judgment about the programs and the increased costs that the public in Manitoba are asked to bear in this budget.

Now Mr. Speaker, I'm one who has continually said that there is a tremendous opportunity on the part of government to cut government spending, that there is an opportunity, Mr. Speaker, to eliminate redundant programs, to change and alter programs, and to accomplish an objective that I think the people of Manitoba earnestly desire, and that is government services provided to them at less cost than before, coming about as a result of an attempt to become efficient, and to tailor and discipline oneself, and now I'm talking about government to the ability of being able to carry on the programs without unnecessary growth and without the basic trend that has existed in all governments across this country, including the Provincial Government here, of simply accepting that governments must grow, and grow and grow.

And, Mr. Speaker, I want to analyse the budgets of 1969 of the Department of Industry and Commerce to the present budget and I want to deal with the amounts that were actually spent in the public accounts and relate that in terms of the total so that we have some clear

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(MR. SPIVAK cont'd) dimension of what the Department of Industry and Commerce is costing the people of Manitoba now, and then, Mr. Speaker, I will put it to you and to the people of Manitoba that a judgment has to be made as to whether the increased cost that is now being borne by the taxpayers is justified, based on the result that the present government has produced.

In 1969 Mr. Speaker, the budget, or the public accounts show an estimated cost, or show a cost, not an estimated cost, of \$2, 868, 000. The 1973 estimates are \$4, 895, 000.00. Now that's about \$2, 000, 000 and at first blush that would seem like the only amount they were dealing with but we now have to do a little bit of analysis to understand the breakdown of what the costs were in '69 and what they are now, and this is important to understand what has been taken out of the department and charged somewhere else to really understand the dimension in the increase, both in percentage and in dollars. As an example, Mr. Speaker, the amount of \$2, 868, 000 of 1969 represents \$139, 000 of public information services that has been transferred out of the department. It is now in another department, and has been increased since that amount of '69. The 1969 estimates included an amount for the Manitoba Development Corporation of \$287, 500 and that has been taken out, as the whole MDC has been taken out, of the jurisdiction of the Minister of Industry and Commerce and placed in the hands of the Minister of Mines and Natural Resources, and I'm going to comment about that particular action on the part of government and what it really represents in terms of the Minister and in terms of the government but that amount has to be excluded as well.

Then there is an amount, Mr. Speaker, of \$134, 012.23 for transportation. Now, Mr. Speaker, there was a great deal of work done by the department with respect to the research provided for the consultants who represented the province in connection with the national transportation bill, and represented Manitoba with respect to the problems of the overhaul base, and the variety of the transportation matters that were dealt with at that time, but that has been transferred, Mr. Speaker, to the Department of Transportation and was transferred in 1969, and that amount has, in fact, and should have been absorbed by the Railway Commissioner and by other departments. In addition, Mr. Speaker, there is an amount for 1969 of \$244, 000 for the Immigration Branch, and as a result of the employment situation in Manitoba the necessity for the continuation of that program has diminished, with the result that that \$244, 000 is not being spent, and should not be spent, and is not being spent at this time. So, Mr. Speaker, we really have about \$800, 000 of moneys expended in '69 that in one way or the other are not being spent by the department because they have been transferred, or because the programs have altered. So in effect, if you were really to compare the 1969 budget of the Department of Industry and Commerce with the budget of 1973, you really have an increase of \$2, 800, 000 in four years, and you have essentially 150 percent increase, Mr. Speaker - 150 percent increase, Mr. Speaker over and above the cost of '69.

Now, Mr. Speaker, one has to ask if there is an increase of \$2, 800, 000, 150 percent increase, is it justified by the results that the department have produced and the Minister has produced, and the answer is obviously no. To the extent that the Minister is attempting to carry on the kinds of programs that the department carried on before, to the extent that he has attempted to try and stimulate the economy, to the extent of whether he has or has not as far as the judgment is concerned as to whether he has or has not, the reality of it, Mr. Speaker is that if one was to measure his performance, or yell about performance, the \$2, 800, 000 is a waste of money. And, Mr. Speaker, when we talk about cutting government spending, and we talk about reducing taxation with respect to one department that I have some familiarity with, I can tell you that that money can be saved; and I can tell you that money can be saved without in any way reducing the efficiency of the department or its productivity. And I think, Mr. Speaker, this highlights and exemplifies the kind of effort the government should have put forward in the last period of time, if they were committed to a position that it was their responsibility to try and allow the people of Manitoba to in effect essentially keep as much money that they earn for themselves, rather than hand it to government who knew better and who knows better how to handle it.

Now, Mr. Speaker, let's talk in terms of the department. In terms of the numbers of people in the department as at the end of December 1969 there were 92 people. I have already indicated that many of the department's activities have been reduced but in effect, we do not have a reduction in the number of civil servants but by December of 1972 we have

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(MR. SPIVAK cont'd) 130, so we have 38 new additional civil servants added to the department, and we have an increase of budget of approximately \$2,800,000.00. So we have an increase in cost of 150 percent and an increase in civil service of about, close to 40 percent, and one has to say, well, is the department accomplishing more than they had before, more than they did before? Well, Mr. Speaker, the answer is no. There is nothing in the statistical data that can be produced by the Minister in terms of activity, in terms of production as far as results are concerned, that will justify the increase. Here, Mr. Speaker, we are to accept that because the Minister is one who is a Minister of good intentions, that we are to accept, Mr. Speaker, that everything he says, and everything he does, and everything that is happening, is necessary, is vital, is good, is proper, and therefore should not be questioned. Now, Mr. Speaker, the fact is that the business community are questioning it, the people whom he is supposed to have some confidence with, who are supposed to have some confidence in him, are continually questioning, and it is both a reflection on the NDP and on the First Minister, that he has allowed the present Minister to remain in this portfolio, allowed the growth, and allowed the situation to develop and not been prepared to act.

In only one case has he acted, Mr. Speaker, and that's by removing the Manitoba Development Corporation from the Minister and placing it in the hands of the Minister of Mines and Natural Resources, obviously because of the sensitivity of that particular situation and the failures of the Crown Corporations, believing that it would be better to have his star handle it, rather than the Minister of Industry and Commerce. But, Mr. Speaker, having said that, may I say that one of the things that we can promise the people of Manitoba is that we will cut government spending. One of the things that I can promise, Mr. Speaker, is that we will cut the Department of Industry and Commerce, and Mr. Speaker, I can say, based on three years of experience, that I can cut it, I can save the people money, and I can accomplish far more, Mr. Speaker, than the present Minister of Industry is accomplishing, and far more in terms of productivity of his department.

MR. SPEAKER: Order, order.

MR. SPIVAK: Mr. Speaker, I am now at least zeroing in, I think on probably the most sensitive nerve of the government, and I'll tell you what, Mr. Speaker, it is reflected in every department, the continual waste, their failure to economize, their failure to come to grips, their feeling and the belief that all that is necessary is that there should be growth, and a continuation of what has happened in the past, for which they now can acknowledge as being something that they can take credit for, Mr. Speaker, is the kind of activity which has resulted in a budget from \$350 million to \$700 million. No matter how the present Minister of Finance will now try and juggle that around, the fact of the matter is that the people of Manitoba one way or the other are paying that amount of money out, because, Mr. Speaker, the corporations have only increased by \$70 million in this past year. The mining companies have paid another 5 or 6 million dollars so the . . . Mr. Speaker, is that the taxpayers in this province are paying it. They are paying it to the Federal Government, they are paying it to the Provincial Government, and they are being dunned for waste, and for what? Has the Minister of Industry and Commerce accomplished very much in the past four year period? Well, Mr. Speaker, what has he accomplished? Well let's try and list what he has accomplished.

Mr. Speaker, we have a situation as far as unemployment is concerned. Now we know that the government's make-work programs have been able to relieve the nature of unemployment in the province on a temporary basis, but has the department under his leadership been responsible in the development of sufficient permanent jobs for people in Manitoba? The answer is no.

Mr. Speaker, I have to make reference to what the honourable member for Brandon West has said. This four year period of the NDP has been a period of lost opportunity. There was a momentum in this province that existed simply because of the development and the growth that has taken place and a desire on the part of many Manitobans to be able to achieve for themselves and for profit, an opportunity in new markets, new market areas, opportunities in the investment of new efficiency which would give them greater productivity, and that was lost, Mr. Speaker, by the reluctance on the part of the members opposite to recognize that growth and momentum and to be prepared to at least indicate support. Rather, Mr. Speaker, in the first year of the NDP administration we had the confusion, the contradiction, the outlandish statements by many of the members opposite that did a great deal of harm, and whose

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(MR. SPIVAK cont'd) productive results of those statements are shown in the statistical data that we have now. Because the fact of the matter is, Mr. Speaker, if we remove the public sector from the development in this province, the private sector is not developing, and there is just no way that the members opposite are going to convince the people of Manitoba of this; there is no way that they are going to be able to convince the business community on this. They know it and, if anything, the present Minister of Industry and Commerce symbolizes essentially the despair with which the community looks at the government and the department for the lost opportunities of the past four years.

Mr. Speaker, the Honourable Minister of Industry and Commerce likes to talk in cliches and to cite selective growth - that was what we had a couple of years ago - and likes to talk about the good clean environment we have in Manitoba, and the fact that there have been a regional analyses that has taken place, and the fact that we are studying the situation, and he talked in terms of decentralization. But the fact is, Mr. Speaker, if we analyze what's really taking place, there were certain trends that we attempted to arrest in the period of 1966 to 1969 in an attempt to try and get the people of Manitoba to be able to start to do the things for themselves, and this came about, Mr. Speaker, as a result of our attempt to try and get the business community and the private entrepreneurs to understand our position in history, our opportunities, and the necessity of them taking action now if they were going to be able to compete in the markets that they would have to compete within a ten year period - recognizing, Mr. Speaker, that if there was not the scale and specialization undertaken by a manufacturer that our manufacturing employment would go down, that in effect it would basically deter the kind of rise in incomes that were required so our people would be given an greater opportunity, and that it was necessary for them to start to reinvest in efficiency and reinvest for new opportunities, and that if this did not happen they would be put in jeopardy.

Well, Mr. Speaker, the last four years, I suggest to you, you have in fact pushed back Manitoba, put it back, and put the clock back for several, for a period of time, well put it back to the period of time prior to the middle of the 1960's, because what we now have in terms of the business community is the recognition that there are opportunities, but not in Manitoba. There are opportunities elsewhere for the kind of expansion that should take place, should take place elsewhere; that the kind of new vigor that should be exercised, should be exercised in other provinces, on the part of the entrepreneur, and as a result Mr. Speaker, the private investment activity has not taken place, and it's borne out, Mr. Speaker, by the statistical data, it's borne out in many, many respects, Mr. Speaker. You know, if we were to look at manufacturing, and look at the total in terms of the investment, Mr. Speaker, we know that there was an increase of 6.7 percent in '69, and 21.3 percent in '70, with a drop, Mr. Speaker of minus 39.7 in 1971, minus .7 in '72, and minus approximately 2 percent in 1972. So the last three years have shown a deficit in the growth of manufacturing in this province, and they are directly a reflection of the present Minister of Industry and Commerce and his attitude to the business community and to the development of the private sector, and to the silly, stupid, almost ignorant remarks that have been passed by the members on the opposite side, and whom the present First Minister has allowed to go unchallenged, with the result, Mr. Speaker, that the degree of confidence which must exist for the investment climate has in fact not taken place.

Mr. Speaker, let's talk about decentralization of industry, and I can have the Honourable Member from Morris stand up and talk about that. And is there any clearer example of the kind of confusion that exists in the policy decision-making on the part of the government than the failure to at one time, given the opportunity to see to it that the decentralization philosophy that they have expressed so much was carried into practice. In effect, Mr. Speaker - and the comparison has been made - the present government's attitude with respect to Flyer Coach Industries in Morris is equivalent to the Federal Government's attitude about the overhaul base, and the result is, Mr. Speaker, that all the words of the present Minister and the government about stay-option, decentralization, are hollow. They simply have a hollow ring, Mr. Speaker, because in effect given the one opportunity that they had of being able to exercise their fiscal arm, because they in fact control Flyer Industries, they were prepared to take it out of Morris, transfer it to an urban area, and prepared to see a reduction in the number of people that were employed. Mr. Speaker, they have talked a great deal about the Regional Development Corporations, but in the past four years there has been by the Minister, and by some of the people in his department under his instruction, a direct confrontation that's existed with the

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(MR. SPIVAK cont'd) Regional Development Corporations, not consultation or cooperation but a confrontation. And that confrontation goes to the heart of whether and how the Regional Development Corporations are to manage. The Regional Development Corporations were to be distinct entities, not controlled by the Department of Industry and Commerce. But that confrontation has existed because the Minister has seriously attempted to try and control the direction and the development of the Regional Development Corporations and not allow them the freedom to be able to make the decisions themselves, and to be able to control their own destinies. And in the course of doing this he's denied them the opportunity for growth and development, and that growth and development, Mr. Speaker, could have enhanced our economic development. And that is why we have suggested that in one of our proposals of winding down and winding up the MDC we would see to it that the Regional Development Corporations be funded with sufficient funds to be able to do the things that are required in their own areas, and to be able to bring forward sufficient capital so that both commercial and industrial undertakings could be - and tourist undertakings - could be handled in their area, and could in fact be directed, assisted by the people in the area who are the best ones to make the decision.

Mr. Speaker, the Honourable Minister talked, and the First Minister when he was Minister of Industry and Commerce proposed that there be an economic advisory board set up. This is one of the recommendations of the TED Commission that they were prepared to take. Well, Mr. Speaker, we have had an Economic Advisory Board that for all intents and purposes has not functioned, whose accomplishments are very limited, whose reports have been insignificant in relation to our economy, and this is not meant as a reflection on the individuals who were appointed but rather on the attitude of the Minister as to what that economic advisory board should be undertaking. Mr. Speaker, the Economic Advisory Board has carried on some functions but those functions have been limited. The contribution that could have been made has not been made, and for all intents and purposes, Mr. Speaker, it is one of those nominal commissions and boards that have been set up whose purposes had to be reviewed as well as many of the other structures in the department, many of which were set up and organized by the previous government. And I want that to be clear, Mr. Speaker. There are many structures both in the Department of Industry and Commerce and other departments that were organized by the previous government, whose cost benefit now has to be assessed, and who require some changes in structure, in many cases elimination, so that in fact there can be savings, so that moneys can be transferred to new programs, and moneys can be used for the reduction of taxation.

Mr. Speaker, we are asked to approve approximately \$5 million for a department, and there is a serious question by some as to whether the department has any function whatsoever. I as Minister of Industry and Commerce had that put to me by many people. It's my firm belief that the department does have a function. It's my firm belief that there is a great deal of assistance that can be done by men who are in the business community, who are meeting with them and who are in a position to offer them the technical and research expertise that many of our smaller firms do not have. It's my belief, Mr. Speaker, that the great potential for manufacturing still exists in the opportunities in the midwestern area of the United States, and I believe, Mr. Speaker, that the Minister of Industry and Commerce has failed miserably in capturing those opportunities.

In order to develop those opportunities, Mr. Speaker, there are a number of things that must happen. We need far better and superior air transportation to the major centres of the midwestern area. We need, Mr. Speaker, the setting up of a trade office, or joint trade office, with the Federal Government so that departmental activity can be carried out in that way. And, Mr. Speaker, I believe that that can be done within the limits of a budget that would slice in half the present budget that we now have. And I believe that we are not talking in terms of, you know, of great sums of money but rather in terms of the application intelligently of money in those areas in which there can be some kind of gain for our people.

I believe the function of the Department of Industry and Commerce is a good one. I believe that in effect that the Department of Tourism should now be included with it, and I believe that it should be changed to a Department of Economic Development. My reason, Mr. Speaker, is that tourism now becomes an important economic factor in the development of permanent jobs and in the ability of our people to be able to have temporary jobs during the

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(MR. SPIVAK) summer, particularly our students, and the opportunity for increased capital investment. And I do not believe that we can ignore the potential that tourism has and have it separated in a department that is dealing with other matters other than tourism itself.

But, Mr. Speaker, those fundamental changes that I'm talking about do not take away from the necessity of a department made up of approximately 100 people who can and will devote themselves to trying to assist our entrepreneurs in carrying out their functions and in the development of new export opportunities for this province. There must be a place where people who are interested in investing can come to deal with the department, to be able to obtain information, to be able to get the information that's required for decision-making, and the department serves that function. Unfortunately, Mr. Speaker, for the present Minister of Industry and Commerce not too many people are coming to the government for development, and not too many people are coming to the Minister or the government, and in many respects one has to go out and create almost an outreach program to try and develop them. When you're hung up as the Minister of Industry and Commerce is about American investment, when you're confused as to what you're talking about between selective growth and growth for growth's sake and no growth and growth growth, and all the other terminology that he has used and applied when he was a member of the university rather than a person responsible for economic development, you have a situation in which you have a sort of a stand-off kind of scene where in effect nothing really is happening. And that's really what has taken place. Nothing much has happened in four years.

And I must tell you, Mr. Speaker, that given the government for another four years by the NDP, nothing more will happen, and what we will have, Mr. Speaker, is what many of them would like. We were going to have to have a greater and greater and greater involvement of the public sector to be able to try and create jobs to be able to hold our people in Manitoba, and to be able to balance off, Mr. Speaker, to balance off, Mr. Speaker, you know, to balance off the fact that private investment isn't growing.

Mr. Speaker, the Department of Industry and Commerce is a department whose activities are important in Manitoba. The department is a department who under the present Minister has been allowed to grow with really no cost benefit. The intention and the sincerity of the Minister is not something that I am trying to question. I am really questioning his competence, and in this respect I'm questioning the competence of the New Democratic Party. Because one of the problems that you have is when you guy Ed Schreyer you guy the whole New Democratic Party, and, Mr. Speaker, you buy the present Minister of Industry and Commerce as the Minister of Industry and Commerce. And you have to realize the cost, Mr. Speaker, that is, to the industrial development and to the permanent job opportunities in this province, and to the expansion that can take place that will not take place, Mr. Speaker.

And so, Mr. Speaker, when we stand up and we question this department we question an attitude, we question the confusion, we question the basic contradiction, we question the performance of the last four years, Mr. Speaker, and we say that those have been four years of lost opportunities, and the only thing that is gained in Manitoba has been the Civil Service, the increased taxation that has occurred, and the inflation that results, Mr. Speaker, as a result of people having to pay more for all of their goods to pay for the increased taxation for a government program - a government program, Mr. Speaker, that well, you know, if you want to start on CFI, I want to tell the Honourable Member from St. Vital that his Minister of Industry and Commerce, his colleague, has a great deal to do with the expenditure of about \$100 million and, Mr. Speaker, I want to tell you something, Mr. Speaker. I want to tell you something about that, Mr. Speaker. One can question his judgment about how he spent the money --(Interjection)-- Yes, well I want to know, Mr. Speaker, when we now know - when we now know, Mr. Speaker, that the government knew in December of 1969 that the principals were ahead of the mortgage, why in God's green earth did they ever start to spend another \$100 million? Well we know that the Minister of Industry and Commerce who was the First Minister, gave up his portfolio to the Honourable Minister of Industry and Commerce from Brandon. He gave it up in December of 1969 when he obviously knew at that time that they were ahead of the mortgage. One then has to question why the Minister of Industry and Commerce was given that great distinction and honour of taking over from the First Minister, for the Minister, when they knew at that time that the people who were ahead of the mortgage that, in fact, they had to at that point put them into receivership, and instead they played around for one solid year and a \$100 million more, and they then paid it out. So I question the

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(MR. SPIVAK cont'd) competence of the Minister on that. And I'm prepared to do that, and I have no reluctance to, Mr. Speaker, and I have no reluctance to talk about how the government paid out the money, and why they paid it out, why they didn't hesitate, why they didn't hesitate, Mr. Speaker, and why they didn't refuse when they knew that the government--when the principals were ahead of the mortgage to protect the people's interests.

Mr. Speaker, the facts speak for themselves. The Minister of Industry and Commerce can stand up, can cite all the statistics that he wants, and he will, take away the inflationary factor, take away public sector involvement, and you find realistically that nothing very much has happened in the last four years. The momentum of '69, in period of '66 and '69 carried over to '70, and then it went down. Mr. Speaker, the people of Manitoba have suffered as a result of it, and will continue to suffer if, in fact, the NDP are successful in the next election because all they can expect is more and more of the same, which is a growth in the Civil Service of the Industry and Commerce Department, a growth in its expenditures, with no results.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wish to take a few minutes of the House to say a few things on this department because we did not have the opportunity to debate it during the Estimate period and on Concurrence I believe that we should say something instead of letting it go through.

I would like to say if one was to choose where the greatest governmental thrust must be directed at this time, or this period in Manitoba's history, it would have to be economic development in this province. I feel that if we are going to arrest the brain drain from this province, this is where we have to really concern ourselves with, and I'm sure that the members are aware our labour force grew last year from 1972 by 1.3 percent, or we created 6,000 new jobs, according to the Estimates of the Report of Labour. That's permanent jobs. And, Mr. Speaker, we need more in the neighbourhood of 15,000 to 16,000 jobs to offer the opportunities to our university students and to our high school students who come into the labour market. So I'm sure the Minister of Industry and Commerce realizes and knows that creating 6,000 new jobs is not sufficient, or to have our labour force grow by 1.3 percent. I'm sure that he also is aware that the industry pays business tax, property tax, sales tax, and it also gives the government the kind of revenue that the government requires for its social and development programs, because without this type of revenue we will not be able to have the kind of programs in this province that is definitely required.

Mr. Speaker, the other point - I hope that the Minister will give us some indication - our Economic Development Committee which had several meetings, not sufficient to deal with all the problems that we had, and I hope that the Minister will be able to tell us what effect the sale of Manitoba-based companies had on Manitoba's economic base in this province in respect to revenue, or loss of revenue, and this is one of the items I thought we will receive from our Economic Development Committee when we met. I know that the Minister was kind, and I thank him for it, for giving us the statistics as much as he was able to, and I believe there was a considerable amount of companies, I forget if it was 25 or 30, but there was a number of companies in the last four or five years that have sold to foreign interests and sold out which - then the head offices of these companies are established somewhere else instead of Manitoba. So naturally we'll lose some corporation tax, we'll lose these companies - instead of buying locally some of their products they'll be buying from their subsidiary somewhere else, and certainly this will have a considerable effect as far as Manitoba's economic base is concerned. And I would hope that the Minister will be able to shed some light on this point.

It brings me to another point, Mr. Speaker, and that is to do with economic development as far as rural Manitoba is concerned, and the stimulation that the province can give to small towns in rural Manitoba as far as job opportunities for local people, which we have not done. I think this insures also continuation of many small towns which is very much required and has to be done.

But, Mr. Speaker, I wish to bring the Minister to, his attention - I know the Minister of Municipal Affairs is not in his seat at the present time and I'm sure this would be of great interest to him. I have the latest bulletin from the CMHC, and this really concerns me, and I think it should concern everyone in this House. While we're having some crisis as far as housing starts are concerned, and as far as accommodation is concerned in this province, and as far as the cost of accommodation is concerned to many people who really need accommodation,

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(MR. PATRICK cont'd) . . . we have January to March report from the CMHC and its dwelling starts and completions in centres of 10,000 population or over in the prairie provinces, and I would quote Manitoba's statistics: In Manitoba - that's not including Winnipeg, it's including Brandon, Portage, Thompson and Winnipeg - in 1972 our construction and completion starts were 3,517 in 1972; in 1973 they are 1,037. Mr. Speaker, this is a reduction of almost 70 percent and this really concerns me considerably. I hope that perhaps this afternoon I'll be able to pose a question to the Minister of Municipal Affairs and maybe he'll be able to shed some light on this, but this is certainly a great reduction as far as building permits and completions are concerned in this province and which will affect, have a drastic effect on small contractors, on employment opportunities, and so on. So perhaps the Minister will be able to shed some light in respect this afternoon, in respect to starts.

Mr. Speaker, I think that we must take real aggressive action to bring jobs through industry into rural Manitoba very quickly because there are several towns, more than several perhaps, throughout the province which will within the next ten years face almost complete extinction if there isn't some growth in those small towns. So I would hope that the Minister would be able to declare some towns in rural Manitoba as growth centres, and be prepared to bring some strategy that will stop the brain drain and stop of talent total completely moving from rural Manitoba to the city at its present rapid pace. I know that it has been said on this side of the House that, has the Department of Industry and Commerce any significant job that maybe it shouldn't even have in existence, and I believe I heard from someone the same question some time ago asked, perhaps this session, maybe last session, I don't know which member it was. In my opinion I would say it certainly has, it has a part to play, a great part, and I think that this is an area where this Minister and the government must do something because more and more of our smaller communities will be threatened and unless the Manitoba Government and the Manitoba Development Corporation, the government loan agency, will start instead of making loans to firms in the City of Winnipeg, which already has more than 50 percent of the population of this province, and really perhaps does not require the growth that is badly needed in many of our small centres to give some life to these small towns, which in my opinion if we don't will definitely disappear within some years. So, Mr. Speaker, instead of specializing in advancing grants and moneys to industries that wish to develop in the City of Winnipeg, which I feel would locate here anyhow, I believe it's time that money should go to industries which are prepared to locate in rural Manitoba so would give at least some town some form of guarantee that these towns have an opportunity to survive.

I know that we require many jobs, we require as many as perhaps 50,000 or more jobs in a matter of three to four years, and the government's record on this in the last three years has not been sufficient, and their record has not been good. Because as I stated the labour force grew by 1.3 percent, or by 6,000 jobs in one year, and I'm sure that the members on the government side as well will agree that this is not sufficient to offer job opportunities to our graduating people that are coming on the labour force for the first time from universities and communities colleges, and some from our high schools. So certainly this is an area that the government must define its rural development program much more than it has in the past.

I know that the First Minister has talked about it but the experience has shown that what really is happening, it's not that the government is trying to overcome the barriers that are facing these small towns, but in fact the reverse is happening because one indication, and I'm sure I don't have to bring the point of Flyer Coach Industries and what's happened in Morris. The member for that constituency I know knows the situation much more clearly and better than I do, so perhaps he can--but I am sure this is happening not only in that constituency but it must be happening in some of the constituencies where some of the industries, or some of the small businesses, are closing and cannot offer job opportunities and cannot keep skilled labour in those centres, which I feel that the government should do something about. Not only that but I think it should set an example by decentralizing some of its own government departments, such as the Department of Agriculture. I cannot see why a considerable amount of the civil service, or staff of the Department of Agriculture, cannot be located say in either Brandon or Flin Flon - not Flin Flon - Brandon or Swan River, or even Portage la Prairie. I'm sure that the government should set an example in those areas as well as Municipal Affairs; the Departments of Mines and Natural Resources could have more decentralization of its operation in to some of our northern communities.

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(MR. PATRICK cont'd)

So I feel that the government can set an example itself and must define and name perhaps the growth centres and try to some extent to remedy the situation what is happening now. I know that we've heard from the government members, from one of the Ministers, during the debate on the bill for - Unicity Bill - and one of the government members said by 1980 we'll have over 75 or 80 percent, I believe it was 1980 or '85 he stated, we'll have about 80 percent of the population living in the City of Winnipeg or in urban centres. And I feel that, in fact it was difficult for me to accept that statement from a Minister because really either the government has not got the policies to try and change the trend - this is probably what is happening at the present time, but I think it's the responsibility of the government to change that trend and make sure that it doesn't happen, but we try and establish some growth centres and create some jobs opportunities in the rural parts of Manitoba.

I know that my colleague from Steinbach has talked about abolition to some extent of long-distance phone charges for calls within the province. This may be of some assistance, perhaps not complete, but some assistance to small businesses when I'm told that telephone charges are as much as between \$2, 500 and \$4, 000 a year, which is certainly an awful lot of money to operate a small business in rural communities. So there are many many things that could be done.

I believe that perhaps some of the education tax should be removed from some of the productive farm lands, more than it is at the present time, and again I am not talking as an expert in this field but I am told by some members that a quarter-section of land carries a tax bill as much as four or five or 600 dollars and it appears that it's very very high for a quarter section of land. So, Mr. --I'm just told by the member in front of me that a quarter-section carries a tax bill of 1, 700. Well, Mr. Speaker, if this is correct \$1, 700, and today a farmer must have at least a section and a half to carry any kind, make any kind of a living on a farm, my God, this is a pretty high tax bill. You're licked before you start. It's almost \$2, 000 a quarter; you're talking about somewhere around \$7, 000 for a section of land property tax. Well this is unbelievable. No wonder the young people today are reluctant to stay on the farms because if you have to pay that kind of a tax on a section of land they just--it's impossible, and I would agree this is probably - they're carrying the government on their backs, these young farmers and it's too much.

So the other point we should do, and I know the Minister took it as notice one time when I posed that question to him, and perhaps he did have some research. I think that a detailed analysis of everything that we import from other provinces must be made in attempts to manufacture these items in the province here locally and it should be encouraged to manufacture these products locally if we can. I believe that particularly in the food processing, in manufacturing certainly, I wonder if we have gone as far as we should have in respect to trying and manufacturing these items here, and I know the Minister was very acceptable to the suggestion and said this is something that the department will be carrying out to determine what can be manufactured and produced just as reasonably as it is in some of the other provinces, particularly in the food processing.

Now I know the same thing can be said as far as the Department of Tourism is concerned. Tourism, because many many jobs can be produced in that field. I know on the national level the Department of Tourism is concerned, or considered as one of the second largest economic job producers in this country, while in the Province of Manitoba I know it's not second, it's somewhere in the basis of fifth, and again it can generate many many jobs, so I wonder if we are doing everything possible in that department.

So, Mr. Speaker, I do feel that there is a great demand as far as I'm concerned for the Department of Industry and Commerce as far as economic development is concerned in this province. I do not feel we should . . .

MR. SPEAKER: Order please. The hour being 12:30--The Honourable Attorney-General.

MR. MACKLING: Mr. Speaker, just before you indicate adjournment I wonder if honourable members would take notice of the fact that on Friday I indicated that I would make available to members, Mr. Tallin, Legislative Counsel, to deal with questions under Bill No. 5, and that will be at 1:00 o'clock. I know that's not much time, but 1:00 o'clock at Room 254.

MR. SPEAKER: The hour being 12:30, the House is now adjourned and stands adjourned until 2:30 this afternoon.