

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

9:30 o'clock, Thursday, May 4, 1967

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions  
 Reading and Receiving Petitions  
 Presenting Reports by Standing and Special Committees  
 Notices of Motion  
 Introduction of Bills

I would like to share a little information I have with the honourable members of the House which I believe is very important information. I would like to remind the Honourable Members of the Legislative Assembly of an invitation from the Governor and Members of the North Dakota Legislature to Members of the Manitoba Legislative Assembly for a party on Friday, June 23rd - June 23rd - at 1:30 p.m. at the International Peace Gardens. I understand that wives and members of the honourable members' families are also invited and an official invitation will be sent in the very near future by Governor Guy, I believe, to every honourable member. A good attendance is requested and it is said that this is a very important occasion to our American friends. If any of the honourable members want further information, would they be good enough to get in touch with the Honourable Member for Turtle Mountain or the Honourable Member for Souris-Lansdowne. Thank you for your attention.

HON. DUFF ROBLIN (Premier) (Wolseley): Mr. Speaker, I think it would be appropriate for me to acknowledge, on behalf of the members of the House, this invitation from the Governor and members of the Senate and House of the State of North Dakota. We remember with keen pleasure our last joint meeting at the Peace Gardens a few years ago in which we were the hosts, and it is a very graceful act on their part to ask us back, particularly on this occasion of our centennial year.

I know that some of the Honourable Members, the Honourable Member for Turtle Mountain and the Honourable Member for Souris-Lansdowne, and I think the Honourable Member for Brandon, have had some part to play in the framing of this invitation for which I am sure we are grateful, and I would be very glad, Sir, if you would convey to the Governor of North Dakota, and I think I can speak for all here on this occasion, our thanks for his kind invitation and our hope that a good many members of the Legislature will be able to attend on that occasion. I look forward to being there myself.

MR. SPEAKER: Orders of the Day.

HON. STEWART E. McLEAN, Q.C. (Provincial Secretary) (Dauphin): Mr. Speaker, before the Orders of the Day, I wish to place on the table of the House a Return to an Order of the House No. 77 on the motion of the Honourable Leader of the Official Opposition made April 17, 1967.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, the other day one of the honourable members asked the Honourable the Minister of Health a question and he couldn't answer at that time. I wonder whether he could answer at this particular time. It's in connection with paying the student nurses during the summer months. Apparently St. Boniface Hospital is doing this and the question was whether this would be extended to other hospitals as well.

HON. CHARLES H. WITNEY (Minister of Health) (Flin Flon): Mr. Speaker, I have no information back from the Hospital Commission on the matter yet.

MR. GILDAS MOLGAT (Leader of the Opposition) (Ste. Rose): In the absence of the Provincial Secretary, I wonder if I could address a question to the First Minister due to the fact that it may be the last time we have an opportunity to ask questions. In view of the fact that negotiations are going on now with the - were going on with the employees - can he report any further as to the progress of those negotiations and what increase might be granted to the Civil Service staff.

MR. ROBLIN: Mr. Speaker, I believe that a recommendation is now awaiting Cabinet decision. I think that the arrangements are in a very advanced state and that they'll be dealt with at the next Cabinet meeting, when my honourable friend allows us to have one.

MR. MOLGAT: A subsequent question, Mr. Speaker. In view of the fact that these negotiations have been going on for some time, are they likely to be made retroactively?

MR. ROBLIN: Of course it's not possible to answer that question until it's been dealt with by the Cabinet.

ORDERS OF THE DAY

MR. SPEAKER: Adjourned debate on the proposed resolution of the Honourable the Provincial Treasurer. The Honourable the Member for St. James.

MR. CLERK: Resolved there be granted to Her Majesty a sum not exceeding \$3,614,304 for Industry and Commerce.

MR. EARL DAWSON (Hamiota): Mr. Speaker, can we speak on Industry and Commerce now? I'd like to say something on Industry and Commerce, please.

Mr. Speaker, I'd like to move, seconded by the Honourable Member from Portage la Prairie, that while concurring in Resolution 44, this House regrets that the government has given lip-service only to the development of industry throughout Manitoba, and after nine years in office has failed to produce policies to adequately develop industry throughout Manitoba.

MR. SPEAKER presented the motion.

MR. DAWSON: Mr. Speaker, I know there was considerable discussion last evening on the Manitoba Development Fund and I would like to make a few remarks in that particular department.

It is my firm belief that we have to find some ways of promoting a larger share of private investment that is generated from within the province and use this private investment to exploit the opportunities for labour investment and for strengthening the role of industry and finance in the overall development of this province. I know no way at present that Manitoba has of concentrating on these particular areas.

Mr. Speaker, the Manitoba Development has the potential to do this but I believe that it's being administered as a bank, and after listening to the discussions last evening, I am absolutely sure that it is being administered as a bank. It is being administered as a bank rather than a development board which has the funds to invest in Manitoba's growth. I'd like to see the Charter of this Fund changed in such a way that this would allow the Board to study and exploit all the opportunities we have in Manitoba for growth, whether they be in tourism or agriculture or primary industry or secondary industries or service industries. Such a change in the Charter would allow private investment funds to be gathered through this Board that I am suggesting.

Mr. Speaker, every year there must be a tremendous amount of money leave Manitoba through government bonds and insurance investments and so on. All of these bonds and these insurance investments are financed through the people of Manitoba and by the people of Manitoba, and there should be some way of encouraging this money to be invested in Manitoba rather than in eastern Canada. I say let's get Manitoba to invest in Manitoba and let's make the people of Manitoba proud of belonging to Manitoba.

I think that with an aggressive board and some ample funds, more investment, that our growth picture could change very drastically within a very short time. A good example of this might be the Industrial Estate Board that is set up in the Atlantic provinces. Although I am not sure about the Atlantic Development Board, I know that it operates in a complementary way to the Estates Board that is set up by the government. This is a private corporation such as I am suggesting for Manitoba and it has some government funds which they can invest as they see fit into the growth of the province in the particular regions. It may be that there is a place for both the Manitoba Development Fund and this other which acts as a bank for the new processing and manufacturing of industries. I think that when the Manitoba Development Board was set up it was set up with this very purpose in mind, that the moneys would be used to develop Manitoba rather than use the money as a bank would. Nowadays the Development Board is not too much of an assistance to any company that has not got the necessary securities because it's not being operated where people can go in and get money and have it invested in the province. We are not using the Manitoba Development Board properly.

Another thing is that if we can excite the imagination of the people in Manitoba and get them to invest in their province in another type of board and have the two work together, I am sure that industry will be a lot better off in Manitoba.

As we all know, agriculture is no longer the dynamic growth factor in Canada or even in Manitoba. However, it still remains the primary industry in this province, with about a quarter of the total people of Manitoba involved in industry -- or in agriculture I should say. It seems that there's still nearly 20 percent of the people that are involved in agriculture but this figure is decreasing each year, so we much find some way of creating industry in the province to take up the agricultural industry that we are losing, and particularly in the rural area we must find some industry.

(MR. DAWSON cont'd). . . .

Now it's all right to say that we're doing all we can, but I believe that we have not even taken the first step in developing industry in the rural areas. As we all know, machines are inanimate, they're dead, but people are very real and they're very much alive. They're the first concern of any government and I believe that this government has failed to realize that particular fact, that people are our most valuable asset in this province. This government has neglected their first responsibility and their first priority, and that's the people of this province.

In 1965 this province suffered a net loss or a net migration of 12,300 people. This is more than double the figure of 1964 in which this province lost 5,900 people, it's more than 12 times the figure of 1959 in which we lost 900 persons. This is not only a human problem as well as an economic one. We're dealing with the uprooting of our people, the dislocation of our people from their homes, from their friends and from their loved ones. The thing that annoys most people in rural areas is why should our highly trained young people have to leave the areas in which they were born and raised? Why should they have to leave this province to seek employment? It's a shame. I have five children and my wife and I often say that once we have them educated, if we are able to educate them properly, there's no opportunity for them in our own area; there's no opportunity for them in Manitoba unless this government can do something to create more bigger and better industries.

My belief is that this province has reached a crisis situation. We've got to locate industry in the rural areas, and I think this can be done once again if we charge the imaginations of the people of this province, if we get them to invest in this province in some type of a board as what I have suggested, and rather than have them invest in Federal Government bonds, insurance companies and stock markets, etc., let's get them to buy into the industry in this province. It's done on a small scale in most of the rural towns but we haven't got enough money in the rural towns. A few businessmen put up some money and form a corporation to try and induce industry to enter into their towns, but in most cases we haven't got enough money. But if we can do it on a provincial basis, and as I said before get the people of Manitoba to take part in the development of the province financially as well as actively, I am sure that we can have a bigger and better province and stop the migration of the people of this province.

MR. PETER FOX (Kildonan): Mr. Speaker, I too would like to say a few brief words on this subject. Industry and Commerce is being touted as being the most important thing in this province yet this government, in drawing up its agenda for the estimates, left it to the very last. I think this is deplorable. If this is important it should have been right at the head of the list, but this is not what we get. I do think that in the future we should have a look at this and draw up the agenda for all the estimates so we know where we're going, so that we can at the beginning say whether we've got our priorities right or wrong.

Industry and Commerce, we are told, is very important. Well when I look at the report of the Department of Industry and Commerce, I find that there is very little in there that says we have done. Oh yes, we are told how much evidence there is, but the evidence is repeated. All the names that are mentioned, when I went through last year's debates every one of those names were mentioned last year, so what are we doing? Playing the same record all over again? I think this is what it appears to me.

We're having a breakthrough, we are told - bit advertising campaign on the breakthrough - then in the report we come along and we say we've created 718 new job opportunities. That's a real breakthrough. We've got 10,000 people coming out of our schools and universities annually that have to have new jobs and we've created 718; a real big breakthrough. Certainly a few of the other industries went ahead and expanded, but this was not because Industry and Commerce brought new industry in; this was on their own initiative. We are told that real big things are being done out at Brandon. True enough, but whose money is it being done with? Is this the way we want it, that the people should foot the bill and somebody else is going to get the gravy? I don't think this is right, Mr. Speaker.

In the report you go through page after page but nothing has been said about what feasibility studies were done; what kind of industries could come in; where they could settle. How many feasibility studies were taken out in the countryside in the various municipalities? None of this is in the report. Oh yes, we've got beautiful graphs up and down and they compare things, but they do not compare them to anything comparable, only that the figures have been changed, that we are using a new system of comparing, but the basics of how to compare is not in the Industry and Commerce report. So therefore you're left trying to compare things in a vacuum.

(MR. FOX cont'd).....

We are told that there are opportunities - in last year's debates - for creating new industries. It was mentioned by the Minister of Industry and Commerce that we could have an air cargo terminal here or a tourist convention centre, that these are all very feasible, that studies on this have been done and this could be a very profitable business. At the same time last year this government that's got its priorities so mixed up went ahead and passed an amendment to the Manitoba Development Fund - oh yes, this famous Development Fund - so that government could get into the enterprise of setting up some of these businesses, and after making these studied and suggesting that these things could be done and after giving themselves the way to do this by making the amendment, they sit back and do nothing else. Well this is no way to develop industry, Mr. Chairman.

We have had a statement on immigration by the Minister of Industry and Commerce telling us that we need so many people in here - and it's true, we do - but the trouble is the kind of people he wants to bring in here gets us into this bag of mixed priorities again. We are told that because of technological change and because of changing times we have to educate everyone, so we're going out and charge the people a sales tax in order to improve our educational system. We're telling the people that we haven't got enough money for all of them to have technical and vocational education, that we have to do these things according to priorities; we have to take our time; everything has to have its place. Then we go ahead and we go overseas with our Immigration Department and the Minister says, when he makes his brief on behalf of the Manitoba Government to the Special Joint Committee of the Senate and House of Commons, that if a Grade 8 or Grade 6 or 4 or 2 would be adequate to fill the job effectively and cannot be found in Canada by Manpower, that immigration should be charged immediately with the responsibility of obtaining someone from an outside source to fill the vacancy. So here we are, on the one hand, we're crying that we haven't got enough education and we haven't got enough money; on the other hand, we turn around and say: Let's bring them without any education -- all the way down to Grade 2. Now this is a real good set of priorities.

At the same time, Mr. Speaker, I must say that I regret, after having asked the question in the House in respect of immigration: What are we doing about immigrating people in from surplus labour market areas in Canada? The Minister replied, "We'll leave that up to Manpower." The Federal Immigration Department isn't good enough to do the job of immigrating people in, but on the other hand the Manpower Service, which is one and the same department, also federally, it's good enough. We do not want to advertise to Canadians; we'd sooner have the other kind come in here - and I have no objections to having people come in from other countries - but I do think that they have a handicap over our own Canadians and it would probably be a lot cheaper to have some of those in, and I'm certain that it wouldn't hurt to do a little advertising to Canadians to have them come into the province. Now these are just some of the mixed bag of priorities that we have in this Department of Industry and Commerce, Mr. Speaker.

We also have this business of in-plant training. I'm on the local Manpower Committee here in the city and we had a discussion on this, and I find that the views differ as to whether this is really doing the job it's supposed to do. The turnover in that industry is very very high, and although they are training these people, just as many are leaving because apparently the industry can't keep up with the number of people it requires. Management tells us that there's just a lack of skills and that the training plant isn't keeping up with what they require. On the other hand, the union tells us that some of the conditions in the industry are the reason why people are leaving. Therefore, Mr. Speaker, it isn't all that is apparent on the surface that is always the cause of these things.

In respect to Industry and Commerce, in its brochures it puts out that it will do anything and everything within the responsibility of government to help our industry in respect to automation and technological change. Well there are two sides of this point, Mr. Speaker, and the other side of Industry and Commerce is the labour arm. What is Industry and Commerce, or for that matter the Department of Labour, doing for the worker in respect to automation? When we brought the resolution here on the floor of this House, what do they do but water it down to a conference and to a technological change. I don't see what we were afraid of looking at this thing in depth. I'm sure that a one-day conference will certainly not get at the depth or at the roots of this matter.

Mr. Speaker, as I said before, I think one of the real problems of this government is that it's got its priorities mixed up. It doesn't know which of the priorities should come first. As

(MR. FOX cont'd).... I said, Industry and Commerce is being touted as having to be at the head of our priorities, but when it comes to debating Industry and Commerce they leave it at the tag-end of the estimates.

There's just one other point I'd like to make, Mr. Speaker, and that is this. As I said, it takes workers as well as management to make a team, and another indicator of how this government looks at its priorities is that it has only put in one-third as much in the estimates for the Department of Labour, which is one-half of the team, as it did for Industry and Commerce which is the other half. As I said, this is deplorable. I think it should straighten out its priorities.

MR. SPEAKER: Are you ready for the question?

MR. FROESE: Mr. Speaker, I too would like to discuss briefly the resolution that is before us, in that the government is only giving lip-service to the development of industry throughout Manitoba. Mr. Speaker, I brought this to the attention very early in the session, and since we were not able to discuss the estimates of this department, I would like to raise it to some extent at this particular point, and I'm speaking of water supply.

I mentioned on previous occasions that we need an equalized rate of water for rural industry in Manitoba. This is essential. We've done this as far as Hydro is concerned and it worked beautifully. No one would ever think of not having a uniform rate for Hydro, but when it comes to water, it's a completely different matter and we find exorbitant rates in one municipality or one town and very very low rates in another, so that some of the rural centers are unable to attract industry to their particular towns.

Early in the session I mentioned the Town of Altona. They have a contract with the Water Supply Board where their rates are \$2.75 per thousand, and for an industry to come in that uses water quite extensively, this is exorbitant. This is something that they cannot afford and the contract, the agreement that they presently have with the water supply is one that is drawn in such a way that the proposal is that they would increase their consumption over the years and that any lowering of rates is based on increased consumption, and the matter of the fact is that because of the high rates they are unable to attract industry and therefore never get to the point where they're getting the lower rates.

We find Altona is paying \$2.75. The other day we had Bill 33 where the cannery at the Town of Winkler was asking for lower rates, and there the industry had paid 75 cents to start off with. This is high compared to some of the other centers such as Morden paying 16 cents, and when we go to the Portage la Prairie industry they pay 12 and 10 after they use a certain amount, so you can see the large discrepancy, the large variation from \$2.75 to 10 cents. In my opinion, this is ridiculous.

Here we have a Department of Industry and Commerce who should take matters of this type in hand and they do nothing about it. This has been brought to their attention repeatedly and we don't see them act at all, yet we find that they are subsidizing the people that borrow from the Fund to the extent of \$287,500. This is what we're required to put up through a vote of money in this House. The investment service charges, the total cost we're operating in the Fund is \$1,156,000, and then they will recover some \$868,000, so that we have to subsidize this province by \$287,000 and this money is going more or less to the same people year after year. It's not something that is revolving that more Manitobans can benefit from it; it is the same people year after year; and I would say that we should look into this matter of water supply so that more people of this province would stand to benefit from this proposition.

Yesterday we awarded \$72,000 of money which will not be used in any way. This money could definitely be put to use. Not only did we vote on that \$72,000, but, Mr. Speaker, under the Department of Education grants we voted \$12 million which will not be used, and I think this is basically wrong. Here we have \$12 million that the government could -- is at their disposal and at least they could use part of this to alleviate this situation in connection with water rates.

We now find through the Orders-in-Council and the action that was taken almost immediately after last year's general election here in Manitoba, that the Department of Industry and the Development Fund really isn't the boss in this whole deal, it's the new Development Authority. They have emasculated the authority of the Development Fund to such a large degree that the Premier will be riding in the saddle and will control more or less the actions that are being taken. The MDF is actually playing second fiddle.

Then in connection with regional development, which falls under this resolution as well, I find that the program that is going on in Manitoba isn't really worth very much. It's more or less mainly used for political propaganda and in my opinion it's highly socialistic, because

(MR. FROESE cont'd).... under this particular program we find that legislation is on the books whereby you can collect taxes at the local level, as well as the provincial, to start up industries and finance industries in this way. This is certainly a point of principle that I do not accept; I do not agree with; and I don't think that this is a service that is really worthwhile.

So, Mr. Speaker, these are the matters that I thought I wanted to bring to the attention. Certainly the one on water supply for our rural communities, and especially the industries in these communities is one that should be looked at and should be taken into account.

MR. SPEAKER: Are you ready for the question:

MR. NELSON SHOEMAKER (Gladstone): Mr. Speaker, the Honourable Minister intimated or inferred last evening that he would at some stage in his estimates, or in the department that is before us, make a complete statement on the Friendly Family Farm's operation, as to whether or not the taxpayers and the government of Manitoba lost money when their firm was sold here last December. Perhaps he would like to do it at this time, and if not, then it will be necessary for us to move another amendment which we could do and bring the question to a head there.

But I would like to just make one or two comments on the resolution that is before the House right now, and that is on the lack of leadership that is shown by this government in promoting regional development, and indeed development in the entire province because it isn't limited completely to the rural areas. For instance, I just love to read back this book that became so famous last year that points up so clearly, by the government themselves, in the Third Annual Report of the Manitoba Economic Consultative Board - and I have written in big letters on the outside of mine, "not our report but Duff's that is written here" - because it certainly does point up exactly what the Member for Hamiota and the Member for Rhineland have said on so many occasions. It tells a very sad tale about agriculture, a real one, and I am sure my honourable friend will have this book pretty well memorized I would think by this time, because when he took over he would likely use it as a guide, because it pointed up so many fields where there really needed to be action and charges that the government has failed to come to grips with a lot of the departments.

On Page 5, for instance, "We note the exclusion of Winnipeg and its adjacent area from the Industrial Development incentives provided by the federal Area Development agency. This we believe is inconsistent with sound regional development strategy since Winnipeg and the surrounding area account for most of the industrial employment in the province." And then they go over and point out what needs to be done, and my honourable friend doesn't seem to be paying too much attention to it. "There is a need for a graduate program in business administration at the University of Manitoba. Currently, if graduates of the School of Commerce desire to pursue graduate study, they have to leave the province to secure it, and experience has shown that 80 percent never return." -- never return. It's quite evident, Mr. Speaker, that the government themselves, apart from the Minister, are not very interested in this department because there are only about a dozen members here today, so apparently they are more interested in getting wound up than they are in anything else.

Now on this same subject matter, Mr. Speaker, where I have pointed up that any business - any business administrators - they have to obtain graduates from outside of the province, or as I have pointed out before, "they have to leave the province to secure Business Administration study and experience shows that when they do leave 80 percent never return. The smaller businesses, which comprise 80 percent to 85 percent of the firms in Manitoba, through their failure to develop management continuity for the future, are doing very little to perpetuate their business."

That is further pointed up, Mr. Speaker, as was pointed up last evening by someone here when they were talking about vocational and technical schools, on Page 84 of this famous document. Perhaps the Honourable the Minister of Education would be interested in Page 84 of this document too, because the figures here would be well for him to take note of. It's Page 84, Table 18. It shows the federal expenditures for capital assistance for vocational training, and shows in dollars per capita that Manitoba is away down at the bottom of the list - away down: Newfoundland-476; Ontario - 466; Alberta - 407; Prince Edward Island - 290; British Columbia - 148; Nova Scotia - 118; New Brunswick - 114; Saskatchewan - 114; Quebec - 87; and where do you think Manitoba is? - 69. Right down at the bottom of the list. So what are we doing in this particular field?

Well there is another very startling table on Page 100 - Page 100, Table 1 (b), Percentage Changes in the Number of Employees by Industry, Manitoba Compared to Canada. In mining -

(MR. SHOEMAKER cont'd)..... this is 1964-65 over 1961, that is in the four or five year period - the number of employees in mining, 3.9 as compared to the overall for Canada of 5.9; manufacturing, Manitoba 3.7 compared to the national average of 4.3; construction, minus 4.9 to Canada of 9.4; transportation, communications and other utilities, for Manitoba - 1.2, Canada 3 percent. Trade is 1 percent up, I'll admit that; finance, insurance and real estate - and that's a pretty good barometer of business - 1.8 for Manitoba, 5.4 for Canada, and all the way down the line. It's not a very bright picture.

Now, Mr. Speaker, there's another picture that is not very bright and these statistics were compiled by - well I was going to say my honourable friend, I can't lay the blame at his feet - but the government of Manitoba, as you know, because I believe Swan River was one of the towns that were included in the survey. I'm not certain, but about three years ago the government said they had 12 towns under microscope and they proposed to say: Well, what are we doing and where are we going to go in this whole field? We realize that rural Manitoba is losing out. What are we going to do? So they tabled their surveys, said what they should do, and as of yet they have done nothing that I know of to correct what they say should be done. Now, Mr. Chairman, I'm disappointed in the lack of any initiative in this field and I will have more to say later on.

MR. LAURENT DESJARDINS (St. Boniface): Mr. Chairman, I rise to show the lack of interest of the government at this stage of the game. It might be that the press isn't here - that might be the reason - because we have 20 members to their 16. I know that they'll ring the bell and at least I'll get them back in here, so I move that we adjourn, Mr. Speaker.

MR. SPEAKER: I believe we have sufficient to make a quorum, so I cannot ...

MR. DESJARDINS: That's right, but I have a motion that we adjourn and this will call them back.

MR. SPEAKER: Are you ready for the question?

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

MR. DESJARDINS: Yeas and Nays, and then we can get down to business, Mr. Speaker.

MR. SPEAKER: Call in the Members --(Interjection)--

MR. DESJARDINS: I was here until a quarter to one when you were watching Diefenbaker.

MR. SPEAKER: Those in favour of the motion please rise.

HON. STERLING R. LYON, Q.C. (Attorney-General) (Fort Garry): The motion please.

MR. SPEAKER: It was moved by the Honourable Member for St. Boniface that the House do now adjourn.

MR. RUSSELL PAULLEY (Leader of N.D.P.) (Radisson): Mr. Speaker, on a point of order, I didn't hear who seconded the motion.

MR. DESJARDINS: The Honourable Member for Gladstone.

MR. PAULLEY: Did he? Would Hansard reveal that?

MR. SPEAKER: All those in favour of the motion please rise --(Interjection)--

MR. ROBLIN: Mr. Speaker, would you call those who are opposed to the motion please and then we can get on with this matter.

MR. SPEAKER: I purposely allowed that argument to go on. I hope it doesn't happen again today. Those against the motion please rise.

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

YEAS: Nil

NAYS: Messrs. Baizley, Bjornson, Campbell, Carroll, Cherniack, Clement, Cowan, Craik, Dawson, Desjardins, Dow, Doern, Einarson, Enns, Evans, Fox, Froese, Green, Guttormson, Hamilton, Hanuschak, Hillhouse, Jeannotte, Johnston, Johnson, Kawchuk, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Miller, Molgat, Patrick, Paulley, Petursson, Roblin, Shewman, Shoemaker, Spivak, Stanes, Steen, Tanchak, Uskiw, Watt, Weir, Witney and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, Nil; Nays, 52.

MR. SPEAKER: I declare the motion lost.

MR. LYON: Mr. Speaker, on a point of privilege affecting all the members of this House, I think it is a clearly understood rule of procedure in this House and the Parliament of Canada that frivolous or vexatious motions which unduly impair the time of the House or the work in which the House is engaged should not be entertained by the Chair and certainly should not be put forward by honourable members. I suggest, Sir, regrettably, that this is the first time in my experience that I've seen such a motion moved and I merely wish to bring it to the attention of - moved and seconded - and then not supported by the persons who moved and seconded it,

(MR. LYON cont'd).... and if that is not frivolous, I don't know what is. Now this may be a method by which the honourable member seeks to gratify his own perverted sense of humour, but I suggest it is no way to conduct the public business and I can only suggest to him or to any other member of like mind that this House, and I'm speaking for all 57 of us, should not tolerate this kind of nonsense in an adult assembly.

MR. MOLGAT: Mr. Speaker, on a point of order, I have never heard as asinine a statement as was just made. There was no frivolous business in this; if there was frivolous business, it is that the members were not in this House. The government had less members in this House than the opposition had.

MR. LYON: So what?

MR. MOLGAT: So what? You talk about being frivolous; you talk about dealing with the business of the House; members ought to sit in this House if they're going to get paid the salaries my honourable friends are pretending that they are going to pay people. So there's nothing frivolous about this in the least. The statement of the Leader of the House ought to be addressed to his members. If he wants to deal with the business of Manitoba, the place to deal with it is here and not in the coffee shop.

MR. SPEAKER: Order please. I believe that matter has been sufficiently dealt with and we'll now deal with the motion of the Honourable Member for Hamiota.

MR. DESJARDINS: On a point of privilege, Mr. Speaker. I was called perverted here by the same member who's always afraid -- on a point of privilege, and I will listen to one Speaker, not last year's Speaker. Mr. Speaker, I moved this; I don't think it was frivolous at all. We had 20 members to their 16, and if we're going to proceed with the work of Manitoba, I think that the members should be here. If the Honourable the Attorney-General would have been here he would have understood my explanation, that I felt that I knew that the bell would ring but at least we'd get the members back to order.

MR. SPEAKER: I believe the honourable gentleman has made his point, and can the business of the House please proceed. We will now deal with the resolution of the Honourable Member for Hamiota. Are you ready for the question?

HON. SIDNEY SPIVAK, Q.C. (Minister of Industry and Commerce) (River Heights): Mr. Speaker, Robert Foss said many years ago that half the people in the world have something to say and they can't, and the other half have nothing to say and they keep on saying it --(Interjection)-- and in a very real sense, some of the honourable members who have participated in the debate are in the second category. Now the Department of Industry and Commerce and the state of industry and commerce --(Interjection)--

MR. SPEAKER: Order please. I didn't hear any threat. Could the Honourable Minister of Industry and Commerce please be allowed to continue.

MR. SPIVAK: The Department of Industry and Commerce and the state of industry and commerce is both an important department and an important part of the economic development of our province and of the measure of the activity and the capability of giving the people the amenities of life that they all strive for. So therefore, if I may, I'd like to deal with a few pertinent statistics that tell the story of what has happened in Manitoba in 1966, and in expressing this, hopefully answer some of the criticisms, but not all that have been raised by the preceding speakers who have spoken on this debate.

In 1966 we had a satisfactory year. The Provincial Treasurer in his budget has already indicated that our gross provincial output was increased 7 percent to \$2,600,000,000, but what we did not know at the time that the budget was presented and what we do know now, is some interesting statistical information that has been furnished by Dominion Bureau of Statistics as of April 13th, and they are very important and significant in understanding the development that has occurred in this province. They refer to the manufacturing aspect of our gross provincial output. Manufacturing was the most significant factor to our gross provincial output. It achieved 37 percent of our total, but while the Provincial Treasurer in his budget, based on the information that was then available to him, indicated that we had approximately a 5.4 increase in our manufacturing over the previous year, the facts are that we achieved a record year in 1966 of \$984 million and that our increased percentage was 9.8, which was higher than the national average in Canada of 9.3; equal to the percentage increase of the Province of Ontario; and only surpassed by two provinces, Saskatchewan and Newfoundland. This was a new record for Manitoba and one which has a particular significance in understanding the development that is occurring in this province.



(MR. SPIVAK cont'd).....

Now the major growth industries in our province showed excellent progress, and I would like to read them and read the percentage increase over the past year, read the percentage increase over the past three years and show a comparison with the rest of Canada over the three year period, and then we can measure and determine whether we're doing all right or not. In the food and beverage industry we had an increase of 6.7; in the three-year period we had a 20.7 increase. The increase for Canada was 22.7, so we were very close there.

In the clothing we had a 10.8 percent increase, and the increase over the past three years was 26.1. The increase in Canada was 20.7.

In the electrical industry we had a 37.4 increase last year and an increase in the three-year period of 48.9 percent. The increase in Canada for the same period was 40 percent.

In metal fabricating we had a 14 percent increase last year; the increase over the three-year period was 32.3 percent. The increase in Canada was 41.4 percent. This is an area in which we can anticipate greater development as our secondary industry begins to develop further.

In the printing and publishing we had a 7 percent increase and in the three-year period it was a 27.9 percent increase; in Canada for the three-year period 26.5

In the chemical industry we had a 6.2 percent increase and the three-year period was 27.1 percent. In the three-year period, Canada was 31.6. And with the new chemical complex now operating in Brandon, I suspect that our records will even be greater than they were in this past year.

In the leather industry we had a 7.8 percent increase, with a total increase in the three-year period of 65.6 percent. For Canada in the same period it was 26.5 percent.

In machinery we had a 40 percent increase over the last year; it was 107.2 percent over the three-year period. For Canada in the three-year period it was 56 percent. We were almost doubled in this field.

In the wood industries we had 22.7 percent for the increase over the past year; a 48.8 increase - excuse me - a 22.7 percent increase over the last year; a 48.8 percent increase over the past three years; compared to the Canadian increase of 26.6.

So in the major industries we have done reasonably well and we have a right to be very proud of this achievement. Now the Provincial Treasurer has already indicated certain facts in connection with the - excuse me - the Provincial Treasurer and myself have already indicated certain facts in connection with the capital intentions of the past year and these have been going out by the Dominion Bureau of Statistics that have now been filed. We had 271 existing Manitoba manufacturers in 1966 commit \$37 million to expand their production facilities, we had 58 new Manitoba manufacturer firms in 1966 commit \$44.5 million in new manufacturing; which was a total of \$82.5 million. But the interesting factor on this was the amount of development that really did occur in rural Manitoba; 38 of the firms expanding were in rural Manitoba, 21 of the new manufacturing firms, of the 58, were in rural Manitoba.

Now 1966 was our best year for export of manufactured products. We exported outside of Canada approximately \$190 million worth of manufactured goods, and outside of the province, \$550 million worth of goods. This was our best year. Over the last three years Manitoba manufacturers have almost doubled their exports from 11.7 of factory shipments to 19.6 of factory shipments.

If one reads the statements in the Economic Council of Canada's report and the statements of the Chairman and the Vice-Chairman, you will find that exports are a measure of the viability and the growth of the economy of the country and of the provinces, and so for that reason we have a reason again to be proud of this achievement. There were 47,300 persons employed in manufacturing in 1966. This was a new record. Our manufacturers estimate that their commitment for the 58 new plants and the 271 expansions will create 4,326 direct new job opportunities, and if you apply the multiplier effect of this it will be 9,600 new jobs created by this expansion and by this new development.

Capital expenditure in Manitoba reached a record level of \$861 million. This was \$36 million above the intentions that we had reported; it was a 17.3 percent increase over 1965 and it was more than 50 percent above 1958, far surpassing the Committee on Manitoba's Economic Future target. Capital investment intentions in 1967 have already been announced by the Minister of Trade and Commerce in Ottawa and they show another record, anticipated record, of \$956 million which will be an 11 percent increase over this year.

So, Mr. Speaker, insofar as the state of economy is concerned, I am confident that these

(MR. SPIVAK cont'd)..... statistics that I have listed for you today will indicate that we have growth in this province and that we are in fact developing and developing well, and that in fact the suggestions of breakthrough, of an industrial breakthrough, are bearing fruit in the actual records that have been presented.

Now the Honourable Member from Hamiota dealt with the question of a loss of population and he indicated several things that have already been indicated in the debate before about the loss and its significance. The truth of the matter is that in 1965 eight of the ten provinces in Canada lost population, so we were not alone. The truth of the matter is that, in effect, the Province of Ontario has been losing population steadily to the United States, to outside of Canada, but mainly the United States, for years, and they were alert enough to recognize that they had to complement the activities of the federal Department of Immigration by creating their own immigration department to ensure that there would be skilled and unskilled personnel who would come into the province and who would retard the flow of people outside the province.

MR. MOLGAT: Would the Minister permit a question?

MR. SPIVAK: Yes.

MR. MOLGAT: Did I hear him correctly to say that in 1965 eight out of ten provinces dropped in population?

MR. SPIVAK: I said eight of the ten provinces lost population, that is to say in inter-provincial migration.

MR. MOLGAT: Yes, but were there any other provinces that actually dropped in population?

MR. SPIVAK: I said, Mr. Speaker, and let me repeat: eight of the ten provinces in Canada lost population by inter-provincial migration, and if I did not express myself correctly then I'll ...

MR. MOLGAT: I think that the inference of that, Mr. Speaker, is that they ended up with a lower population which they didn't. Manitoba ended up with a lower population, not the other provinces.

MR. SPIVAK: Mr. Speaker, again let me repeat: eight of the ten provinces in 1965 lost population as a result of inter-provincial migration. Deaths and births I'm not dealing with at the present time.

MR. FOX: You just deal with what you want to deal with.

MR. SPIVAK: No, I'm dealing with a thing that's pretty significant. In inter-provincial migration, movement from province to province, eight of the ten provinces lost population in 1965. --(Interjection)-- True, in inter-provincial migration. There were gains recorded and this is recorded between births, deaths and immigration. Immigration, outside immigration, immigration coming to Canada - and this is why the Province of Ontario has conducted for years, since 1947, an immigration program - and if you look at the records in terms of the gain since 1951 - and while I do not have the exact figures and I'm only talking in a very general way - you will find that their actual increase between birth and death was about 1.5 million; the actual numbers of immigrants coming in were about 1, 100, 000 in that same period of time.

So in effect immigration has in fact played a very important and significant part in the development of Ontario and the increase of its population. This is why the government, through the Department of Industry and Commerce, has been conducting an immigration program - and we are just starting - and a program which will complement the Federal Department of Immigration's program to try and attract people to Manitoba. This is a program that to a certain extent has been conducted by some of the other provinces but not in the dramatic or in detailed way that the Province of Ontario has. The Province of Ontario today have 31 people in England who are employed working in their own immigration department with a budget of about \$500, 000 and with an additional budget over that for advertising, and offices in London, an office in Glasgow, and they received last year, of the 200, 000 immigrants that came to Canada, approximately 105,000. They have been receiving proportionately the greatest amount that have come, and one of the reasons is because of their activity.

All I'm trying to point out is that immigration is a factor in their development, and all you have to do is go into the City of Toronto and talk to the business community and they will tell you that the development in the construction field and the dynamic factors that have been responsible for the growth could not have occurred if there had not been the immigration in that area. They all recognize it and the people who have come in as a landed immigrant, and those who have been sponsored whose education requirements would not be as strict as the one who is the landed immigrant, have been able to adapt within the society, have been very

(MR. SPIVAK cont'd). . . . successful and have made a significant and real contribution.

In dealing with this the Honourable Member from Kildonan referred to the brief that was presented before the Senate Committee, the Joint Committee of the Senate and the House of Commons on Immigration, and suggested that we were concerned about lowering the standards to try and bring in unskilled people with either an ulterior motive on our part or with a lack of concern for the people of Manitoba.

MR. FOX: Mr. Speaker, I said that you had your priorities mixed up, that you were saying on the one hand we needed education and on the other hand you were bringing in people without education.

MR. SPIVAK: Well, Mr. Speaker, if this is the case then I suggest to you that you have your priorities mixed up. We need both. We require people. We require a program to educate our people and this is certainly being conducted in this province as it is in the others; and we require people to be able to work in the expanded industrial fields of activity that are now taking place. We're a limited population and we're only going to attract them from outside of Canada. We are not going to get them from within Canada. Unemployment in the prairies today is at one of its lowest levels. The employment conditions throughout almost all of Canada, with the exception of certain areas, is generally high, and if we are going to expand our industries and if we are going to take advantage of this moment - and the reason we take advantage of this moment is to be able to gain greater productivity, because out of greater productivity all the things that we want for our people will occur - and if we are going to do this, we are going to have people to be able to work and develop; otherwise our industries will not expand and we're going to remain stagnant.

So the program of immigration is part and parcel of this total effort on our part to increase our productivity and to try and give us the willing hands that are capable of working. Our presentation to the Committee on Immigration was simply to suggest that their criteria was both discriminatory and wrong and that there was in fact a proper way of determining it, and the proper way was to work through the regional office of Canada Manpower and was to see whether in fact, if there were job opportunities, to see whether they were available within the province; if they weren't available within the province, to go and see if they were available in Canada, if there were people prepared to work in whatever the activity would be; and if they could not be found in Canada then immigration should be charged outside of Canada to bring these people in who would be capable of working within the industries that require them; and that insofar as going outside of Canada is concerned, that the educational criteria was discriminatory and was wrong, that if they could find people who were skilled in the trade but did not have the educational requirements, or who had the aptitude, the intelligence and the ability to adapt to the situation, then they should be brought into Canada.

If you read that brief, and I suggest that you do, you will find that there was no suggestion that we were not to use the process that I mentioned. We were to go to Canada first and then outside of Canada. And I must say to the Honourable Member from Kildonan, the truth and the proof of the pudding in this is that the Honourable Minister of Manpower and Immigration has essentially adopted all the recommendations that we proposed and has in fact changed the criteria, and in fact will be applying basically the suggestions that we have made in the new immigration policy that will now be carried out.

The Honourable Member from Kildonan indicated that one-third of our estimates -- our estimates were three times as large as the estimates of Labour and he drew a conclusion from that. I should point out that our estimates do include the in-plant training program, that there is a grossing amount in that and \$1, 200, 000 approximately is recoverable in connection with that program, so that in effect we're not three times as high, we may be one and a half times as large. But even then, the significance of the statement I'm not aware of.

MR. FOX: Mr. Speaker, the Minister of Industry and Commerce doesn't have to tell me that his books are complicated and that nobody should be able to make heads or tails out of them. I agree that this is difficult.

MR. SPIVAK: Well, Mr. Speaker, there's been reference to rural Manitoba and there's been reference to the lack of concern and the lack of cohesive development and policy by this government, and it's difficult to try and prove this and it's also difficult to try and prove what we really know we have been doing. We know that we can see it in direct results. We know that we can go to Carberry and we can see a potato-processing plant. We know that we can go to Brandon and we can see a chemical plant. The suggestion by one of the honourable members was that we're not big enough. Well I don't know how -- He said, and I quote -- I may not have

(MR. SPIVAK cont'd).... taken that quotation so I will not. I must admit I can't read my writing. We can go to Brandon and we can see the chemical plant; we can see the Ayerst Pharmaceutical plant. We can go to Minnedosa and we can see a major farm machinery operation. We know what is going to be happening in the northern area with the forest industry. We now have an operation in the Interlake of a distillery. And I suggest to you that there are more to come, and any suggestion that this government --(Interjection)-- Well I hope so, I hope so. Any suggestion that this government has not been concerned with rural development is a mistake.

And so, Mr. Speaker, at this time I would like to, if I may, distribute to the members a photocopy of a map that's in my office. The map is concerned with the development in rural Manitoba and it shows four categories of investment: private investment since 1958, industrial expansion since 1963, public investment since 1958, and the Centennial investment. And all of this is for one purpose and one purpose only: to indicate to you that government can only create the climate and to act as the catalyst, to try and assist in the change that is occurring in this province, to try and create the kind of climate which will attract investment, which will encourage our people to do the things that are required for them to expand and to develop, and to try and create within the province the kind of economic activity that will continue the kind of growth that I've just suggested. So at this time I would like to give the Pages the photocopy. I must admit that it does not come off as well as the map, and for those who may be concerned about the little dots and cannot understand them, they are welcome to come up to my office and the map is on the wall and they can see it in far more detail.

The Honourable Member from Gladstone is not present but he made one reference to AIDA, the manner in which it operates, and he quoted from the Economic Consultative Board and he suggested this was inconsistent with sound regional development. I may say that this is right and if he can be persuasive with the Liberal Government who are now in Ottawa to change the AIDA regulations, we will be gratified and will be very thankful. I may say that both the members of the Department, the Deputy Minister and myself have met with the officials of the Department, and in particular the Minister, and have discussed this with him and have indicated our basic feeling that sound regional development would mean that there should be consideration given to the expansion of the AIDA program and changes in its position. I note that there have in fact been changes that have occurred in seven communities, and this was announced by a federal release in the last week, but the committees all seem to be in eastern Canada, and I think in almost all cases were in Quebec but I may be wrong in that. I may tell you that insofar as the AIDA program is concerned, the Minister has said to me in no uncertain terms that the AIDA program was designed on the basis of the census districts; it was designed on the basis of the unemployment records at the time, and that in effect it was a program which was to take the areas where there appeared to be unemployment based on the information they had, to assist those areas to develop, and in the situation in Manitoba with virtually full employment we are not in the kind of position, and I must say as well we are not in the kind of position with the kind of record that I have read out to you.

Now I would agree with the Honourable Member for Gladstone that there is a need to deal in the management level, and to try and train the business management level to develop insofar as the changes that are occurring in technology and in scientific advance, and there is no question, and there is work that is being done on this; the Manitoba Institute of Management under the Manitoba Economic Consultative Board have been conducting campaigns in this area. And I would say to him that I'm sure that this is not enough and there is more to be done, and I would say that I also believe that the Federal Government has recognized this, and of course they through their programs and we through our programs are going to attempt to try and do our best in this area and probably we'll have to reshape new programs and fashion new activities in this line, so I accept this, and this is a fair statement and one that requires real consideration.

Now the Honourable Member from Gladstone mentioned Friendly Family Farms, and I would like to, if I may, deal with this in the following manner. On December 8th, which was really close to my baptism in fire in the House, I accepted as notice a question from the Honourable Member from Gladstone who asked me whether in view of the fact that Friendly Family Farms had changed ownership, that whether the government had recovered its loan of nearly \$1,000,000 in full without loss to the taxpayer. Well I, as Minister, have no details of the loan. I have read Hansard and I realize of course that the loan was discussed in the previous Hansard, and so I am assuming that the Honourable Member from Gladstone is talking about the loan that was discussed in the previous Hansard.

(MR. SPIVAK cont'd.)

Now I received on February 13th a letter from Mr. Grose, General Manager of the Manitoba Development Fund, who gave me an up-to-date report on the operation of the Fund from its inception. This report is an up-to-date report of the final report that is filed for the fiscal year of the Fund. In it he includes the total loans approved, the industrial loans approved, the tourist loans approved, and other details, and in addition, Mr. Grose said in his letter that the corporation from its very beginning - and I quote - "has suffered no losses", so I believe that this information I can impart to the member. He can draw the conclusion that he wishes.

MR. SHOEMAKER: I wonder if my honourable friend would table the letter, and I wonder too whether or not the company has in fact changed management and/or ownership.

MR. SPIVAK: I am quite prepared to table the letter. I would assume that the company has changed management because there was an ad in the newspaper which indicated some time ago that there was a change, if I can get the ad. I just simply can't find it. But I must say the Honourable Member also referred to the ad, if I am correct, in one of the debates some time ago. In any case, the only knowledge that I have in my capacity as Minister is the notice in the paper which I had here and which I can't seem to find, which would indicate that there was a change in ownership, or in some manner.

MR. SIDNEY GREEN (Inkster): Mr. Speaker, there is just a subsequent question. Surely its possible for the Fund to continue without suffering losses and yet suffer a loss on a particular transaction. You are not suggesting that that is an answer which indicates that the Member for Gladstone's question should be taken to be answered that there was no loss on that loan.

MR. SPIVAK: ... to the honourable member that this is the only information I had and this is the only information that I could give him.

MR. GREEN: Do you suggest that that information is an answer to the question that was put by the Member for Gladstone?

MR. SPIVAK: I suggest that the Honourable Member for Gladstone must draw his own conclusions.

MR. SHOEMAKER: Mr. Speaker, I'm not satisfied at all with the answer, because the rumours are that the Friendly Family Farms has been sold, and sold at something like 30 cents on the dollar. Now if that is a fact, and I'm asking my honourable friend, is it a fact, then there must have been a loss to the province and to the taxpayers.

MR. FROESE: Mr. Speaker, just a question. What was the date of the letter that's supposed to be tabled?

MR. SPIVAK: I'm going to table the letter. The letter is dated February 13, 1967.

MR. SPEAKER: Are you ready for the question?

MR. FROESE: Another question. So this report that you are speaking of was a report for the year ending March 31, 1966?

MR. SPIVAK: No, excuse me, this was a report as at February 1, 1967.

MR. MOLGAT: ... I'll be very brief. I would just like to comment on a couple of points made by the Minister. He gave us some figures which unfortunately cannot all be substantiated at this time. I'll be looking forward with great interest to the report of the Economic Consultative Board regarding growth in Manitoba, and I'm one of those who is delighted to see any growth in Manitoba, but I must say that the comments that he makes are not quite in line with those coming from other sources. For example, we have the report this year of the Industrial Development Board of Greater Winnipeg, and the headline at that time - this was March 3rd, fairly recent, March 3rd, 1967 - George Fanset; the headline is: "Worst Year Board. George Fanset, the City's industrial commissioner, has revealed that last year was one of the most disappointing in the history of the Industrial Development Board of Greater Winnipeg. 'We have had more disappointments in 1966 than in any other year I have been with the Board,' Mr. Fanset told the Board's annual meeting Tuesday in the Marlborough Hotel." Then he goes on to point out that a good deal of the development that has occurred is government development which is, in his words, not tax-producing but rather tax-consuming. I think it's fair, too, to point out that the development my honourable friend talks about, obviously the Nelson River, is a major impetus at the moment in the industrial figures, and I would like the Minister when he gives the figures to break those down between what is new investment by industry and what is investment by the government, because as one looks around Winnipeg right now, the development that one sees is as far as I can tell, largely government development, the largest single development in Winnipeg right now being the Arts Centre. Government money; no private money. My honourable friend says, "How about Richardsons?" I haven't seen the building as yet. I know there is

(MR. MOLGAT cont'd.) . . . . some work going on; I hope that my friend's new sales tax won't stop the development any more than it might not stop the one on the St. Paul's College site. However, I'm delighted to see that proceed, but at the moment that is the case.

However, it's the population figures, Mr. Speaker, on which I want to speak, because the Minister in my opinion definitely left the inference that Manitoba was the same as eight other provinces; that all of them were losing population. Now I'll admit that when he was questioned he stuck to his phrasing, which was technically accurate but the inference was wrong. My honourable friend can put his finger up all he wants. That is the deliberate falsification, in my opinion, of figures to the public. That's attempting to fool the public, and if my honourable friends would just change their technique -- my friend is a young Minister. I warn him, don't follow your leader and your predecessor. Admit the facts as they are. None of us can take any pleasure out of the facts in Manitoba right now. That only means we have to work harder. It's not a cause of discouragement to me, but it's certainly a cause of a lot more hard work by some people. That's what we have to face in this province, and there's no point kidding ourselves about it and trying to pretend that things are other than they are.

Last year we presented a resolution in this House asking the Federal Government to make all of Manitoba a designated area. We were laughed at when we brought that resolution in to begin with, Mr. Speaker; laughed at by members opposite. They scoffed at it. Mr. Speaker, we brought that resolution in because we had checked our facts, and the facts were that there was a drop throughout Manitoba, that even the Greater Winnipeg area, which was our key development centre, was not keeping pace with the rest of Canada. My honourable friends, after two amendments, after voting against the resolution twice, what did they do in the dying days of the session, Mr. Speaker? Quietly supported the resolution. If they would be prepared to admit more frequently the facts as they are, we'd be able to get on with the job of Manitoba much better. And for him to stand up today and pretend that Manitoba's population is suffering from the same problems as eight other provinces, is sheer nonsense, because, Mr. Speaker, during the course of his speech I went out, and I have figures from the Dominion Bureau of Statistics given to me 20 minutes ago, and these are the estimates of the Dominion Bureau of Statistics over two years - that is, at January 1, 1965, and at January 1, 1966 which are the latest figures available from them. And what do they show, Mr. Speaker? They show that every other western province in Canada had a substantial increase in population. Saskatchewan went up by 7,000 people from 946,000 to 953,000; Alberta went up from 1,446,900 to 1,456,000, up 10,000 people; British Columbia went up from 1,771,000 to 1,838,000 plus, in other words an increase of 67,000 people; and the province of Manitoba unfortunately went down from 960,000 people to 959,000 people, a decrease of 1,000. My honourable friend wishes to ask me a question? Certainly.

MR. SPIVAK: . . . the figures that you mention would include births minus deaths, inter-provincial migration, and immigration. Is that correct?

MR. MOLGAT: This is the estimate of the population at a certain date.

MR. SPIVAK: But would you agree that it would include births minus deaths, inter-provincial migration and immigration?

MR. MOLGAT: That's correct. That's what population is, Mr. Speaker. It's made up of people who move in, who move out, who are born and who die, and then you get a result; but the result is the same for all provinces, Mr. Speaker, because they move out of all provinces, they move in in all provinces, they have children in all provinces, and they die in all provinces. It's the final result that counts; how many people are there. And the final result -- The numbers who move out vary, I'll admit, but what counts in the final analysis is: is the province growing or isn't it? That's what counts, and that's the measure of success; and if my honourable friend doesn't believe me that it's the measure of success, then I would refer him to his predecessor, the present Provincial Treasurer, because his predecessor on numerous occasions in this House assured us that the key statistic insofar as the growth of a province was its population figure. He stated that when he sat on this side of the House on many occasions, and I listened to him then intently, and when he got on that side of the House and we asked him about it, he admitted that that was so.

So what is the picture, Mr. Speaker? In spite of what the Minister said and his attempt at obscuring rather than at clarifying the situation, the figures are clearly that insofar as Western Canada, every other province has grown including the Province of Saskatchewan upon whom westerners have always looked as the poor cousin, every other province has grown in population and Manitoba has dropped in population; and if you want to compare it with the rest

(MR. MOLGAT cont'd.) . . . . of Canada, it is just about the same, because the Maritimes that are a traditionally depressed area, show the following figures; one province only down in population. Newfoundland increased by 7,000 people; Prince Edward Island remains the same; Nova Scotia dropped 2,000 people; and New Brunswick gained 5,000 people; and the two big central provinces, Quebec gained 88,000 people; and Ontario gained 164,000 people. So the record across Canada, Mr. Speaker, on the final determinate figure, that is whether or not we are growing, is that there are two provinces that dropped in population and Manitoba is one of them. And so the record is not, as my honourable friend pretended, that eight of them were in the same boat as Manitoba; the facts are, unfortunately for us, that there is only one that is in the unfortunate position of moving in reverse and the population dropping.

So I only make those comments, Mr. Speaker, to correct the record and warn my honourable friend not to get in the ways of his predecessors. He'll get much more done for Manitoba if he will face the facts, deal with them, and I'm prepared to assist him to deal with them, Mr. Speaker, because I'm an optimist about Manitoba. These figures, far from scaring me, convince me that we've got a bigger job to do but that it can be done, but first of all we have to admit those facts and not delude ourselves and the public that they are otherwise.

MR. DAWSON: I'd like to ask one question of the Minister of Industry and Commerce. There are some reports from the people of Hamiota that a person connected with -- I just wondered if he was listening. There's no sense answering the question unless he is listening. Mr. Speaker, there are reports from the people of the Town of . . .

MR. LYON: I'm afraid my honourable friend has already spoken on this main motion.

MR. DAWSON: I'm asking a question. Do I have permission to ask a question?

MR. SPEAKER: Are you ready for the motion? The motion of the Honourable Member for Hamiota.

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

MR. MOLGAT: Yeas and nays, Mr. Speaker.

MR. SPEAKER: Call in the members. The motion before the House is the motion of the Honourable Member for Hamiota.

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

YEAS: Messrs. Barkman, Campbell, Cherniack, Dawson, Desjardins, Dow, Doern, Fox, Frøese, Green, Guttormson, Hanuschak, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Patrick, Paulley, Petursson, Shoemaker, Tanchak and Uskiw.

NAYS: Messrs. Baizley, Bjornson, Carroll, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Roblin, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 23; Nays, 28.

MR. SPEAKER: The motion is lost.

MR. CLERK: Resolved there be granted to Her Majesty a sum not exceeding \$1,008,609 for Labour. Resolutions 52 to 58 separately and collectively.

Resolved there be granted to Her Majesty a sum not exceeding \$6,822,601 for Mines and Natural Resources. Resolutions 59 to 69, separately and collectively.

Resolved there be granted to Her Majesty . . .

MR. T. P. HILLHOUSE, Q. C. (Selkirk): Mr. Clerk, I wish to move, seconded by the Honourable Member for Lakeside, that while concurring in Resolution 59, this House is of the opinion that Item 1 (a) (1), Minister's Compensation, be deleted as there is no full-time Minister in this Department.

MR. SPEAKER presented the motion.

MR. MOLGAT: Mr. Speaker, the situation here is that the pro tem Minister of Mines and Natural Resources is the Provincial Treasurer. In my opinion, if there is need for a Minister of Mines and Natural Resources, then I am prepared to discuss the matter, and if there is need and it is so indicated by the government they'll make an appointment, then fine; but this has been carrying on now for a period of time, there's no indication that the job is going to be filled, and if the government is not prepared to act upon it then I don't think that the money should be left in the estimates. There's no reason for having in estimates moneys that are not required. There's been no indication from the government that they do intend to move, although I submit that Mines and Natural Resources is one of the key portfolios in Manitoba. We talk about development in Manitoba; this is one area where we can hope - in fact must hope - for development.

MR. PAULLEY: Mr. Speaker, may I say just a word on the resolution. We cannot support the resolution, proposed by the Liberal Party, of the Honourable Member for Selkirk, based on the knowledge of course that the present Minister is doing the work in two departments, but I suggest, Mr. Speaker, that we should retain the provision for a full-time Minister in the department in the hopes, particularly after my criticisms of yesterday, that in the Department of Mines and Natural Resources that greater emphasis can be made for the development of our natural resources in the Province of Manitoba.

And also, Mr. Speaker, may I suggest this isn't something new. This, as far as I am aware, there has been provision for ministerial salaries, as I recall, ever since I came in the House. I recall at one time in the previous administration, and I suppose they had justified reasons of their own at that time, the Minister of Labour I think shared the portfolio with the -- I think it was the Minister of Mines and Natural Resources at that time was also the Minister of Labour, and if memory serves me correctly, and I'm subject to correction, (I'm sure that the Honourable Member for Lakeside could correct me if I am in error) and I mean this as no reflection on the former administration, but I think that there was the provision at that particular time and that at least one or two of the Ministers did have dual portfolios although there was the financial provision for full-time Ministers at that time.

And so I say, Mr. Speaker, we cannot support this. We do hope that the administration will appoint a full-time Minister or a person who can give all of his energies to the development of the Department of Mines and Natural Resources.

MR. FROESE: Mr. Speaker, I subscribe to the motion because the principle involved here is that we do not vote moneys that will not be used, and I certainly stand behind this principle. Why should we vote moneys that will not be used. This is the point that was raised yesterday under another department and I also wanted to raise it under the educational estimates, that here we were voting an item of \$12 million that will not be used, and you ruled me out of order. I still believe that I was right. However, I will definitely support the motion before us that we should not be voting money that will not be used, because we have had no indication from the government that a new Minister will be appointed., So I will definitely support the amendment.

MR. DOUGLAS CAMPBELL (Lakeside): Mr. Speaker, last evening I had to blame the Honourable the Attorney-General for the fact that I intervened in the debate. Today the culprit is the Honourable Leader of the New Democratic Party, because I produced last evening the last estimates, or a copy of the last estimates, that our administration had the honour of presenting to the Assembly. I will not take the time to go through them as I did last evening, but anyone who wishes to check on them is welcome to have a look at this copy. What we did, Mr. Speaker, as I mentioned last evening, was that while we indeed had some Ministers who were carrying two departments, so as to have the estimates in the form that I think they are the most readily intelligible to the members of the House and so that the public as well could have its attention drawn to the fact if they wished to, we showed half of the salary in each of the departments. For instance, as an example, the Minister of Agriculture during that particular time was carrying also the portfolio of Public Utilities, and as I mentioned last evening the \$8,000, as the salary was then, was split between, shown \$4,000 in each, and there was another case where the Provincial Secretary and one of the others were combined and shown \$4,000 each.

Now, Mr. Speaker, I think this is the right way, not because we did it - we were not perfect in all regards - but not because we did it but because I think it is proper that the estimates should reveal to the members of the House here first, and to the public, the true situation as it exists, and if the administration told us that they proposed to make these appointments, then I might still have reservations as to the salary itself but I would have none with regard to the right of the administration to provide for them, but just to provide for the salary of a Minister without taking the House into the confidence of the government as to whether one will be appointed or not, is in my opinion not the right way to present the estimates. As they stand now, I haven't checked these figures exactly but as it stands now I think this would provide for 16 Cabinet Ministers' salaries, and I don't suppose that it's the intention of the Honourable the First Minister to appoint another four. Well if it isn't, then I think that these should be eliminated from the estimates and so I propose to support the motion.

MR. PAULLEY: Mr. Speaker, may I thank the Honourable Member for Lakeside. As I indicated, I was sure that he would correct me if I was in error. I do now recall the splitting of the salaries and I thank my honourable friend.

MR. CAMPBELL: I'm always glad to help.



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

MR. MOLGAT: Yeas and Nays, Mr. Speaker.

MR. SPEAKER: Call in the members.

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

YEAS: Messrs. Barkman, Campbell, Dawson, Desjardins, Dow, Froese, Guttormson, Hillhouse, Johnston, Molgat, Patrick, Shoemaker, Tanchak.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cherniack, Cowan, Craik, Doern, Einarson, Evans, Fox, Green, Hamilton, Hanuschak, Jeannotte, Johnson, Kawchuk, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Miller, Paulley, Petursson, Roblin, Shewman, Spivak, Stanes, Uskiw, Watt, Weir, Witney and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 13; Nays, 38.

MR. SPEAKER: I declare the motion lost.

MR. CLERK: Resolved there be granted to Her Majesty a sum not exceeding \$6,822,601 for Mines and Natural Resources.

Resolved there be granted to Her Majesty a sum not exceeding \$3,191,181 for Provincial Secretary. Resolutions 70 to 81 collectively.

MR. SPEAKER: The Honourable Member for Selkirk.

MR. HILLHOUSE: Mr. Speaker, I wish to move, seconded by the Honourable Member for Lakeside, that while concurring in Resolution No. 70, this House is of the opinion that item 1 (a), the Minister's Compensation, be deleted as there is no full-time Minister in this department.

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

MR. MOLGAT: Ayes and nays, Mr. Speaker.

MR. SPEAKER: Call in the members. Order please. There are members that moved out of the House ... the last vote.

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

YEAS: Messrs. Barkman, Campbell, Dawson, Desjardins, Dow, Froese, Guttormson, Hillhouse, Johnston, Molgat, Patrick, Shoemaker and Tanchak.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cherniack, Cowan, Craik, Doern, Einarson, Enns, Evans, Fox, Green, Hamilton, Hanuschak, Jeannotte, Johnson, Kawchuk, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Miller, Paulley, Petursson, Roblin, Shewman, Spivak, Stanes, Steen, Uskiw, Watt, Weir, Witney and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 13; Nays, 40.

MR. SPEAKER: I declare the motion lost.

MR. CLERK: Resolved there be granted to Her Majesty a sum not exceeding \$1,682,264, for Public Utilities. Resolutions 82 to 85 separately and collectively.

Resolved there be granted to Her Majesty a sum not exceeding \$4,552,305, for Public Works. Resolutions 86 to 90 separately and collectively.

MR. SPEAKER: The Honourable Member for Selkirk.

MR. HILLHOUSE: I wish to move, Mr. Speaker, seconded by the Honourable Member for St. George, that while concurring in Resolution 86 this House is of the opinion that item 1 (a) (1), Minister's Compensation, be deleted, as there is no full-time minister in this department.

MR. SPEAKER presented the motion.

MR. HILLHOUSE: Mr. Speaker, in moving this resolution and the other resolutions, I do so with the belief that it's time that we took into consideration the plight of the taxpayer in this province. I do not think that we require 16 ministers to run the affairs of this province. There are a number of departments where one minister can handle both two departments or even more. And that is the reason why this resolution is moved in respect of this particular item and the reason why I moved it in respect of the others. I think we should start to think of the forgotten man - the Manitoba taxpayer.

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

MR. MOLGAT: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the Members.

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

YEAS: Messrs. Barkman, Campbell, Dawson, Desjardins, Dow, Froese, Guttormson, Hillhouse, Johnston, Molgat, Patrick, Shoemaker and Tanchak.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cherniack, Cowan, Craik, Doern, Einarson, Enns, Evans, Fox, Green, Hamilton, Hanuschak, Jeannotte, Johnson, Kawchuk, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Miller, Paulley, Petursson, Roblin, Shewman, Spivak, Stanes, Steen, Uskiw, Watt, Weir, Witney, and Mesdames Forbes and Morrison.

MR. CLERK: Yeas, 13; nays, 40.

MR. SPEAKER: I declare the motion lost.

MR. CLERK: Resolved there be granted to Her Majesty a sum not exceeding \$4,552,305 for Public Works.

Resolved there be granted to Her Majesty a sum not exceeding \$4,385,889 for Tourism and Recreation, Resolutions 91 to 95 separately and collectively.

Resolved there be granted to Her Majesty a sum not exceeding \$5,846,149 for Treasury.

MR. SPEAKER: The Honourable Member for Portage la Prairie.

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, I beg to move, seconded by the Honourable Member for Emerson, that while concurring in Resolution 96, this House regrets that while speaking constantly about priorities, the Roblin government has increased cabinet ministers' salaries, increased cabinet ministers' allowances, increased indemnities to the Legislative Assembly members, and at the same time imposed a five percent sales tax on Manitoba.

MR. SPEAKER presented the motion.

MR. JOHNSTON: Mr. Speaker, the Cabinet last year raised their salaries by their own decision, without recourse to this Legislature, by more than the amount that the average Manitoban earns and pays taxes on. They also saw fit to raise members' salaries while calling upon the people to pay a heavier load in tax. I might say, Mr. Speaker, that in cabinet ministers' salaries alone, from the time of 1958 when it cost an average of \$100,000 to pay the Cabinet and their expenses, in nine years this figure has gone to well over \$300,000. Last night we heard the Attorney-General say that we could not afford to establish a high enough priority to repair or upgrade the detention home facilities for juveniles, and I suggest that some of this money could have been used in that manner.

MR. PAULLEY: Mr. Speaker, I'd like to state the position that we will be taking, and that is, in general, support for the resolution that has been proposed by the Honourable Member for Portage la Prairie. I just want to point out, however, one matter that I think is deserving of correction, although we could have possibly introduced an amendment to delete the portion of the resolution dealing with increased indemnities to Legislative Assembly members.

It's true that the Roblin government did increase the cabinet ministers' salaries and increased cabinet ministers' allowance; it did impose a five percent sales tax; but I do think that in fairness we should say that so far as we were concerned in this House, I think if memory serves me correctly, on third reading of the bill for increases in indemnities to members of the House that the whip was off as far as we were concerned; it was my understanding that the Leader of the Liberal Party said that his members were free to vote as they desired and there was a division in the Liberal Party as there was in my own. So I say, Mr. Speaker, we give support to the resolution, pointing out, however, this matter of the increased indemnities to the members of the Assembly.

MR. FROESE: Mr. Speaker, I will definitely support the motion before us because these are the very points that I objected to in the various bills and legislation that came in. I just wonder -- in the estimates that we have before us, the taxation cost is set here for \$939,000. I was just wondering whether this is sufficient to collect the sales tax as well. No doubt there will be an increase in this particular section.

Then, Mr. Speaker, I have another reason why I support the resolution and that is because the five percent sales tax is not needed. We don't need a five percent sales tax even to bring about a balanced budget, because our deficit that is expected is a million and a half. Now we have passed \$12 million in the estimates that will not be used, so we have at least \$10.5 million there that we are over-levying and we don't need a five percent sales tax to cover this, so we're actually robbing the people of this amount of money for no use whatever and I feel this is wrong. Therefore I will support the motion that is before us.

MR. DESJARDINS: Mr. Speaker, I certainly will support this motion and I'll support it all the way. I would say that I will support this motion all the way. I will not agree with the Leader of the New Democratic Party at all. This motion, if I recall aright, is based on the priorities, and I make no exceptions for indemnity of the members of this House. I am not debating the amount and I stated this when I voted against indemnities. It was exactly this reason

(MR. DESJARDINS cont'd.) . . . . because of priority, and I think I can make a case with anybody here that we have more priorities, more urgent priorities, than the indemnities of the members. That the indemnities be raised, the salaries, might be well deserved. I'm not debating this and I've said that - in all honesty I've said this before; but I think that we have a role to play and we have an example to show to the people of Manitoba even if it was only that, and those that want to take the trouble and the time to visit this Vaughan Street detention home or the Portage la Prairie detention home, I think will agree with me that there is certainly a case of greater priorities to look after these young children. We were talking about -- the Leader of the NDP yesterday quite rightly stated that we should spend more money before, for prevention in other words, and I agree with him. And this is one of the best places to start spending it, to take care of these detention homes, because some of these people, it would be a form of prevention because they're sent back, sent back repeatedly, and the conditions there are very bad. So this is the only - I agree with the motion - this is the only, in this instance this is the only place that I disagree with my friend the Leader of the New Democratic Party, but I will not consent to put the indemnities ahead of the priorities of things that we did not accomplish. I am not saying -- I want to be fair; it's not a question of maybe not deserving these salaries, but there are more deserving things, and I think that there are a couple of the members at least that I know of, of the New Democratic Party that are maybe a little more aware of the conditions there. And this is only one of the things; there are an awful lot more. When we have to go to the people and tax their clothes, tax the repairs of shoes of children and so on, we are not in a position to give ourselves an increase in salary or for the cabinet ministers to increase their salaries or give themselves \$3,000 without tax, and I think it was the Provincial Treasurer that said - I don't recall exactly now the figures but there was three percent, at the most, of the people of Manitoba that had an income of \$10,000 a year or more, so I certainly will support this. I think that this is the weak point, if I might say; the worst bit of administration of this government. This could be classified as the lack of leadership. We've had a Leader that has his eyes on Ottawa; he can't make up his mind; so therefore we haven't had a Leader of this House. We haven't a Leader of this House. He's not here half the time, Mr. Speaker, so I think that . . .

MR. SPEAKER: The honourable gentleman's trend of thought right now has nothing at all to do with the resolution or the motion.

MR. DESJARDINS: I'll certainly do whatever you say, Mr. Speaker, but I was talking about priorities and wages and I was trying to justify that there were other things which were -- I thought this was the very nature . . .

MR. SPEAKER: I believe you singled out an honourable gentleman to speak of what his thoughts might be, and I wondered if that had anything to do with the resolution.

MR. DESJARDINS: Oh I see. Well, let's leave it at that then, that he is certainly not giving us leadership. He's not in the House here. The Leader said that I was privileged when I asked that we should have most of the members, at least a good percentage of the people here, and this is what -- but I'll go along, Mr. Speaker, because I respect your decision. I think that you have done quite well. This is one thing -- I might be out of order, but I would say that this is one thing the government has done better - we've got a much better Speaker this year than last year, but this has nothing to do - this has nothing to do with the resolution, I appreciate that, Mr. Speaker.

MR. SPEAKER: I would insist that the honourable gentleman come back to the resolution, if he will.

MR. DESJARDINS: Okay, Mr. Speaker. Well anyway, I'm going to finish by saying that I'm going to support this resolution all the way.

MR. MOLGAT: Mr. Speaker, I would just like to say that of all the governments I have ever heard speak about priorities, I have never heard one speak so much as this one. In fact, you would almost think that they had coined the word "priorities", but on the other hand, I have never seen one do as little actually about priorities as this government. My honourable friend the Minister of Education laughs. He has the gall to laugh when he's been sitting on Ottawa money, on vocational schools, for five years and doing very little about it, and he knows it and he talks about priorities. Mr. Speaker, what a joke! My honourable friend ought to go back to Gimli, because he certainly can't hold up his head in Manitoba on vocational schools. What about other fields, Mr. Speaker? Priorities . . .

MR. SPEAKER: Order please. I would ask the Honourable Leader of the Opposition to show his usual discretion in order that we can get along with the business.

MR. MOLGAT: Thank you, Mr. Speaker. I realize I shouldn't touch on tender points. I'll try and not touch on those points that bother my honourable friends. I know it's very painful when one hears the truth, Mr. Speaker, in particular when one's been talking about other matters.

Then we have priorities, for example, in the field of water. The Federal Government, who is the favourite whipping boy of my friends opposite - any time that something is wrong it's Ottawa's fault - the Federal Government have come along and said there is a real problem for the future on the prairie provinces regarding water. Right across the line from us in the United States, we hear constantly about the dangers to the American economy from lack of water. Canada is fortunate; it has a lot of water. There are some plans afoot to divert Canadian water. In my opinion this should not be done without being sure that we protect Canadian interests first.

So the Federal Government, that nasty government that never wants to help the Province of Manitoba, offered to put up half the money, Mr. Speaker, half the money to have a survey of the water resources of the three prairie provinces, specifically a program geared to the three prairie provinces. And who is going to benefit most from that? The Province of Manitoba; because we are at the bottom end of the whole drainage system. Our whole Hydro Electric system, the one billion dollars that my honourable friends say they are going to spend on the Nelson, depends in large part on the water that comes from the other two prairie provinces. Grand Rapids depends almost - what? 95 - 99 percent on water that comes from outside Manitoba. So, the Federal Government offers to pay half. Alberta who originally was opposed to the plan, who has least to gain from the plan, says: yes, we will put up our share. Saskatchewan says: yes, we are prepared to put up our share. And who hangs back? The Province of Manitoba.

Here is the newspaper, January 6, 1967: "Manitoba stalls three-province water inventory." It may be that by now my honourable friend the Minister of Highways has signed something. I don't know. I asked the question there a while ago and there was no answer at that time, but they were stalling it, Mr. Speaker. The Federal Government could well have said to my friends, "If you are not interested, fine. We'll leave it." Withdraw their offer of half the money.

Now these are the sort of priorities, Mr. Speaker, that count for the province of Manitoba and which my honourable friends don't act upon. There are many others; many others. -- (Interjection) -- Wait and see - I should hope so! I should hope they are going to move. If they are half as anxious to move on these sort of things as they are in increasing their salaries, if they got their priorities straightened out in the interests of the people of Manitoba, Mr. Speaker, we would all be better off.

And so this resolution, while it doesn't bring in all the items of priorities that we could - and there are many of them - I think touches on those that were most evident in the course of this session. There is more interest in increasing salaries than there is in the proper priorities to develop Manitoba, and there is certainly no hesitance on the part of the government to load on more expenditures. My friends to the left of us do agree to a good deal of them, as they did this morning to three cabinet ministers' salaries that are not called for in the Province of Manitoba as yet because the government has not indicated they are going to move on it, and still are imposing sales taxes.

MR. SPEAKER: Are you ready for the question?

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

MR. MOLGAT: Ayes and Nays, Mr. Speaker.

MR. SPEAKER: Call in the Members.

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

YEAS: Messrs. Barkman, Campbell, Cherniack, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Hillhouse, Johnston, Kawchuk, Miller, Molgat, Patrick, Paulley, Petursson, Shoemaker, Tanchak and Uskiw.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Roblin, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney and Messdames Forbes and Morrison.

MR. CLERK: Yeas, 23; Nays, 30.

MR. SPEAKER: I declare the motion lost.

MR. SAUL MILLER (Seven Oaks): Mr. Speaker, I beg to move, seconded by the Member for Brokenhead, that while concurring in Resolution No. 96, this House regrets that the government, through its financial policies, has failed to take into due consideration the added burdens placed on local administration.

MR. SPEAKER presented the motion.

MR. MILLER: Mr. Speaker, I don't propose to go into the whole problem of the taxation, or the problems which the municipalities now face due to the imposition of the sales tax on them. This has been discussed in this House and I think a case has been made to show that its inequitable and unfair to tax the municipalities putting them in a terrible position with regard to their ratepayers, because it is a tax on a tax since the ratepayers have to pay the cost, the added cost which the municipalities are faced with.

There is one item in these estimates, resolutions 96 to 103, dealing with unconditional grants, which I don't think has been discussed in this House. Now the unconditional grants back in 1957 were \$2.39 per capita. In 1958 they were raised to \$3.00 per capita. Today, as far as I know, this amount still remains the same. The purpose of the unconditional grant was to try to make available to the municipalities a share in the provincial funds, of provincial monies, and thus pay it back to the municipalities.

The provincial revenues and the tax base of the province is flexible. They can raise taxes - and they have this year. They can raise gasoline taxes. They can raise licenses and so on. By and large, the municipalities are fixed in their money-raising ability. They've tied to the realty tax. They have no recourse to any other tax. And so the concept of tax-sharing was accepted, I think it was in 1956 or I forget the actual year - and this same concept is what we hear when the province complains about its treatment at the hands of the Federal Government. They feel that they should share in the tax revenues of the Federal Government. The senior government has even a broader tax base than the provincial government, and it's a logical argument. I regret that they don't pursue that logic and follow it through in dealing with the municipalities, because, as I say, with the inflexible tax base of the municipalities they have no way to raise the monies they require for the increasing costs - and these costs have been going up for the last 10 years every year without fail; they have no way of doing it unless they either take over certain functions of the municipality, certain costs of the municipality, or they pay it back to the municipalities in the form of a tax-sharing revenue.

In the case of the larger areas, such as Metropolitan Winnipeg certainly, where most of the revenue the province derives from its gasoline tax, motor vehicle tax and so on, particularly in the case of the transit where hundreds of thousands of dollars accrue to the Provincial Treasury, surely there should be some attempt at making available back to the municipality, some of the monies which accrue to the province, because they have no other way, as I say, of getting it except to go to the ratepayers. And so it seems to me unfair, and it seems to me only consistent with the provincial arguments when they argue with the Federal Government that this government should have increased the unconditional per capita grant which has remained constant since 1958. It's the same \$3.00 that was paid in 1958, and yet in that time the province has increased its revenue by millions of dollars but the municipalities have not shared in it outside of perhaps a tax-sharing agreement or a tax-sharing service, and I suggest to you that very often a tax-sharing-service is not the answer because many municipalities go into tax-sharing proposals, not that they want to necessarily or they feel it is best for them, but it is the only way that they can get some provincial money; so they go into programs which they're not really ready for, but they enter into it because there is a dollar bill attached to it, whereas on an unconditional grant the municipality would then have the ability to program on its own, and could then compensate for the fact that the only tax base it has is the realty tax.

We know, or we've heard -- this government and I think the First Minister has said a number of times that responsibilities assigned to municipalities should be related to the resources available to them. Well, their resources are very limited. We know this. And if we want them to have fiscal responsibility, and if we are sincere in saying that the municipalities have to stand on their own feet, then we have to give them the financial resources to stand on their own feet, and one of the ways to do it is to return to the municipalities on an unconditional per capita basis a certain amount of money which the province receives and it receives from the fact that these people live in these municipalities. So for that reason I think that this -- this is a criticism, as I say, I have of the concepts or the methods that this province has adopted in dealing with municipalities, and I would ask that this resolution be supported.

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

MR. SAUL M. CHERNIACK, Q.C. (St. John's): Yeas and nays, please, Mr. Speaker.

MR. SPEAKER: Call in the members.

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

YEAS: Messrs. Barkman, Campbell, Cherniack, Dawson, Desjardins, Dow, Doern, Fox, Froese, Green, Guttormson, Hanuschak, Hillhouse, Kawchuk, Miller, Molgat, Patrick, Paulley, Petursson, Shoemaker, Tanchak and Uskiw.

NAYS: Messrs. Baizley, Beard, Bjornson, Carroll, Cowan, Craik, Einarson, Enns, Evans, Hamilton, Jeannotte, Johnson, Klym, Lissaman, Lyon, McGregor, McKellar, McKenzie, McLean, Masniuk, Roblin, Shewman, Spivak, Stanes, Steen, Watt, Weir, Witney and Mesdames Forbes and Morrison.

MR. CLERK: Yeas 22; Nays 30.

MR. SPEAKER: I declare the motion lost.

MR. CAMPBELL: Mr. Speaker, there is one matter that I would like to mention while we're on Treasury Department, and even though it may not be apparent from my opening remarks, Mr. Speaker, I believe I am fully in order because I intend to discuss very briefly the question of interest that the Province of Manitoba pays in various forms. This could be a very exhaustive discussion and I think no one would have to offer any apologies for making it so, but I do not intend to go into it exhaustively at the moment, Mr. Speaker. I do believe that we are quite within our rights in discussing the question, in fact the whole financial policy of the government, and certainly the question of interest on our debts on the Treasury Department, but my attention to this subject was just recently drawn - and of course it's not a new subject for me - because I got for some visitors who are here in the building, a nice little booklet that is handed out at the Tourist Branch called "The Story of Manitoba's Legislative Building", and even though I have never posed as an enthusiast about the work of either the so-called information services or the publications generally, I was quite attracted to this nice little booklet that gives a concise story and history of Manitoba's Legislative Building.

I commend it to the members for their perusal excepting one particular, Mr. Speaker, and this reminded me of the question of our old enemy, interest on borrowed money; and I think it's appropriate that this should be discussed at this time because it just happened that this little booklet was issued by the Tourist Development Branch at the time that the honourable gentleman who is now the Provincial Treasurer was Minister of the Department of Industry and Commerce, and it was under their authority that the booklet was published.

Now the matter that attracted my attention, Mr. Speaker, was this paragraph, this short statement, after some introductory remarks about the history of the building; this statement: "The building, furnishings and grounds, currently valued at about \$30 million, cost \$9,379,000." And, while I would be the last person in the world, Mr. Speaker, to ever accuse my honourable friend the Provincial Treasurer of giving incorrect information intentionally, I submit to you that this is an incorrect statement, so incorrect that it emphasizes in a way that it's hard to do ordinarily, the fact that the most of us tend to forget about what the real costs of certain things can be, and particularly when we operate under the handicap of a heavy interest load. Now I ask my honourable friend the Provincial Treasurer: would it not be correct to put in the statement what the fact is, that by the time this building was paid for, (which I understand it now is, after being started soon after 1911, interrupted of course by World War 1, completed 1919 and officially opened in 1920), that this building, although the capital cost was as stated, that the fact is that the total cost of the building - and I'm speaking from recollection now - when the interest charged against it was paid, was more than \$23 million. In other words, practically \$14 million was paid by the taxpayers of the Province of Manitoba on a \$9 million building. And I use this as an example, and I say quite frankly to my honourable friend the Provincial Treasurer, though of course there was no intention to give wrong information in this booklet, yet the people who prepare and distribute literature of this kind should tell the truth because it's only the truth that can bring these matters home to people, and those who advocate continuous and continuing spending beyond the productive capacity of the people of an area, be it a province or a country, Mr. Speaker, in my opinion are courting disaster in that they begin to borrow more heavily and more heavily, and they weigh down the economy with costs that are very unproductive, and particularly in an economy that has to depend upon world exports they incur costs of production that make it impossible for the primary producer to compete in the markets to which they must have access in order for their economy to survive and flourish.

So I simply take this opportunity, Mr. Speaker, not to criticize my honourable friend

(MR. CAMPBELL, cont'd) . . . . because of course he doesn't get time to read all the literature that is put out in a case of this kind, and even a Minister of the Crown might be pardoned, I suppose, if a statement like that slipped through even if he were glancing at it; but I think some effort should be made, Mr. Speaker, to remind the taxpayers of what they do pay for some of these things when they borrow money. And so I would ask my honourable friend the Provincial Treasurer to give us the actual facts; how much was paid in interest on this building. If my recollection is correct, they started to borrow money right at the beginning of the building - of course they didn't borrow it all at the one time - but all of it, amounting to this sum, was undoubtedly borrowed before they were through. That building started, as the booklet mentions, about 1911, the borrowing continued until - and I took some pride in the fact that during the time that our administration was in office we had full provision made for paying off this building - but I think it is a fact, and here I'm speaking from memory but I think it is a fact that the last payment was made out of funds already provided after this administration took over, that something around the year of 1959 or 1960, Mr. Speaker, this building was finally paid for after being started back in 1911, and I emphasize this to remind people in the House, and if it should be so fortunate that warning at this time could be carried to people outside as well, to remind them of what it costs even a government when it borrows money, and I think always that this is a conspicuous example where the Province of Manitoba, in order to have what is admittedly a fine building, paid more than one and a half times as much in interest as what they paid for the structure, including its furnishings, itself. And while I do not intend, Mr. Speaker, to deal with the last page of the estimates where the public debt of this province is carried, not in full but in part, I do not intend to deal with it but I would just add this word, that when we take the amount that's paid in interest here plus what is paid by the various utilities, we are spending more money in interest now than all the services of the Government of Manitoba were spending just a few years ago. And Mr. Speaker, one of the favourite expressions of politicians everywhere is that they "view with alarm," and I may say with the utmost sincerity, Mr. Speaker, that I view with alarm the situation that continues to develop in the Province of Manitoba, where spending seems to be uncontrolled - and I must be fair once again, Mr. Speaker, and say that I apply the same terms to the Government of Canada - where spending seems to be uncontrolled, where the borrowing of money proceeds apace, where services continue to grow that I think could be provided by the people themselves, where I still feel that whatever the people can do for themselves they can do better and certainly more cheaply than governments can do for them, that I view with alarm this situation that we face in Canada today and has particular application so far as we are concerned to the Province of Manitoba.

Mr. Speaker, as far as I am concerned the House will be relieved of my usual discussion on the debt paid itself, but I'm indebted to the Honourable the Provincial Treasurer, in his former capacity, for having furnished me with what might be called a text for one of my favourite subjects; and I think it was Goldsmith, Mr. Speaker, who said: "Till fares the land to hastening woes of prey, where wealth accumulates and men decay." I haven't the poetic powers of a Goldsmith, Mr. Speaker, but I would say that a land or a province is in danger where they pay as little attention as governments today, in most spheres that I'm acquainted with, are paying to their financial affairs, and I would recommend that serious thought be given by all legislators to a careful consideration of the seriousness of the subject that is involved therein.

MR. EVANS: Mr. Speaker, I would always want to acknowledge the contribution of the Honourable Member for Lakeside on this subject, and thank him for it. I have not found many occasions on which I differ with him fundamentally. There is one aspect of his latest contribution that I'll comment on later, but certainly he does well to raise the point about viewing with alarm, because that must be a matter before all of us in these days of expenses which increase by reason of other things beside interest, but of interest as well; and I do acknowledge the importance of the subject that he raises and would pay also some tribute to the fact that he's very experienced in this field, and as a new Provincial Treasurer I would wish to take his advice into consideration on all of these subjects.

Debt management is a very large subject, and one that sometimes in past years I've had occasion to look at but now is a very vital matter for me as Provincial Treasurer, and as I can, I'm beginning to become if not expert, at least acquainted with it, and I regard it as an extremely important matter: the management of the debt and to get sound principles upon which to borrow if we are going to borrow; on what occasions and for what purposes should borrowing be done; then, when the borrowing has been done, how should that debt be managed

(MR. EVANS, cont'd) . . . . so as to minimize the cost.

I recognize my honourable friend is finding a text in a tourist promotion book on which to discuss a serious subject. I can't agree with his main contention with respect to that, and I don't think it was perhaps the most serious point that he raised, that in every bit of tourist literature the financial implications of an expenditure should be fully spelled out, that it might have been completely accurate if the words had said that the building cost \$9 million to construct. My honourable friend would have had no quarrel with that. That was the intention. I think the language was sufficiently precise for the purpose; that is to say, a piece of literature to be handed out to tourists to give them a comparison of costs in those days with values today, and indeed if I had set my intentions on to that phrase at that time I don't think I would have taken action to change it. I don't really think much harm has been done.

It does seem to me that if somebody asked me what my own car costs, I'd be quite able to say that it cost me \$4,500.00 - I speak of my personal car. I don't think I'd have to continue the conversation and say of course that was six years ago and I borrowed some of the money, and the interest on it has been so much and up to now the car has cost me so much inclusive. I think the common or garden discussion of the costs of things are understood, and that you really don't have to add on the interest charges, if indeed you have to reveal the fact that you did borrow the money. I'm sure that if one lives in a \$10,000 or \$15,000 home, one doesn't have to qualify it immediately by saying of course it's had a mortgage on it ever since I bought it 19 years ago, it's so much percent, and up to the end of last month the total cost to me of that home is so much money including the interest on the mortgage, and then what about the insurance? I must tell you that there's insurance on the mortgage and that's required as a part of a mortgage, and then in addition to that I painted the house five times in the meantime, and of course that's the cost of the house too. And I would think that anyone who casually inquired of me what my home cost I would be somewhat overwhelmed with a lot of complicated financial statistics. By the time I was finished he would have been sorry he asked me the question.

I think that a whole discussion of what this building cost between the years 1911 to date should include other things besides interest on the money; how much repairs, renovation, decorating; what, from time to time, insurance has been carried; and how much did it cost to put gold leaf on the golden boy again; and how much do all these various things cost, things that have been modernized and changed and so on. I think it would be out of place to put in a tourist booklet any such elaborate discussions as that. I think I have exaggerated my point to say that I have no apology for the way in which that was stated. I think the meaning was clear for the purpose for which the publication was intended.

But I don't want to leave it on that note. I do want to say that I recognize the serious import of the question raised by the Member for Lakeside, that it must be a matter of growing concern to me as Treasurer, and we must all continue to draw to the attention of the public the growing concern that all public people must have today with the amount of the gross national product that is being diverted to public administration. I am aware of this and I take seriously the main message that I think my honourable friend intended to convey.

MR. FROESE: Mr. Speaker, this is to me a very interesting discussion when it comes to the matter of interest and so on, and taxation, because it appears that even the debt schedule on the last page of this booklet doesn't show all. We show you the net figure of \$15,085,000 as the amount that we will have to dig up from the Consolidated Revenue Fund to pay the cost of the interest on our public debt here in Manitoba. But then, there are so many commitments made to hospitals, to the school divisions, hostels and so on, a debt that doesn't show on the books of the government but to which we are committed in paying capital grants not only on the principle but on interest as well, and that here is another large item of interest that does not show up. In past years I've tried to get this information as to the amount that we are committed for in this way, and to date I have not received that information. I think this is information that we as members should know, however, because if a large school is constructed of a million dollars and we're committed to a 75 percent grant, we know that we're committed to \$750,000 in principle, but then the interest on that could amount more than the principle, so that we are committed to large amounts of interest which do not show on the books of the government, however which we are guaranteeing and which the government will eventually have to pay. I have on past occasions mentioned that when I first was elected to the House in 1959 and then came into the session in 1960, that we used just over \$1,000 in addition to the revenues from the Telephone System and Hydro, to pay the cost of interest on the provincial debt; just \$1,000.00.



(MR. FROESE, cont'd) . . . . . Now, seven years later, we find that we have to dig in \$15 million in order to pay the interest on that debt. So that is the amount of additional cost that the taxpayers of Manitoba have to pay because of the management of their affairs here in this province; the way the government has managed affairs here in this Legislature; and I feel this is a matter of complaint. I feel that we're not getting the proper management of our affairs.

Mr. Speaker, . . .

MR. LYON: If my honourable friend is going to be much longer, I would suggest that Mr. Speaker leave the Chair and we could resume when we come back at 2:30.

MR. FROESE: Okay.

MR. SPEAKER: Order please. It is agreed that I now call it 12:30. I'm leaving the Chair to return again at 2:30 this afternoon.