

THE LEGISLATIVE ASSEMBLY OF MANITOBA
2:30 o'clock, Thursday, May 20, 1971

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions.

READING AND RECEIVING PETITIONS

MR. CLERK: The Petition of Sandra Bressler and others praying for the passing of an Act to incorporate The Association of Occupational Therapists of Manitoba.

The Petition of the Dean and Chapter of St. John's Cathedral praying for the passing of the St. John's Cathedral Chapter Act.

The Petition of the Credit Union League of Manitoba 1967 Limited and Co-operative Credit Society of Manitoba Limited praying for the passing of an Act to provide for the Merger of Credit Union League of Manitoba 1967 Limited and Co-operative Credit Society of Manitoba Limited.

MR. SPEAKER: Presenting Reports by Standing and Special Committees.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct the attention of the Honourable Members to the gallery where we have 20 members of the Notre Dame Day Centre. They are under the direction of Miss Janet Handel. The Centre is located in the constituency of the Honourable Member for Logan.

We also have 25 students of Grade 5 standing of the Cranberry Portage Elementary School. These students are under the direction of Mr. Goertzen and Miss Dumas. This school is located in the constituency of the Honourable Member for Flin Flon.

We have 50 students of Grade 8 standing of Carberry Collegiate. These students are under the direction of Mr. Rogers and Mrs. Porter. This school is located in the constituency of the Honourable Member for Gladstone.

We also have 100 students of Grade 11 standing of the Daniel McIntyre Collegiate. These students are under the direction of Mr. Robs. This school is located in the constituency of the Honourable Member for Wellington.

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

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

MR. WALLY JOHANNSSON (St. Matthews): Mr. Speaker, I beg the indulgence of the House to let this matter stand. If anyone wishes to speak at this time however I have no objection.

MR. SPEAKER: (Agreed) Notices of Motion; Introduction of Bills; Orders of the Day. The Honourable Leader of the Opposition.

ORAL QUESTION PERIOD

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Mr. Speaker, in the absence of the First Minister, I'll direct my question to the House Leader, because I am not sure of the Minister who's in charge of Hydro. Is it the Minister of Finance?

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): He's not in charge of, he reports to the Legislature.

MR. SPIVAK: Well, in that case, Mr. Speaker, I'll wait until the First Minister is in

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

MR. SPEAKER: The Honourable Member for Charleswood.

MR. ARTHUR MOUG (Charleswood): I would like to direct a question, Mr. Speaker, to the Minister of Municipal Affairs. Does a person that has 12 demerit points on his driver's licence at the present time, which is subject to review on August 15th, have to pay the full premium of \$140.00 now for coverage on November 1st?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Mr. Speaker, I gather that the question relates to one who has had a one year clear driving record as of August 15th and the status in respect to that particular driver. I would take this question as notice.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, my question is for the First Minister, but in his absence perhaps I could direct it to the Minister of Industry and Commerce, and ask him whether this government has registered any protest with the Federal Government over the decision to transfer the armed forces Search and Rescue Unit out of this area and into the Province of Alberta?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Mr. Speaker, we are aware of the development. I understand in terms of numbers of personnel and the activity of the unit it's a rather small move by - from past standards at least. However, we are in communication, we have been in communication today with Ottawa about the matter.

MR. SHERMAN: A supplementary, Mr. Speaker. Can the Minister advise whether any consideration has been given to reactivating the Rivers Base as a base of operations for this type of operation, rather than continuing the phase-out of the Rivers Base as is now under way?

MR. EVANS: Well, Mr. Speaker, this is really a matter for the federal authorities, for the Department of National Defence. I believe the argument of the Federal Government is that the more logical place in their opinion is to have it in the area of Edmonton because it is more accessible to certain activities in the western Arctic and the Yukon and so forth. So I would say that I doubt if they would be very receptive to the suggestion of using Rivers. Furthermore, I think your Federal Government answer will be that a large training centre for Indians is about to go into Rivers and that to a large extent this will replace the economic activity - if you can think of a military operation in that term - the economic activity dimension at least will be replaced by this training facility.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Well, in the absence now of the First Minister, he isn't in the Chamber, I wonder if I can find out from the House Leader who the acting minister who would be answering for Hydro would be? -- (Interjection) -- Well then I'll ask the question through the House Leader; I would prefer asking directly to the person who is the minister or the acting minister. I wonder if he could indicate whether in the past year there has been a meeting between the Minister who answers in the House for Hydro and the full Hydro Board?

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

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I'll take the question as notice.

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

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Speaker. My question is for the Minister of Youth and Education. Can the Minister inform us this week how many students out of the 14,000 university students are now employed through the Student Employment program?

MR. SPEAKER: The Minister of Youth and Education.

HON. SAUL A. MILLER (Minister of Youth and Education) (Seven Oaks): My score sheet has not been updated since my last report; I'll try to bring the information in tomorrow.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question to the Honourable the Minister of Youth and Education, which he may wish to take as notice. Will he be in a position to discuss the final disposition of boundaries in the Interlake area generally during the course of his estimates?

MR. MILLER: We'll discuss it during estimates, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Assiniboia.

STATEMENT

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, I wonder if I can have leave to make a statement in respect to the Buffalo Barbeque? Manitoba Buffalo barbeque. Mr. Speaker, the 7th annual Manitoba Buffalo Barbeque will be held in St. James-Assiniboia on May 24th, on Monday. It will commence at 10:00 o'clock, rain or shine. The event will have a parade going through Portage Avenue, running some two miles and ending up at the barbeque site. There is to be a continuous free stage show starting at 1:00 p.m. I think there will be exciting rides and I hope that many members of the House will be able to participate.

This event commemorates the custom of the early Red River Settlers meeting together at the north bank of the Assiniboine River prior to setting out to the northwest to hunt the buffalo. The Manitoba Buffalo Barbeque is designed to capture some of the spirit of this historical custom. It will be operated this year by the Optimist Club of Assiniboia. All revenue from the event will be used to develop the Optimist Centennial Park in Assiniboia. This park is now under construction and previous funds from this event have gone to this park. It's a good park, so I hope that many members will be able to attend this event.

ORAL QUESTION PERIOD (Cont'd.)

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is to the First Minister. In view of the resignation of Mr. D.L. Campbell from the Hydro Board, may I ask whether the First Minister has discussed his resignation either with the chairman of the Board or the members of the Board?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, the resignation referred to was received late yesterday afternoon and I did not have opportunity to discuss it in any substance with anyone as yet.

MR. SPIVAK: Will it be the intention of the First Minister to meet with the members of the Board prior to the Public Utilities meeting on Tuesday?

MR. SCHREYER: Mr. Speaker, that's a matter of internal - it's an internal matter which I can decide upon in the next few hours.

MR. SPIVAK: In the absence of the First Minister, a question was taken as notice which I would like to direct to the First Minister. I wonder whether he can indicate whether in the past year he as the Minister who answers in the House, has met with the full members of the Hydro Board.

MR. SCHREYER: Mr. Speaker, that, too, is a matter that I certainly don't feel obliged to answer to but I will. I have met with several members of the Board; I believe every member of the Board except one, and on more than one occasion in some cases.

MR. SPIVAK: A supplementary question. Has the First Minister ever attended a full meeting of the Board at which the Agenda was followed in the normal course?

MR. SCHREYER: Mr. Speaker, it may be the Honourable Leader of the Opposition's preference to have met with the full board, in my own case I found it just as useful and helpful to meet with members of the board individually from time to time.

MR. SPIVAK: Prior to Mr. Campbell's resignation, were you made aware of the reasons why he was going to resign?

MR. SCHREYER: Mr. Speaker, again it's the kind of question which I don't think properly need be answered, but I will. I was aware for some time of Mr. Campbell's disagreement with certain of the assumptions of the majority of the board. I, however, did not know of his intent to resign until yesterday.

MR. SPIVAK: On the basis of that information did you not . . .

MR. SPEAKER: Order, please.

MR. SPIVAK: This is a supplementary on the last question, Mr. Speaker.

MR. SPEAKER: Order, please. The Honourable Leader of the Opposition is prefacing it with an argument. Would he like to rephrase it?

MR. SPIVAK: On the basis of the information that was received do you not feel it was necessary to meet with the board?

MR. SPEAKER: Order, please. I do not see that the feelings of anyone in this Chamber are a requisite to be answered as a question.

ORDERS OF THE DAY - BUDGET DEBATE

MR. SPEAKER: On the proposed motion of the Honourable Minister of Finance and the amendment thereto by the Honourable Leader of the Opposition, and the sub-amendment by the Honourable Member for Portage la Prairie. The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, in rising to speak to the proposed motion, following the Honourable Member from St. Vital, I found his speech rather unique and rather interesting yesterday for a new member of this Assembly. Historically new members coming into this Chamber have kept their remarks to sort of a non-political issue, quiet and brought the attention to the members of the House some of the interesting things about their constituency. But again, Mr. Speaker, the dogmas and traditions of the past were shot down the drain yesterday with the speech from the honourable member who gave us a typical NDP lesson in socialism and the way that it should operate under his guidance. No doubt, Mr. Speaker, we may be extending the honourable member some of the courtesy that he extended us and in the days ahead I'm sure that he'll be in the political arena much quicker than he anticipated. But I wish him well in his endeavours and even although, Mr. Speaker, the traditions and the dogmas again are shot down the drain, we will try and persevere to the best of our ability and live with the past.

Mr. Speaker, in speaking to this motion, and in reading the budget speech of the Honourable Minister of Finance, I found it a very difficult exercise; because basically the Minister in his remarks, in my opinion, is talking about Canada more than Manitoba. I seem to visualize he's anticipating elections in Saskatchewan. I anticipate he's possibly anticipating elections in Ontario and possibly ready for the national scene with some of the remarks that were in that great document. But this budget, which of course, Mr. Speaker, tells the story of the government's spending program, has a lot of points in that I support. There are many parts of it that I take issue with.

I fully anticipated that somewhere in that document we would get some evidence of some wealth form of reform of the welfare programs of our province, I think all members of the Assembly agree that this matter should be taken under consideration immediately and I don't think that the studies that the Honourable Minister has mentioned are going to help us that much. The program is up some \$33 million in spending and I think we should diagnose the program and immediately take some way of correcting some of the matters of spending and over-spending that seem to occur from that particular department.

I also notice, of course, that the budget is again, one of the largest - in fact the largest in the history of this province and I was amazed that I could find no evidence whatsoever of rural economic planning or programs that would try and shape the rural economy which is in such a bad state today.

I also thought that the honourable member in his speech would have given us some evidence of where we are going with regard to education. Are we planning to reform or examine the education costs of this province which is up some 19 million or are we just going to let it go? I find no evidence of that in the speech. So we can only assume, Mr. Speaker, that those costs are going to continue to rise unchecked; and that, of course, brings me back to the reason why I entered the debate today. Being a rural member and coming from an area where the economics and the economy builds around the agricultural philosophy, I would like to find some way that this government would explain to me what they mean in this supply-management program that they are advocating for, speaking for, federally and provincially, as being the answers to the problems of rural agriculture? In reading and in listening to the speeches, Mr. Speaker, of the honourable members, the NDP have for years been urging the formation of some form of supply-management - some public system of handling the agricultural primary products in the provinces of Canada. They consistently line up and advocate that their supply-management policy would end this speculation in the pricing of those farm products and help stabilize farm incomes; but they have never in my memory explained it to me what they mean, what are they talking about.

I find it very interesting, Mr. Speaker, to note as we debate the Budget of the Honourable Minister of Finance that Bill C-176, that Management-Supply Bill which is imposing government controlled marketing systems on the farmers of Canada, is also being debated in Ottawa. — (Interjection) When I'm finished, if the Honourable Minister doesn't mind. Anyway, the debate on that Bill C-176 has taken, I would say, Mr. Speaker, has taken the worst of all possible turns by creating a climate for a head-on confrontation between the east and west. We

(MR. MCKENZIE cont'd.) find cattle producers, we find hog producers, we find honey producers, we find many groups split wide open and pleading to be exempt from this Bill C-176. No doubt these farm commodity producers are alarmed and afraid that that Bill is an instrument by which the protectionists, should I say, will effectively block them out of their normal markets in Ontario and in Quebec, and by which type of legislation quotas will be imposed; and whether the bill passes or whether it's delayed or whether it's rejected or made more acceptable or what ever happens to it, Mr. Speaker, this Bill has sown more seeds of controversy, regional controversy, conflict and hard feelings between the east and west than any piece of legislation that I am aware of in the years that I have been studying debates in the House of Commons. I don't think, Mr. Speaker, that the eastern farmers want to impose themselves upon us in the west, but political leaders, political leaders are using the power base of eastern Canada in what seems to me as an awkward and rather clumsy manner to create this conflict between the two juries east and west.

This unfortunate piece of legislation, Mr. Speaker, this Bill C-176, I think is an object to us in this province and an object to the farmers of Canada, an object lesson in how to create disunity in a country such as ours. The other point, Bill C-176 has been very useful and has served a useful purpose because the outcry from this bill across this country has created some very interesting and unique forms on marketing. This is why I rise to my feet today. I want some of the Ministers, or some of the front bench of the NDP in the government of this province to explain to me where they stand on that Bill C-176. What do they mean about their type of marketing, what do you mean about the supply-management program that you're talking about that's going to help buoy up the economy of rural Manitoba? Farmers are now, I think, more able to recognize some of the problems of the market place, more than I think they have for many many years, and they're recognizing them in a way that might have been impossible had not this bill come on the dockets of the House of Commons.

What are some of the comments, Mr. Speaker, that we are receiving from the government of this province re Bill C-176? I read the comments on the weekend from Dr. Gordon McEachern, President of the Agricultural Economics Research Council of Canada; and it says here, Mr. Speaker, and I quote. He told the beef men at the annual convention of the Ontario Beef Improvement Association and I quote the Doctor's remarks. He says: "I don't see national marketing boards solving major problems. I hear people say that they accept national marketing boards in principle, but what principle. I can only see them stumbling into the unknown, isolating farmers from efficiency, delaying change and increasing the costs of production through quotas and rights to produce. We're asking for very serious problems if we implement national marketing schemes without far better understanding of the market place. On the strength of the present beef marketing system, it's the freedom it gives producers to react to single markets - single from the market," he said. "There's a daily plebiscite of what the buyers with the money think, and what the men with the cattle say. If this is replaced by centralized bureaucracy, there will be a tendency to under-estimate market demands. Repeatedly, beef consumption has increased faster than all the forecasts" said McEachern. He goes on to say there are imperfections in the so-called free market for beef but he views free market the same way Winston Churchill saw democracy - very imperfect but better than any system yet devised.

I quote from another gentleman, Dr. Gordon Burton, Past President of the Western Stock Growers Association, Mr. Speaker, who said: "The wide powers of the bill contravene the British North America Act", he said at an Ontario beef meeting. "Don't get excited about periodic cattle movements across the Canada-U.S. border. If there's a profitable market, we'll take advantage of it. Leave decisions to the market place, not a marketing board," He also asked if the restrictions could extend to the movement of people, if legal and permanent trade barriers are erected between provinces.

Mr. Speaker, that is the question that I would like to ask of the government: What form of supply-management are the NDP talking about in Ottawa and in Manitoba? Does this government support this Bill C-176 in its entirety or are there certain sections of it they would want deleted or changed? I challenge them in the next few days of this debate on the Budget to answer or try and answer some of the questions. And maybe, maybe, Mr. Speaker, the Honourable Member for Ste. Rose would be the only one over there that might have an answer. I would think he would be the only one that would have any knowledge of the farm problems in rural Manitoba today. And I ask the Honourable Member for Ste. Rose, what does the NDP

(MR. McKENZIE cont'd.) mean about orderly marketing? Orderly public marketing, I even saw it wrote that way. Will this government give this Legislature assurance that farmers will have a guarantee from the Ministers after Bill C-176 has been fully debated that they support it and follow its theme? I would like to know a lot of these answers in the course of the debate. Will Bill C-176 place the fate of our farmers into the hands of politicians -- politicians who respond to consumers and not the farmers, is that a possibility? I hope that Manitoba does well, that the Honourable Minister of Agriculture and the Attorney-General do well in the Supreme Court of Canada as the government attempts to get a ruling on whether or not restrictions of trade in poultry products are legal. I think it's going to provide a very interesting background for the future of marketing and then maybe through that exercise we'll find what is the NDP's policy on marketing.

I also find it very interesting to note in reading, Mr. Speaker, that this battle has even moved into the international scene, as the U.S. complained the other day that Canada had dumped subsidized turkeys - chickens I guess it was - at cut-rate prices into Japan, so unfairly, how can I say, took traditional markets away from the Americans. And apparently chickens, which were piled up in warehouses in Quebec were sold to Japan at cut-rate subsidized prices, which of course is contrary to some type of working agreement that Canada and the United States were trying to negotiate. It's interesting to note that the U.S.A. has complained at a time when the government there was trying to eliminate subsidies to the agricultural program. From the report "Foreign Agriculture", which is an American document, I understand that the government would pay, under tender, an export subsidy the difference between the price that they were purchased by Canada and the price that was received from the far eastern buyers.

Mr. Speaker, I support marketing boards, our party supports marketing boards. We support marketing boards that are elected by the producers, that are operated by the producers and run by the producers. Those type of marketing boards I think will benefit most of the farmers and the primary producers. With that type of a marketing board we could have a free flow of the consumer goods from products from the farms across provincial boundaries. But there are many varied and interesting opinions being expressed on this Bill C-176 when you talk about trade from one province to another.

I am also alarmed, Mr. Speaker, by the expressions of various commodity groups talking about this Bill C-176 and many of the opinions are expressed in the - it was I think the April issue of the Grain Growers Guide. The one other document that I had a chance to read was the Cattlemen's magazine where it stated "Bill C-176 will destroy our beef industry". The editorial stated that Quebec's political leaders definitely intend to control imports of beef into that province; and I quote from the April issue of the Cattlemen's magazine, "If Bill C-176 goes through with cattle, beef and veal included under its benevolent umbrella, Canadian cattlemen west of the Ottawa River will have lost Montreal as a free-price making market; a market which now takes 40 percent of the production of western Canada's feed lots and most of our cows." And said the editorial column in that magazine, "Oh yes, we'll still sell beef in Montreal, but how much and at what price will depend on that man with his hand on the tap." So, Mr. Speaker, if Bill C-176 passes the magazine goes on further to say that it will result in financial disaster for cattle producers and prove participatory democracy to be the greatest hoax that has ever been foisted upon us. Mr. Speaker, those are harsh words, those are very harsh words and I want the government, the NDP to give me some idea in this debate as to where they stand on this type of a totalitarian socialistic policy for agriculture which has been described by many.

So, with those few remarks, I congratulate the First Minister for his Budget and the way it was presented, lengthy, well-phrased interesting reading, but it leaves a lot of questions unanswered by members on this side.

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Education) (La du Bonnet): I wonder if the honourable member would submit to a question? In his remarks, Mr. Speaker, he mentioned about the Government of Manitoba suggesting that there ought to be some public plan towards controlling production in marketing, and I'm wondering whether he can indicate to me specifically when that was promoted or when we announced that kind of a policy.

MR. McKENZIE: Would the Honourable Minister rephrase his question. I just don't understand what . . .

MR. USKIW: . . . member point out to me when this government or this party ever announced a policy which would suggest a public program for the control of production in marketing of agricultural products.

MR. MCKENZIE: Well, as I understand it correctly, the Minister and others have announced support for Bill C-176. -- (Interjection) -- Oh they haven't? Well I get the Honourable Minister wrong. I understand at the policy convention which was recently held in Ottawa the NDP came out in full support of Bill C-176.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. USKIW: Does the member not agree though that marketing legislation, enabling legislation does not mean that the public will be involved in the marketing and controlling of production but that it only means . . .

MR. SPEAKER: Order, please. The Honourable Minister is debating the point. The Honourable Member for Crescentwood.

MR. CY GONICK (Crescentwood): Mr. Speaker, I've made it a habit to join in the Budget debate and I will do so at this time. It's always a pleasure to follow the Member for Roblin, but I notice that his major criticism of the Budget was that it - and I think he was right - is that it spent so much time on National kind of economic issues and I notice that he himself spent better than nine-tenths of his time talking about a piece of legislation at the federal level.

I note that the budgetary debate is a time at which the government and the Legislature in a way takes stock of the health of the provincial economy. It allows the government to describe the way in which it is providing for the well-being of Manitoba and it allows the Opposition an opportunity to question the extent to which the government is providing for the well-beings of Manitobans. It also allows the government to - in fact it requires the government to announce its future programs and how these are going to be financed and in most respects the Budget did these things or tried to do these things. Of course, the well-beings of Manitobans, as every one knows, is not simply the responsibility of the provincial government but also the federal government, and as every one knows as well, we are in the midst of a national economic recession which is solely the responsibility of the federal government. The members opposite have themselves been critical of the federal government, at least the members of the Progressive Conservative caucus have been critical of the federal government's economic policies with regard to recession and have advocated many kinds of solutions. But I noticed about twelve to eighteen months ago that the Conservative Party at the national level and also I think provincial spokesmen, were suggesting to the federal government that the major problem was one of inflation and that what the federal government should be doing is holding the reins on government spending, of certainly not reducing taxes, of maintaining the hold on the supply of money; of, in other words, conducting an anti-inflationary policy. And lo and behold the federal government did just that. It raised the interest rates, it restrained the supply of money, it restrained its own economic spending to the extent that it could. It held the line on taxation and the result was, as one could predict, and that is a planned economic recession. And now we find that the Conservative Party in Ottawa and here becomes a major critic of the federal government for doing that which they themselves suggested that they do. And what we have now, of course, is simply a new kind of economic cycle of inflation and unemployment and inflation and unemployment and I suspect that it wouldn't matter whether the Conservative Government would be in power in Ottawa or the Liberal Government, that that kind of economic cycle would be foisted upon the Canadian people, that kind of economic cycle is inherent in our economic system and it doesn't matter whether it's Mr. Stanfield in office or Mr. Trudeau, that would be the result. -- (Interjection) -- Possibly, possibly Mr. Lewis as well. It requires, I suspect, a government which would in fact end the anarchy of the profit system and replace it with national economic planning to avoid both inflation and unemployment.

Well if that is the economic environment under which we are operating today, what it calls for of course is a provincial budget in which spending is accelerated, in which there would be no tax increases and this is the kind of budget which the government has brought down. One could argue with the extent to which it accelerated its spending but nevertheless the government budget it seems to me was expansionary and in the right direction.

However, as I look at the tables at the back of the budgetary pamphlet which was distributed to members, there are some statistics which cause me some concern. 1970 was not a good year; 1971 will be a worse year for Manitoba. According to the tables on new capital investment there was no new additional capital investment in the private sector in 1970, and

(MR. GONICK cont'd.) this is the first time this has occurred since 1961; between 1961 and 1970 there had always been additions to private investment and the private sector except for 1970. Now this to a very large degree reflects the national economic recession which all provinces are suffering from. Nevertheless, the provincial government, this one and all others, must face the fact that for many years, probably until 1974-1975 perhaps, all provinces will be facing a heavy dose of unemployment. The Chairman of the Economic Council of Canada has said that it will not be until 1974 or 1975 that unemployment rates come down to "normal levels"; so that it would seem to me that this government should be developing an economic strategy which would take account of this prediction of the predicament that the province will be facing over the next half decade, which is one of serious economic difficulties and high amounts of unemployment.

One way of facing that problem is to simply continue with its public works program. This provides substantial jobs for Manitobans and there is much public work to be done, and with the interest rates declining as they will continue to decline I'm sure, this kind of a solution becomes more and more efficient or at least cheap to operate. However, undoubtedly there will be pressures upon this government to provide some kind of stimulation for the private sector; in fact we've had suggestions from the Opposition that the government provide tax incentives, various kinds of giveaways to encourage private investment in Manitoba, and certainly other provinces will be establishing new kinds of programs of tax concessions and grants to private investors to encourage them to invest in their provinces.

Now what will this government's response be to this kind of a challenge? The budget of course doesn't discuss that, but I do note from my own observations that so far this government has not succumbed to that kind of pressure. We know, at least I've always maintained that we operate already a welfare agency for business in the form of the Department of Industry and Commerce; but I note also that it has not, at least to my knowledge, increased its operations in recent years. And also that the Manitoba Development Corporation has I understand changed its policies from one of allowing large loans to national and international corporations and rather shifting its loans to small local enterprise which I think is a laudatory move. However, having refused or refusing to enter the competitive race with other provinces in giveaways and tax concessions and being reluctant to lend large amounts of money to large international or national corporations, the question remains, where will the large industrial projects come from in Manitoba, particularly in view of the problems which we will face in the next half decade with regard to the generation of permanent jobs in Manitoba. In other words, what is the government's economic strategy for the years ahead? This subject was not broached in the budget speech. At least I couldn't discover it there and it seems to me that judging from that speech that the government has yet to develop a long-term strategy other than to suggest that it supports the mixed economy; but of course all economies around the world are mixed. There is no unmixed economy; all economies are to some degree privately owned and publicly owned, therefore that doesn't tell us very much about the government's economic strategy.

There's another table at the back of the book which is interesting and worth noting. It indicates that in 1970 manufacturing production increased almost not at all. Again, probably not dissimilar to other provinces across the country. However, there was a sizeable growth in primary resources in 1970, almost a ten percent increase mostly in mining, and I wonder if it is the government's intention to encourage this kind of a structure in Manitoba, that is more and more emphasis on primary resources relative to manufacturing, because that is definitely the drift towards which the Manitoba economy is moving. If you trace the development since 1960 you find that the primary resources sector increased by almost 90 percent in its production, whereas manufacturing increased only by 70 percent. So that is the pattern of the future it seems unless the government has intentions to redirect the economy toward a different kind of a structure.

The government of course could, the provincial government could make use of various techniques to attempt to shift the balance toward manufacturing and away from resources. There is no indication that it has done so as yet or has intentions of doing so. For example, one notable absence in the budget was any mention of increasing royalty taxes on mining companies. This is not being done this year and this would be an effort to try to shape the economic structure of Manitoba in a different way; this despite the fact that according to Eric Kierans in his recent remarks the mining companies in Canada because of the tax concessions that are offered to them by the national government, pay \$300 million, \$300 million less in

(MR. GONICK cont'd.) taxes than they otherwise would if they were taxed like all other companies are taxed.

In the 1960's the Carter Report said that the mining companies had paid \$150 million less than they otherwise would had they been taxed like other companies, but since then as a result of new concessions added by the government and as a result of the growth of the industry, 300 millions of dollars are lost to the Canadian people because of the tax concessions on mining; and the Manitoba government it seems by its reluctance to raise royalty taxes seems to be working in the same direction, and that is encouraging mining and resources industries as against manufacturing.

We note, too, as we heard this morning in the Public Utilities Committee, that the price of Hydro electric power for major commercial companies like Sherritt-Gordon and International Nickel is set so that this power is sold to them at cost, that the province takes no return at all on the sale of its power to these companies; which is another way of subsidizing this kind of industry. The reason why this seems to me to be a problem is because the primary resource industries are notorious for being low employers of labour relative to manufacturing. They do not provide the same kinds of opportunities for employment as does manufacturing. For every \$100,000 of sales in manufacturing some five jobs are created, whereas in mining only two jobs are created. So that if this is the direction towards which our economy is moving - more and more into resources, less and less relatively in manufacturing, we are going to have, I suggest, even a more difficult time in providing permanent jobs for our people; and therefore I would have hoped to have seen some discussion of this in the budget and some indication as to what the government's intentions are with regard to trying to redirect the drift of the province toward primary resources.

As I mentioned in my opening remarks, the Budget Address is the proper time for us to consider how successful the government has been in achieving its objectives. Now this government has laudatory objectives - of course all governments have laudatory objectives; they may couch them in different terms; this government couches them in terms of equality of the human conditions. The question is, however, to what extent government has been successful in achieving its own objectives; and in order to be able to know the extent to which the government has been able to achieve its own objectives what I think is required is some discussion, quantification, explicit discussion of the priorities of a government, quantified in terms of targets, so many that we require in the next year or the next two years, the next five years or what have you, so many public housing units, so many summer camp facilities for children, so much more free medical care or dental care for our people, so much more public swimming pools for our population - whatever the objectives of the government are they should be specified, quantified and targeted for specific periods and resources and allocated to meet these objectives, so that the government itself and the people of Manitoba can know exactly the extent to which the government has been able to achieve its own objectives.

This budget doesn't do that. I think it's the government's intention some day to provide that kind of information and I hope that this is the last budget that we will face which does not include that kind of specific, concrete data which will allow the people of Manitoba to know, not just in terms of vague generalizations or vague promises, but the results of the government's attempt to achieve its own laudatory objectives.

Finally, Mr. Speaker, I want to speak about one particular aspect of the government's program and that is with regard to agriculture. I made a go of it some weeks back and I want to take another crack at agriculture because I believe that what is happening to our farmers is a national disaster and what is required from this government, as all other governments, is a response which is appropriate to the difficulty and the crisis that is occurring in our rural areas.

Since 1945 agricultural production has risen by 50 percent, but only half the number of farmers are in existence today as compared to 1945; 1,200 farmers leave the land every year. And of course what we are losing is not food because that's increasing; what we're losing is a whole culture, a whole way of life, whole communities. In a way it reminds me of the Indians 100 years ago, 200 years ago, who they sort of got in the way and they had to be removed and sent off somewhere because they were no longer necessary and they were an obstacle to others. In a way I think that's what's happening to our farmers, they've been shunted aside; in this case not into special reserves set up for them but into urban reserves left to vie for themselves.

(MR. GONICK cont'd.)

Now the difference between the federal government program and what I think is the provincial government's program, this provincial government's program, is as follows. I think the federal government, judging from its Task Force report, wants to accelerate this process, to accelerate the process by which people leave rural districts and move into the cities; whereas the provincial government I think wants to halt this - not halt this process but slow it down - and what I wanted to say precisely is that neither the federal government in Ottawa or this provincial government, if you look at the programs that they have provided, they advocate that they are introducing, will really do anything to halt the drift of agriculture into a kind of disintegration, depopulation. And I think that's too bad, because I think we have historical opportunity in this province to make some kind of beginning toward the solution to this problem. It seems to me to be very predictable, if we simply follow the movement in the past into the next twenty or thirty years, it seems to me very predictable that there will be continuous movement out of the rural areas, that our farmers will be deprived of their livelihood in farming, that there will be further and further concentration in agriculture, that the large conglomerate will swallow up our family farm; I think all of us know that that's happening and that's going to continue to happen. I think there are solutions which will make it possible for the farm population to still be around fifty years from now in farming, providing alternative solutions are provided, but I don't see them being provided or even discussed in this House or any other Legislature across the country.

According to the Federal Task Force report, 65 percent of all farms earn less than \$3,800 a year. On the other hand, at the top of the farm pyramid, less than 5 percent of the farms account for some 30 percent of sales, and at the very top of the food industry are the large conglomerates - whether they be based on Wall Street or James Street is of no particular importance. They insure that they will maximize their profits without competition at any level in the agricultural economy. Typical I think is the Westons Company. It's holdings include McCormicks, Neilsons, Weston Bakeries, Dominion Foods, Loblaws, Weston Grocery, Shop-Easy Stores and many, many more. If you add them all up, as somebody has done I've noted, they total to 2,300 supermarkets across the country, 3,500 affiliated stores, 164 food processing factories, 156 bakeries and 94 flour mills.

The profits of Westons and Ogilvies and the other conglomerates in the food industry are, of course, drawn from the productive efforts of our farmers in the rural communities and then they are accumulated and distributed and spent in the large urban metropolises of Toronto, Montreal, New York, etc; so that what the rural hinterland regions are losing is not only people but also money. There is a drain of people and money from the rural hinterland regions into the national international metropolises around the world.

A few years back the Prairie Economic Council commissioned a study on the competition in the food distribution industry. It found that the monopoly in the food chain industry produced some interesting peculiar results. One of them was that there is twice as many chain stores on the prairies than are necessary to service the population, resulting in increased costs, which of course are passed on to the consumer. I don't recall offhand exactly what the increased costs were per dollar, but I believe they were seven cents per dollar to be explained by the excess services that are built up because of the kind of structure that exists in the food chain industry.

The study also found that in provinces like Saskatchewan and Manitoba the chain stores, which in this case are led by Safeway, make profits which are about 40 percent, 40 percent above the Canadian average, and two and three times the profits that are earned in chain stores in the United States. That's another aspect of the food conglomerate industry, which explains I think why again the prices of food are rising but the farmer gets so small a benefit out of it.

Just a few days ago another example was offered, namely the Royal Commission on Farm Machinery made its final report and it simply confirmed what it had indicated a few years back, namely that the prices of farm machinery, tractors and other farm machinery are set by two United States companies that operate as a cartel in fixing prices and allocating markets for each other; and if you take all of this into account, it seems to me that the results are very predictable and I want to just list the results as I see them taking place in agriculture today - and this will, I think, accelerate in the next decade or so. -- (Interjection) -- The motor-cycle industry is an interesting industry and it provides very convenient services for some of

(MR. GONICK cont'd.) us who can't afford two cars.

The predictions which I think are very obvious if one simply brings together all the facts with regard to the food industry, are as follows:

1. Continuing instability in international wheat marketing due to Canadian pricing and trade policies and the increase of production in other countries. This will result in greater dependence on domestic markets for sale of feed grain, oil seed crops and other diversified crops.

Secondly, lower prices on surplus grain being sold as feed grain due to open market competition I believe brought about by a policy change introduced by the Diefenbaker government in Ottawa which reduced the jurisdiction of the Wheat Board.

Third. Concentration of livestock and poultry production in large commercial factories established by food conglomerates who take advantage of cheap grain and absorb the profit margin which now goes to private producers. Such livestock plants will now be located across the country, around major urban centres.

Fourth prediction. Cost price overlap for grain producers who must attempt to grow grain for marketing at prices which are below normal production costs. This will eliminate first those farmers who have low producing land in low rainfall, high risk areas.

The fifth prediction. Cost price overlap for cattle and hog producers who attempt to grow their own feed and compete with conglomerates which have an abundance of cheap feed and the economics of large scale production. Cattle and hog producers will continue to be faced with accelerating costs and unstable or decreasing market prices.

Six. Wide scale depopulation of marginal farming areas, especially small and middle sized farmers, private cattle producers and large farmers who have depended entirely on spring wheat production. This will reduce the number of farms by half in 1980, I think that's a prediction in the Task Force Report, and cut rural population by another 150,000.

Seven. Depopulation of employable, non-farm rural population, small businessmen, teachers, mechanics, and so forth, leaving agricultural trade centres deserted or populated by retiring farm poor. Also related to this a deterioration in the quality and availability of community services such as hospitals, schools and so forth.

Eight. Large scale land purchases by corporate owners in areas which have a high productivity for grain or areas surrounding urban markets for use as commercial feed lots.

Nine. An increase in the non-agricultural labour force in the prairie provinces of 10 to 15 percent at a time of general unemployment.

And finally Ten. A wide scale movement of people out of hinterland regions into the urban centres such as Vancouver and Toronto, and to some degree Winnipeg, attempting to find employment in the industrial sector.

This is a kind of upheaval, I suggest, a social and economic upheaval the likes of which our country has not seen since the opening of the west, and somehow it seems to me governments have to come to grips with this either to accelerate it and rationalize it as the federal government is trying to do through its efforts, or to bring it to a halt as I think we should do, this government, this party, at least to make efforts to bring this whole development to a halt.

This social and economic upheaval will change the history and landscape of the west; gone will be the rural communities who focus on the family farm and involve the network of social ties and religious service and political organizations. Instead we'll have large automated farm units which will be computer programmed by a manager and one or two employees, the massive tractor-truck arsenal that will supervise cereal crop production of 8, 10 or 12,000 acres of flat wheatland. Living in trailer units during the growing season they will depend on a commuter existence to the nearest urban centre where they will maintain their families in comfort. Rural schools and hospitals will be closed, made necessary by the reduced population and the high tax burden.

Well it seems to me that if you gather together all the facts which are available to us with regard to what is happening in rural Canada, rural Manitoba, that these predictions are perfectly reasonable, and either you come to grips with them and try to create a situation 30, 40, 50 years from now in which the new emerging agriculture will have a place for our farm population; or you throw the hat in like the federal government has and try to rationalize and accelerate the program to bring about as smoothly as possible.

I suggest that any in between measures like the ones that have been suggested - for example, the American price support program, you know which is supposed to help the family

(MR. GONICK cont'd.) farm - is just to fool the farmer. For example, in the United States with their parity price support program, between 1947 and 1964 the farm population fell off from 28.5 million people to 13.3 million people and by 1964 4 percent of the farms were producing 40 percent of all the sales. That is after decades of a price support program which some people are advocating for Canada as a solution to the same problem which exists in the United States, which has obviously failed in the United States and would undoubtedly fail in this country.

These kinds of simplistic reforms I think are to be avoided by this government and to be rejected by the farm population. Instead of advocating these kind of reforms, it seems to me this government, its agricultural reps, should instead be advocating the kind of radical solutions which will make possible the survival of the family farm. I think the family farm can survive and I think we can create solutions to make that possible, but I don't see those solutions being discussed in this House. I don't see those solutions coming out of the agricultural committee's report. I don't see those solutions being discussed anywhere in this government and I think it's an historical opportunity which we are missing if we don't begin to think seriously about the possibilities. I have indicated some solutions which are available in my previous speech on agriculture; I will certainly take opportunities to do so again at a later time.

MR. SPEAKER: Order, please. The Honourable Member has five minutes.

MR. GONICK: All I would say in conclusion, Mr. Speaker, is that it seems to me that this economy is facing a number of difficulties. Rural disintegration is one. I spent sometime discussing it. Another I think is the new direction that the province is taking towards primary resources in the mining sector which I suggest is not the most efficient way of providing permanent jobs for our people, because what happens in mining, of course, is that our resources are stripped, they are shipped out mostly to the United States and to Japan. There they are processed, there the jobs are created, ten jobs for every one job that's created in Manitoba, then the processed goods are shipped back into Canada at prices which are far exaggerated from the ones which we were able to earn in shipping out the raw materials. I suggest that that is no solution for our economy and I would have hoped that the provincial government would in the tools that are available to it, do something more energetic, do something more substantial in creating a more viable kind of an economic structure for our population.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. ENNS: Mr. Speaker, the Honourable Member for Crescentwood has forecasted the demise of the representatives of rural living in Canada as we presently know it under the present policies of the program, so in connection with the advice already received when I rose "keep it clean" let me simply treat you or subject you, Mr. Speaker, to the ramblings of a farmer on this occasion - a soon to be extinct rural representative of this Legislature - to respond to this particular Throne Speech. I haven't prepared myself in any great way. However, it's always difficult to resist not rising after the Honourable Member for Crescentwood, because in the first instance, there is always something to be learned when he rises. The lesson perhaps most important today in his contribution was his demonstration of a technique with which I of course am very familiar with but nonetheless should be pointed out as often as possible to those uninitiated. I really call it a lesson of maintaining what they would like to call intellectual honesty, at the same time being able to bring across a perverted and distorted point of view.

I refer to the little example that he gave us in his speech about the subsidization that commercial interests were receiving from the Manitoba Hydro. Well many of us were all present at the Public Utilities Hydro meeting this morning. The question was asked of the chairman of the Manitoba Hydro and I think the answer was clearly understood by all that in fact Hydro did live up to its Act and sell at cost, or as close to cost as possible, and that the reason why commercial firms in Manitoba who are taking large blocks of power can get it cheaper is because the cost is cheaper, they can take it off the heavy lines without the further transformation and the distribution lines, and distribution that the individual homeowner for instance gets it. So that in carrying out the policy by providing a cheaper price to commercial who buy it in large blocks and at the same time having the individual have to pay a little bit more, both are being treated equal. And the member knows that but that would not bring across the point of view that he wanted to leave with us this afternoon. The point that he made was that all business is being subsidized, all business is on welfare, and that was the point

(MR. ENNS cont'd.) that he wanted to make this afternoon. So I just at the outset of my few remarks indicate to you this is the clever way in which persons so often use this little technique of staying well within one-half side of the truth and not saying anything untruthful - simply not saying it at all.

Much more interesting, of course, was his revelation earlier on in his comments - and this I think is rather important, Mr. Speaker, because I do believe that he is still associated with the very important function of this government, the planning and priorities committee, which is a sub-committee of cabinet, it consisted of half the cabinet at the time we were around, I don't know how it is presently structured. But you will recall sometime ago we had a debate and I believe the Honourable House Leader entered into the debate to some extent when we were talking about whether or not this government had an economic plan. Of course the usual retort is, well do we still believe in TED or ED or who, but the fact of the matter is, it came through loud and clear from this side that we question, as our right in opposition, whether or not you had an economic plan and the refutation came from that side that indeed you had. But the Chairman of the Economic Planning and Priority Committee just twenty minutes ago in this Chamber said, we have no economic plan in Manitoba. -- (Interjection) -- Okay, well he's not . . . then we're arguing about the semantics of who's chairman or not, that's fine, I accept that. But I would assume, I would assume that - well you know, perhaps the Member for St. Boniface isn't attending caucuses all that regularly as yet - I would assume that the Honourable Member from Crescentwood has access to the caucus from time to time, has access to what is the thinking of the government, even though his line of thinking may be out of step from time to time as is in many cases members on this side; but when a member from that side, not in a moment of passion or heat of a debate, but in a cool, calm collected manner says that this government has no economic plan - you know, the difficulty, Mr. Speaker, and the area that we've been failing most in Opposition is that we've allowed those people on the other side to make outrageous statements from time to time and we don't take the time, simply because we believe there are better things to debate and to debate on principles and issues of things, we don't take the time to nitpick at the nonsense that comes forth from different mouths on that side, which while I term as being nonsense, at the same time when you start to add it up begins to come through, in fact you know, as a truism, as a truism, as a truism -- (Interjection) -- that's right, after all, the Minister of Transportation says he's not going to discriminate against me, and the Member from Rhineland and La Verendrye any more, so I should in that sense consider it a red letter day - no pardon me, a blue letter day for those of us who belong to depressed minority groups and does not engage in any rancorous debate.

Now he says they have no economic plans. Now I want to tell the Honourable Member from Crescentwood about the position that the Conservative caucus party and myself take at this particular time with respect to the matter of agriculture. We've spoken about this before and we'll speak about it again and it is very fundamental. I want to also tell him that we have absolutely no support for our position, not from the National Farmers Union, not from the Canadian Federation of Agriculture, not from the Canadian Federation of Agriculture, not from a single provincial government, not from the federal government, and so in this instance, you know, he who likes to speak from lonely corners every once in a while as being a voice in the wilderness, let me assure you that in this particular instance, although it's changing, those of us who have a deep and abiding concern about the future and the direction of rural life and agriculture are prepared to take those kind of steps and actions that have to be done.

Let's simply talk for a moment and deal with his solution. I agree with him that the Federal Government's current policy, in fact there was a very clear indication from the Federal Government that their program of adjustment, of allowing farmers to retire with dignity and so forth, are indeed aimed at rationalizing this situation and in getting rid of the argument seems to be two or three out of every five farmers that we presently have. But what is the honourable member's answer or proposal opposite. First of all, he didn't give me one, but the current government's position seems to be, well, let's freeze it; let's freeze it by placing restrictions upon restrictions, controls on top of controls -- (Interjection) -- on everybody, on all producers; let's establish who can produce hogs and who can't and nobody else can get in; let's establish who can produce chickens and who can't. Let's establish these various boards, lock them in into a national setup . . . -- (Interjection) -- Certainly.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Can the honourable member advise whether or not any producer

(MR. SCHREYER cont'd.) marketing boards or even Crown operated marketing boards were established during the administration of previous governments?

MR. ENNS: Yes, Mr. First Minister, I'm pleased to answer that question. We established, I believe, three or four under our administration, some with varying degrees of compulsion. I would have to give my Honourable First Minister the honest answer and say that in hindsight I have grave doubts as to the judgment shown at that particular time. I don't suggest that we could do anything else. Legislation, specific legislation, was on the books and it was responding, as I think government should, to the citizen's right to avail himself to specific and certain legislation, and I'm not suggesting that that necessarily is bad. All I am suggesting, that most thinking people, having viewed the kind of, you know, hot pants at a fire situation that we're getting ourselves into as we get further and further embroiled in supply-management programs, have every reason to begin to doubt as to the course we're on - have every reason to begin to doubt the course that we're on. And the First Minister raised the question - you know, the funny thing was and I can recall very well, particularly with the chicken people and the broiler people, that "if only we had a Producers Marketing Board we would solve all our problems." Well, they got the Producers Marketing Board; we granted them the Producers Marketing Board under the legislation that we had, enabling legislation that was present. Are they out of their troubles? No, they're not, so now they're saying, "if only we had a National Board and we can control national situations, then we'll be out of trouble," and they'll get that national board and will they be out of trouble? No they will not, because then they'll say "we need an international board," because the truth of the matter is what is contained in the present situation, and what the Minister of Finance has failed to realize, is that he wants to ensure that 80 percent of the chickens that we eat in this province will be grown in California; that 80 percent of the beef and turkeys that we eat in this province are going to be grown and . . . in the USA. Or are we going to reverse, are we going to reverse the Kennedy Rounds of free trade within our borders? Are we going to -- that same resource industry, the direction of mines, the pulp and so forth that we want to traverse the world in free trade, are we going to close down the borders?

This is, you know, to a reasonable lay mind, I find so astonishing from what I would consider to be a somewhat sophisticated economic thinker such as the Member of Crescentwood, who continually acts and talks as though he exists in a vacuum. He talks about the tragedy of using up our natural resources in the manner and the way we are, and the fact that the further processing is done in other countries where the ratio, the job transmission is 10 to one. I agree with that, but then he blindly disregards the necessity of maintaining a competitive position in this province for industry, for manufacturing. He completely disregards this, and I agree with him wholeheartedly that every ton of ore, every bit of natural resources that we have should, in all cases, and every attempt should be made to process it to its ultimate form if possible, but to do that means that we have to maintain in our lexicon the word "compete" and to be competitive. We don't have to get to sophisticated natural resources like nickel or other rare metals. Let's just plain talk about the chickens, and of our farmers and the eggs, and it doesn't really matter, unfortunately, whether we want to take a short term view of our situation and build a protective tariff barrier around our chicken growers and egg producers, take away all necessity and initiative for them to continue to improve their product, to continue to improve the efficiency of their product, I suggest to you that the kind of freight pressures that we are under, and the kind of consumer pressures that we would be under, it would only be a matter of time if, in the ensuing five or ten years, that chicken, that egg could be had for half the price from across the line, that that situation eventually would come and happen and they would be here and would wipe out our industry at that time.

Now, what is better? Or do we have to accept that pessimistic, defeatist attitude from the word go that our producers are incapable of competing? -- (Interjection) -- No, I'm just simply saying the absence, the total reliance, the total reliance on board controlled production, quota imposed production, tariff imposed protections, takes away from the very necessary element that in any long term planner's point of view are the very essential ingredients that would keep our agriculture industry alive in western Canada. What kind of support, what kind of outright help, what kind of assistance should in fact be devised? That's another question entirely. My quarrel with the proponents of marketing, as it seems to be going in the present direction, is that they do not take into sufficient consideration those very important elements in agriculture that make it such a dramatic and changing world to be in. In other words, it's -

(MR. ENNS cont'd) you know, it's just fantastic what happens in five years in agriculture. An animal -- it used to take four pounds to produce a pound of poultry meat, now it takes two pounds. That's quite a difference, and if you have the capacity to do it, if you're growing the wrong kind of birds, you're not in the business.

And while the honourable member expressed a concern and the Honourable Minister of Finance expressed his disdain for the apparent waste in his mind for our conglomerations of super markets and in our manner and way in which we market our consumer goods, again we avoid the obvious thing is that for some reason - you know, I can accept the fact at first glance that often there has to be some inefficiency in our system. I can accept the fact that there has to be an over-building of plants when I walk into a shopping centre and I see a massive Safeway on one side or a Loblaw on one side and a Dominion on the other side. I see 500 feet of deep freeze space on this side, another 500 feet of deep freeze space on the other side; I'm not blind, the thought doesn't escape me that, you know, is this really the most efficient use of our resources? But the fact of the matter is, Mr. Speaker, that in most of the world the people spend 100 percent of their time and their effort and their income to feed themselves; in the better part of the world, Japan, other places, they spend 45, 35, 45 percent of their income to feed themselves; in western Europe, in most western Europe places, it's 32 to 35 percent of their total income to feed themselves; in Canada it's 20 percent, and in the USA it's 18 percent. So in terms of while we can take objection to the fact that we are bombarded with supermarket advertising and that your wife comes home with what you hope to be groceries and find out it contains more tissues and more what I call garbage other than non-edible groceries which is what I expect her to come home with from a grocery store and which adds up to our amount of consumer spending; but the hard-nosed fact that no matter what facts the Honourable Member from Crescentwood wants to recite about Mr. Weston or anybody else, and if he wants to put the finger on Mr. Weston, the thanks has to be put to them, men like that, that have provided food at the price that they have provided for the vast majority of Canadians and Americans living in this country - far cheaper than anywhere else in the world and far better quality -- (Interjection) -- I don't know, I don't say, but I'm not suggesting that for a moment. -- (Interjection) -- Well, I certainly accept that correction, the productivity of American agriculture, of Canadian agriculture, plus the ingenuity of Canadian merchandisers that have made it, but the point that was being raised by the Honourable Minister of Crescentwood was the tremendous price we were paying by allowing the market place to function as it presently is functioning; and again I have to suggest to you, Mr. Speaker, that without going into the argument as to whether there is waste, whether there is inefficiency, whether there is profiteering, the fact of the matter that remains is that we enjoy food, basic necessities of life, at costs relative to our total income, that are second to none in the world.

Mr. Chairman, I said earlier perhaps the reason that I chose to speak after the Member from Crescentwood more so than for any other reason was his simple and forthright statement that that government had no economic plan, and I think, Mr. Chairman, again in referring to some of his own parts of his speech where he indicated, as we already know from the Minister of Finance, that '70 - 71 there's no new private capital investment in this province. He foresees, as we foresee, little or no improvement in this situation in the next few years, so we come back, we come back again to the question of where is their economic plan?

MR. SCHREYER: Would the honourable member submit to a question?

MR. ENNS: Yes.

MR. SCHREYER: In all of the reference to economic planning and economic plans and planned economies, would the honourable member indicate whether the Conservative Party has come to the position now where it does favour a planned economy as opposed to economic planning, which I understand they accepted a few years ago?

MR. ENNS: If inherent in the words "planned economy" the words "supply-management" are part of it, I reject that. If you want the opinion of the leader, you'll have to ask him. Mr. Chairman, the question, or the matter that I was about to dwell a few more moments on was on the matter of economic planning before the First Minister asked a question, and I want to indicate to you and suggest to you, again by way of example, a difference of the kind of economic planning that this province was involved in, you could have expected to continue, and without adding on to it in any flowery language the results that would ensue from it and what we're facing now. And I refer very specifically, because it happens to be current and apropos to our morning's meeting, the question of hydro development in this province.

I have the feeling, Mr. Speaker, that we will be hearing and talking a bit more than

(MR. ENNS cont'd) perhaps we had expected initially in this session about hydro and development, but without pursuing it at any great length, the administration that this government replaced had a very definite view, a definite program with respect to economic planning, economic expansion and economic programming that had at its base or at its core the utilization of perhaps our greatest resource - a renewable resource by the way - hydro. And we had every reason to believe as Manitobans that in our pursuit in developing this resource, that we would do so with a zeal and with an enthusiasm that would indeed enable even this government to pay for some of the bills they're running up. Even this government could pay for some of the bills they're running up. And I would suggest that, Mr. Speaker, right about now they're beginning to feel pretty sorry about some of the decisions that they made, not so much about the rightness or wrongness of them, simply because of the fact that it could have brought in more cash, more income, more revenue in this province.

Mr. Chairman, when we heard this morning of the dramatic rise, increase in the export sale of power south of the border - 1969, barely \$100,000 or \$115,000 worth; the next year \$5 million worth, and the question of course that had to be asked is how many millions of dollars worth could have been sold the last two years had full and unhindered development of the Nelson River Project been proceeded with. Well, Mr. Speaker, the First Minister is going to have an opportunity to debate that, and I may be jumping the gun by a year or two but that's not the point. The First Minister knows full well what I speak of. We gave away any further consideration to the development of power, the signs of the Winnipeg River which has fed this whole province for the first hundred years. I refer specifically to the four plants that would have developed on the birth of that diversion. In view of the mounting testimony that this kind of resource is going to be worth seven, eight, ten, fifteen cents per kilowatt, we've had in demonstration that through the export sale of power, which is insignificant up to now, even by your own admission, Sir, what kind of a stabilizing effect it has had on our hydro rates, I'm sure all Manitobans, all Manitobans are happy that Manitoba Hydro did not in fact increase their rates last year. And we are advised by Public Utilities Commission that they might or should do so.

-- (Interjection) -- Well, we have our problems, the Leader and Deputy Leader here. This is one of them. I'm sure that most Manitobans are genuinely thankful and happy that at least in this particular area -- and it is a utility, it is a necessity; it's a bill that comes with regularity. You know, I'm surprised that you haven't made that speech as often as you do about the reduction of the Medicare, because it becomes just about as important in the sense that it comes to every householder, the Utility Bill. And we haven't had an increase and, Mr. Speaker, we don't need to see an increase for the next ten, fifteen, twenty years to the year 2000, if we were prepared and if we had the courage and the determination to use that resource -- (Interjection) -- Certainly.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I apologize to my honourable friend for asking too many questions. This is my last question - it relates to the honourable member's point about the potential of generating capacity that could be developed in the Burntwood. The honourable member having made a point of it, would he care to give an estimate as to what the total generating capacity of the Burntwood would be if all of the hydro sites were developed in fact, and subtract from that total the amount of generating capacity that can be developed on the Upper Nelson, and then give us the net figure as to the difference, the one over the other.

MR. ENNS: well, of course, hopeful that we will be having an opportunity as it was always my occasion to do so, to provide not only the executive chairman of the Board of Hydro, but all the officials of Hydro, the engineers and the other persons directly involved in Hydro planning at the future Public Utilities meetings or other public meetings where we can discuss these various kinds of details. My information - and I never for a moment would attempt to dot i's and cross t's - but in general terms, with the diversion of Churchill waters into the Nelson and with the diversion at the level that would make the feasibility of what I was given to understand at least four sites for power production along with the diversion route alone, is in no way - after all, the water passes through - in no way interferes or subtracts from that use of the water the second time or the third time or the fourth time of plants to be built in the upper regions of the Nelson. That is the duty and that is the economy and that is the genius of that scheme which was rejected by your government for what I would have to say, political reasons, political -- a posture that I don't think that you took without knowing the consequences of.

You see, I have a great deal more respect for you than I do have for my friends the

(MR. ENNS cont'd) Liberals in this particular instance. You at least had the courtesy of suggesting that the high level diversion plan had some merit. Your objections were based on not having sufficient information. My friends here, and particularly the person who chose to aspire to the leadership of the party at that time, made a political decision mid-election, that unilaterally there would be no flooding of South Indian Lake because they have devined that that was the right decision. And I want to say to you that it is going to be my satisfaction - I'd rather thought that perhaps it would come later - but it's going to be my satisfaction to be in this Chamber - I may have to be in that loge - to see complete and utter vindication of the original posture, the original position that I found myself taking with respect to power development in this province, with respect to the high level diversion at South Indian Lake and the necessity thereof. And I say to you — (Interjection) — we're not arguing that particular thing but I'm saying how did we get into this argument? Economic planning. You see, now - and we hear from some of our senior officials, of our senior Crown, major Crown corporations. The question was asked, I believe, by the Honourable Member for St. Riel; are we actively, are we aggressively pursuing the situation that is developing with respect to power in the north USA? The concern for pollution, which is driving power rates increasingly higher. Are, are

Well, my friend, I'll tell you what is not pollution. It is not pollution to put fresh water on fresh water. It creates one hell of a mess for fifty years, for five hundred years, but it is not pollution in the final analysis. You create a new shoreline, you create -- (Interjection) -- well, you know, we can debate that point but I know that by raising the waters of Lac du Bonnet nine feet, there's nobody in this present generation that is suffering from it. In fact we are enjoying the benefits of the recreation area provided by that raising of water. By controlling the levels of Lake Winnipeg, or the Lake of the Woods system, by three or four feet, which destroyed all existing shorelines at that time - mind you, not in a major way but by exercising at the level of control there - nobody, but nobody has been denied their heritage of nature; by doing it nine to fourteen feet in Island Lake, we have remnants of it that'll soon dissipate and disappear, and Mr. Speaker, the First Minister also acknowledges that by the same argument it is not the degree of feet that would change pollution to non-pollution. It may change more flooded land, less flooded land; it may change less debris in the lake or more debris in the lake; but if he's prepared to accept with me, accept the argument that nine feet of water in the Winnipeg River system at Lac du Bonnet 30 years ago was not pollution, then he can hardly argue the point that 30 feet of water at South Indian Lake in 1969 was in fact pollution in a sense that we use the term. Atmospheric pollution,, unending., you know, the cycle having been broken in nature is really what we are concerned about when we talk about pollution.

Now, I've been diverted, Mr. Speaker, from my position which I was making about economic planning. We talked about economic planning and not having at a core, you know, some central, some key issue. I've brought in the matter of hydro as demonstrating how, without referring to documents which seem to rise the controversy in this House whether TED or otherwise, but simply by direct actions that we were involved with, with respect to the kind of decision-making that would in fact bring about growth and economic development in this province; that would put us in a position to do more of the processing, particularly at a time that we're heading into extensive and more extensive resource development, and you're going to need power to transform some of those raw resources into finished produce, and how the present government's policy decisions with respect to Hydro are so far wanting in meeting any of the high hopes that many Manitobans had for this specific area of our economic possibilities just a few short years ago.

Mr. Speaker, there will be other occasions where I will deal with the Honourable Member from Crescentwood's remarks specifically with respect to agriculture. I am always a little concerned or frightened when I again detect these kind of words that cause that kind of concern to me. He talks about "the emergence of a new agriculture" and, you know, I kind of look over my shoulder about, you know, these emerging hordes or troops of people that are emerging from somewhere unknown always concerns me from time to time. Mr. Speaker, what he seems to completely lose sight of is that we do things by our own free will and free volition, and I want to assure you, Mr. Speaker, that no matter how concerned we are, particularly those of us from rural Manitoba, no matter how often we express that concern about our declining population of rural Manitoba, the rural person would be the first to object to any kind of super-imposed control which would restrict his right to movement, or restrict his right to move on or off the farm or into a different vocation. — (Interjection) -- Yes, and I think the First Minister

(MR. ENNS cont'd) agrees, and we agree. But the Honourable Member from Crescentwood seems to imply that unless some drastic or some new programs that we, that this present government isn't thinking of, the Federal Government isn't thinking of, innovates, that we have to find some way of stopping this. Well, I would suggest to you that in all good will . . .

MR. SPEAKER: The honourable member has five minutes.

MR. ENNS: Thank you, Mr. Speaker. That in all good will, successive governments, and many of them woefully inadequate, that they have in fact attempted and resorted to program after program designed to do the very thing that the Honourable Member from Crescentwood wants - maintain our rural population. I certainly know that we attempted them. I think successive governments have had to say till now "we failed," because the figures, you know, will bear that out. -- (Interjection) -- Well, generally we have failed. But Sir, the reasons for failure really has been a shifting of our social values more than anything else that we as individuals place for ourselves. Our educational system perhaps with somewhat different orientation may check that and it may be that we can do more, we can do more for making sure that our rural areas are not depopulated, or in fact to help populate already all too sparsely settled rural areas, just to begin with the Department of Youth and Education in terms of the kind of orientation that we have in our educational system. There seems to be no question that we currently, or our efforts and our education system up to now seem to ensure that the sons and daughters of our farmers will continue to -- (Interjection) -- That's the question. I was trying to say it in a fancy way and here you had it easier for me.

Well, Mr. Speaker, I'm running out of time but I think the points that I wanted to make were made in my own inadequate manner, and I will look forward to carrying on the debates on the subject on different resolutions and bills that we will be having on the House. I would think, Mr. Speaker, that you will concur with me that I certainly attempted to stay within the confines of your jurisdiction during the course of my debate.

. . . Continued on next page

INTRODUCTION OF GUESTS

MR. SPEAKER: I shall recognize the Honourable Minister Without Portfolio in a minute. I'd just like to draw the attention of the honourable members to the gallery where we have 32 pupils of the Madison School from Fargo, North Dakota. These students are in Grade 6, and on behalf of all honourable members I'd like to welcome you here today.

The Honourable Minister Without Portfolio.

HON. RUSSELL DOERN (Minister without portfolio)(Elmwood): Mr. Chairman, every year there seems to be a recurring theme that comes up in legislative debate in terms of questions and statements and debates on the Throne Speech, the Budget, and in particular two departments, the Department of Youth and Education and the Department of Health and Welfare, and that really is -- pardon me, Health and Social Development -- and that really is the question of our young people in society. Mr. Speaker, I intended to make some comments about this in an earlier debate when part of the issue first arose - and that was during the Throne Speech. I was about to do so when I ran out of time. I asked the House for leave; my good friend the Member for Morris was the one member who was unwilling to allow a few minutes of debate and, thanks to him, I was unable to comment at that time although there have been other comments and other questions since that point.

Mr. Chairman, the general area that I wish to deal with, there are several, but perhaps the main one is the fact that there is a continual attack by Conservative spokesmen on youth, either explicitly or implicitly in their questions; beyond that there is a criticism, again either explicit or implicit, on our schools and our teachers; and ultimately there is a threat to our educational programs and also to the monies that are both spent and raised for education in the province; and I would attempt, Mr. Speaker, to show that their logic is false and that their facts are inaccurate. I do not object in some cases to some of the points that are raised, but frequently the conclusions drawn on the basis of some of this evidence is highly inaccurate and at other times the information itself is inaccurate. I don't think that one should sit idly by when there is repeated statements made that are anti-intellectual, that are anti-youth and so on, and that really show I think more frequently something about the attitude of the people who make the statements rather than about the people who are in fact being discussed.

For instance, about a month ago a number of members of the Legislature made statements about the publication of a student newspaper. They read probably the first time in their lives, or the first time in the year, an article that appeared in the Manitoban that was described I think as trash or filthy trash or garbage, etc. Mr. Speaker, I don't disagree with those estimations of the article, but I do take violent objection to the fact that people will then, as a result of one article in isolation, attempt to beat the university people over the head or to threaten the very doors of the university itself. One of my honourable friends opposite was so dismayed at this particular article that he went so far as to suggest that it might be an idea if the university would be closed for one year. Mr. Speaker, I think for the member to say that he took exception to the article, for him to deplore the fact that it was published in the university newspaper I think is fine, but to conclude that as a result of this that this showed a moral degeneracy, that our universities were unsafe places to send one's children, and to go beyond that and to make a suggestion that the people involved should be severely reprimanded, namely the people at the top, and ultimately that either the expenditures should be cut, reduced or the doors of the university closed, it seems to me, Mr. Speaker, is an attitude that I think is deplorable.

Now some people believe that what they read about students in one area applies to students universally, and there is concern on the part of some members of the Chamber that students are people who riot and refuse to learn and do all sorts of immoral things, and they are particularly concerned about the militarism and the activism of certain student groups in the United States. I don't intend to defend the students south of the border for some of the things that they've done, some of the rioting and some of the actions in taking over universities and damaging certain facilities, but I would like to point out that there is a considerable difference between the social climate in which American students operate and Canadian students operate.

I think the American Society, for example, is in serious trouble in my judgment primarily because of the Vietnam war and that there is something rotten in the United States right at the core and that that war in effect is tearing the social fabric apart, and when people attempt to do something about it, people attempt to demonstrate against that war, I think that that is their right. I'm not sure about some of the means that are used to achieve that but I think that's one fundamental difference between American students and Canadian students that may lead American

(MR. DOERN, cont'd.) students to taking a more radical position. We don't have any burning international issues that split our people like they do. In addition, they have problems of race; they have now a very serious problem which is described by some as law and order, they have a very high crime rate; a lot of people are disturbed about some of the commercialism in the United States and as a result I think there is a lot of uncertainty on the part of young Americans.

Our Canadian students have considerable problems as well. I would like to recommend to members of the Assembly the current issue of MacLean's Magazine which deals with the class of '71 which is described as the graduates nobody wants, and there is some very interesting articles in there. For example, it points out that although the rate of unemployment in Canada as a whole is some 7 to 8 percent, that for young people the rate is double. Here's a whole class coming out in the 1970's, they were told by their parents, they were told by the business community, they were told by their teachers - go to university, get yourself a degree, you graduate and get a job for \$15,000 a year and eventually you'll be making 20 or 30 and you'll lead the good life. This is the way the system is, you must acquire this card in order to survive, this degree, or sheepskin, and so these people have done it. They have not only made an investment of three or four years of university, and in some cases longer, but they also have in addition to that the 12 years of high school. So this is really a total investment of 15 or 16 years and now, what are some of them doing?

I was approached the other day by someone who asked me if I could help a friend of theirs who is a PhD. student and this person was looking for any kind of work at all - waiter, cab driver, you name it, anything. A PhD. can't get a job. One person mentioned in the MacLeans article, a PhD. from McGill, applied to a university in Newfoundland which -- this happened to be a young woman and she thought it was sort of beneath her, she didn't want to go to Newfoundland, didn't want to go to this university, finally in desperation she applied and she found out that there were 300 people who had applied for the position ahead of her.

Michael Cross, who is a Dean at Victoria College, University of Toronto. I happened to hear him discuss this issue on the radio a number of days ago and he's quoted in this article -- he says in effect that young people think that if they go away for two or three years and then come back they will be able to find a job, but he says that he doesn't believe that the present situation will improve. He says "this isn't going to get better, even in boom times we won't need the number of graduates we now have. I don't think we'll ever need them again." Fortunately, the Minister of Youth and Education I think has made moves in the right direction in trying to improve the community colleges in Manitoba and to get young people to look to a variety of areas and a variety of careers rather than just take the standard approach of go to university and then see what happens. That seems to be a more unrealistic approach nowadays than ever before.

So when you consider that these are some of the problems, something I'll deal with a little later, some of the people I suppose that are walking the streets and that are not working aren't in fact the lazy bums that some people think they are, they may be highly qualified people who are just simply unable to get a job in a time of very serious unemployment.

You have, Mr. Speaker, the chronic problem of the new versus old, the fact that people of the older generation are perplexed and disturbed by new phenomena. For example, whereas in times past people stimulated themselves by drinking liquor, there is an increasing incidence of people who are stimulating themselves with chemical drugs and smoking marijuana and so on. I think of the old slogan of the 4-H clubs and what they attempted to bring about and the good work that is still done. I think of the four "H's" of today which are hair, hostels, hippies and hashish. These are some of the new four "H's" that people are very seriously disturbed about. Some of us are concerned with the permissive society and feel that this generation for sure - mine maybe - but boy this one for sure is really morally bankrupt.

Mr. Speaker, if you read ancient history, if you go back to the time of the Egyptians or the early Greeks and read the statements made by intelligent people in those times and what they had to say about the youth of their day, they are no different than the statements that are made in this Chamber or outside of this Chamber or in society abroad. People are continually -- they continually fear, they continually believe that their sons and daughters and their grandchildren, there is something wild about them and unstable about them and that man is sliding downwards and that things are in a terrible state, but if you look at the studies, if you look at some actual studies - and I have read a few and I wish I could quote from them directly - about certain attitudes that people have and their behaviour in terms of sex and other things, you find out that

(MR. DOERN, cont'd.) there really isn't very much difference at all between the young generation of today and the generations of 10, 20, 30 and 40 years ago, that people are not in fact immoral today and were moral yesterday. It just doesn't work like that. The degree of morality and immorality in our society, I would suggest, has been fairly constant, that there are times when it changes slightly more in one direction but that basically the percentages are probably the same. It all depends, Mr. Speaker, on what one wishes to concentrate on. One can find evidence to support one's views or to bolster one's prejudices.

I was pleased that only yesterday the Minister of Health and Social Development made an announcement about the new program, I think improved program of attempting to support the organization known as CRYPT which deals with transient youth, primarily because I think the Federal Government promotes a program of travel in Canada and the Prime Minister at the head of it, and also offers monies for that purpose to provide assistance for young people and that the Provincial Government has attempted to also do something in this area. There was money given in the past, but I think that the government believes that it would be better administered and should be better controlled, so that changes have been made and some strings attached to what was formerly just a general all-purpose grant.

And what is the choice, Mr. Speaker? The choice really isn't between -- well, what is the alternative to attempting to do something for transient youth? The choice basically is either offer them some assistance or ban them or bar them or jail them if they come into your province, the sort of approach taken by the Mayor of Vancouver, and I think it only makes sense that if young people are entering your community, as they are throughout the country, some 20 or 30 thousand expected to hit Manitoba and Winnipeg in particular this summer, I think it's only logical that some sort of program, some attempt should be made by the government, however small, to see to it that these people are not sleeping in the parks or in the streets, are not starving or are not sick, are protected from certain elements in the society.

The young people of today will not go to the traditional social organizations and will not go to some of the traditional groups that will help people like that. For instance the Salvation Army will take anybody in. They will provide meals, they will provide lodging places, but I doubt very much whether young people who may be anywhere from 17 or 18 to their early 20's are going to go to the Salvation Army. I don't think that they would find that the class of clientele there, the lodgers, are really their kind of people and people they can talk to or get along with, but there are those organizations which help people in our society who are in difficulty and CRYPT is that type of organization. They offer advice and they also put young people into contact with people who will take them in their homes or offer them food or some assistance, etc., legal or medical assistance should that prove necessary.

Mr. Speaker, in short, I think that we must at all times, both in this Chamber and outside of it, attempt to correct some of the notions that are put out that are incorrect. I think that if one were to quote the master of the subject when it comes to the right of free discussion and the right of people to be different, one would go to John Stewart Mill on liberty and his famous statement that "if all mankind minus one were of one opinion and only one person were of the contrary opinion, mankind would be no more justified in silencing that one person than he, if he had the power, would be justified in silencing mankind."

So what I'm really saying in effect, Mr. Speaker, is young people are different. They look different, they dress different, they think differently, but if one would go back to one's childhood and examine the clothing styles and the slang and the dress and so on, think back to the forties and the early fifties I suppose, as zoot suiters and the drape pants and brush cuts and all these different styles, some of those were bemoaned and now we have a new life style and some of our people are very concerned about that.

My concern really is that if some of us don't stand up and reject the attack made on our youth and the attack made on our schools and its teachers, that it could in some way endanger academic freedom and could also of course result in a curbing of certain programs that are designed to benefit our young people. I think in short, Mr. Speaker, this is simply evidence of the generation gap and I think it happens to everybody, but as far as I'm concerned, I would say to some of my friends opposite that their facts on some of these statements that they make are not too accurate and that their logic and generalization are frequently invalid.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON (Rock Lake): Mr. Speaker, I hadn't intended to speak at this time, or this afternoon, and so I don't have my remarks prepared, but rather I have been sitting here listening with real interest to the comments made from honourable members opposite,

(MR. EINARSON, cont'd.) and having listened to them, I felt myself obligated to make some comments at this time.

We're dealing now, Mr. Speaker, with a budget which amounts to some \$516 million of taxpayers' money of the people of the Province of Manitoba, and when we think of this figure and we think of the amounts of money that were spent last year, I think it is a subject that is worth making some comments about. One of the things, Mr. Speaker, that interests me, and I hear from the members of the government that so many times they have said that taxes haven't increased, that while they have given and added to the benefits to the people of Manitoba generally there's been no increase in taxes to the taxpayers of this province. I can't help but be in great amazement, Mr. Speaker, because you know governments don't have money, it's the people that have the money and the only way that the government are going to acquire the funds which they need is through taxation and taxing the people, and I fail to understand the logic of this government who say that taxes haven't increased from 1969 to -- or '70-71.

I must suggest, Mr. Speaker, that our taxes have increased by roughly 15 percent regardless of how you look at it. And I think, Mr. Speaker, this is something that is very important. There are a number of areas sure where they have stated that they have assisted the taxpayer in the way of education costs. I use one example where the Minister of Education has stated they're increasing the Foundation Grant from 70 to 75 percent. This isn't really going to reduce the taxes to any significant amount, Mr. Speaker, because I think that five percent is going to be absorbed in the increased costs towards teacher salaries and probably a few other things that are enrolled in the Minister's department. There are a few other areas where they have stated that they are going to alleviate the burden insofar as the taxpayers are concerned, but in the total analysis, and the picture as I see it, I can't help but feel, and I must say, that regardless of the argument, as far as that is concerned, our taxes have gone up by 15 percent from a year ago. -- (Interjection) -- I'm being modest. My colleague says 15 or 50, I guess it'll be 15 percent, to the tune of \$68 million, is roughly 15 percent -- (Interjection) -- I would think so.

The other area that I wanted to speak briefly on, Mr. Speaker, and that is the Honourable Member from Elmwood made some comments - and I know that he was directing his comments directly at me, that is not all of them but some of them - and I want to remind the honourable members, Mr. Speaker, that -- (Interjection) -- apparently he doesn't. But you know the comments he made about the Students Union of the Province of Manitoba -- in the University of Manitoba rather, I can't help but wonder what was he doing when he was in Cabinet, why he didn't discuss some of those matters with the Cardinal from Thompson who has professed to be that righteous individual. I must say that I was the one, Mr. Speaker - and I have the document right here - when I replied to the Throne Speech debate the Honourable Minister of Transportation put it in my mailbox as he did to all others, but I was the one, Mr. Speaker, who brought it to the attention of the people of the Province of Manitoba and I want it to be known. I want it to be known, Mr. Speaker. I also want to say to the honourable gentleman that I made it specifically clear to the students of the University of Manitoba that I wasn't condemning all of the students, only a portion of them, those who I think were fully responsible. The point I want to make in debating with the Honourable Member from Elmwood is this -- and I've had many comments from this particular situation, Mr. Speaker; people have agreed with me. I must suggest that the Honourable Member from Elmwood is not listening to the people. He doesn't have the pulse of the grass roots so to speak of the people of this province.

Another area that he doesn't seem to understand, Mr. Speaker, is the fact that we're talking about a compulsory situation here within the Student Union. Now they have a union, rightfully so, but why should I, if I were a student, a member of the union - I'm compelled to pay the union fees - should I have to put up with this kind of stuff if I don't want it. This is the issue that I took Mr. Speaker, and that I was very disturbed about. I'm telling you right now, Mr. Speaker, this is the way the situation is, and I think too that when taxpayers' money is involved - and I stated this very explicitly - when taxpayers' money is involved in this sort of thing then I think I as a legislator should be saying something about it and speaking -- the honourable member doesn't think I'm speaking for the people of Manitoba, but at least I'm speaking for the people of the constituency which I represent. And I'll say -- and I'll take the honourable member - he's been to my constituency, at least he saw fit to go to the City of Pilot Mound while the Minister of Agriculture one time went to Rome when he had the opportunity to come to Pilot Mound and he didn't do it - and I'll take the honourable member out to my constituency on the same platform and I'll debate it with him. I'll challenge him to it, any time he wants to

(MR. EINARSON, cont'd.) come out. I'll challenge him to it. I think this is the area which -- and after listening to the honourable member for twenty minutes -- (Interjection) -- I've set the terms, you take me on. I've set the terms, you take me on. I think that this is something that's very very important, Mr. Speaker.

The honourable member also mentioned our educational system and where are we going today. This is another aspect and it's a very important one when we're talking about our Budget because it's a good deal of the total Budget. I am one who is concerned very much so insofar as our education system is developing. I think there is room for improvement. I don't believe in being a destructive critic, Mr. Speaker, I always like, and hope I can make constructive criticism, and I must say that there is some need for concern within our education system because of the changing society in which we live. Our youngsters are not living in the same society that we did when we were youngsters and, naturally so, we have different problems. And so, how are we going to cope with them?

The honourable member may have his ideas about how a professor or how a teacher should deal with a class of students and I may have my ideas, and I can say to him that I have been involved with the whole establishment. I have been involved with the Superintendent of a school. I have been involved with the inspector, with the principal, with the teachers, with the students, with the parents and with your school board. Now that's the complete establishment. And from my experience, Mr. Speaker, I have found that there is a little problem in every area and I am concerned about it. And we all have to be concerned because I think that the way things are going, one of the areas which I have found, Mr. Speaker, is the matter of discipline within our classes. I must confess that when I was a boy, and I don't think that things were any different then for the boys than they are today in regards to discipline and how a youngster must act and conduct himself in a classroom if we're going to achieve the goals which we want to prepare ourselves for when we become adults to step out into life and perform the duties that we must in society. And so, Mr. Speaker, I was very concerned about the comments the honourable member had to make. I can't say that I agree with most of what he had to say because, as I said, part of his philosophy is such that I just don't go along with it. I think that we have to be as responsible today as we were say thirty years ago -- (Interjection) -- yes, it could even be more so.

I must say too, Mr. Speaker, that I had the pleasure of bringing a young chap into Winnipeg with me here a few weeks ago. He comes from the east coast, he spent some time visiting with neighbours and he was a young chap of 21 years of age. He was telling me -- you know, he says if anybody wants a job bad enough they can get it, but you can't always be too particular. You may be trained for a certain thing but if our economic situation is such that all the jobs you want aren't available, you can't be too choosy and so you may have to take something that will tide you over until the opportunities do arise. This, Mr. Speaker, I think is one area where we do have a real problem and I can agree with the member that there are students too probably that certainly can't get jobs. In some cases probably if they were to try to justify themselves by adjusting to the situations that they find themselves in, they might be a little more successful.

There was considerable debate here this afternoon, Mr. Speaker, insofar as our agricultural situation is concerned. I was quite interested in hearing comments from the Honourable Member for Crescentwood, and my colleague from Lakeside I think did a very admirable job in dealing with his situation. He expressed very well, I feel, the philosophy or the attitude that we take towards trying to solve the problems in the agricultural industry as opposed to the attitude of the members on the government side. I can't help but feel, and I'm not as pessimistic as the Honourable Member from Crescentwood is, I think that if we all took that attitude we'd certainly all be down the drain there's no doubt about it. I have advocated, and some have criticized me for not being more pronounced in it, and I'm going to say here this afternoon, Mr. Speaker, that the family farm to me is still a very important and a viable unit within the agricultural industry.

But I won't just stop there. I think that the family farm, as we know it, there are a good deal of improvements that can be made insofar as making it the kind of life that a family can enjoy, to live and to work for and to enjoy all the amenities that go along with it. There is a good deal of room for improvement in that respect.

I speak for many farm people who have informed me that they don't agree with the attitude of the Federal Government -- and here is an area where my colleague from Roblin was commenting on Bill C-176. I'd like to illustrate one example, Mr. Speaker, of what I think is very

(MR. EINARSON, cont'd.) important, and that is, as I'm given to understand, in the Province of Quebec they produce about 15 percent of the beef that is required in that province, so you can see that there is a real outlet for beef from western Canada and from Manitoba into the Province of Quebec. Now if Bill C-176 is going to be implemented and the regulations that are going to be attached thereto, the danger is too that if you have agencies that are going to be established, it's just like the Wheat Board - and I'm not criticizing the Wheat Board as such - but if you develop agencies for farmers, for farm organizations, it's very difficult for them to get at these agencies to have any effect in making changes if things aren't going as well as they thought they would in the initial stages of that agency.

So if this legislation federally comes into effect, the control - and it's the political situation here in Canada that we've never seemed to be able to get away from or try to rectify - that because of this political situation that could develop that eastern Canada would, through that legislation, cut off the market that we have at the present time in western Canada. This is the area that we in western Canada fear very very much, because why would the consumer want to destroy an area that can produce -- probably the most economical product of any part of Canada can be produced in western Canada. This is in essence what it's all about and this is the thing that could deteriorate as far as the farmers of Manitoba and western Canada are concerned. This is the area which we fear most, is the fact that if this kind of legislation comes in we're going to be deprived of those markets that we now have because our population - and as I said before, we produced roughly 700,000 hogs in '69; we increased our production by one million last year and we have a population of one million; so you can see that we have to depend on outside markets for our products. -- (Interjection) -- That's right.

The other area is that I think that the future for Manitoba is our processing industries. I think, and I want to say my leader, who was one, through Industry and Commerce, I think they've come a long way in trying to establish the spirit of developing our second resources, that is taking our raw product and processing it into the finished product so that it's ready and saleable to the consumer. This is an area which I think has a future for the Province of Manitoba, and more so in Manitoba than either Saskatchewan or Alberta, and particularly Saskatchewan because of the nature of the country. It's more of a grain-growing country and in Manitoba we have a mixed farming, and for this reason I think this is very important.

And here again is another area where I think we have to be very careful that we don't become too critical of our -- well, the people over there, they don't like this word "agra-business", but it's the corporations that do develop whereby they will process the raw product that the farmer produces. Some of my friends on the other side will say, well maybe the farmer should get into that business themselves. He's already done that once. Pool Packers tried it once and they went out of business. It's a very difficult thing, Mr. Speaker. You take your packing companies, it may sound well on the surface and very easy to do but it's a very difficult thing; farmers just find it very difficult to organize and control their product right through the consumer. I think that the area in which we become involved and where the farmer is more interested in is organizing the point where he's going to get a reasonable, a fair and reasonable price for his raw product, and then it goes on from there to I think the processing industries who will process that product to the ultimate consumer.

I just wanted to have a few minutes, Mr. Speaker, because I say again I was concerned with what the Honourable Member from Elmwood had to say in regards to our universities, our education. The thing is that if our universities were privately operated, if there was no taxpayers' money involved, then it would be a completely different situation, then I would not have any opportunity or would have no business to stand up and criticize a document of this kind, because if it was privately operated or no taxpayers' funds involved, then I wouldn't be justified in making comments on it. But the fact is that I think that we have a responsibility in this regard and we have a responsibility to the taxpayers of Manitoba to see to it that they get the best for their tax dollars spent. And this is the question, Mr. Speaker, that people are asking: Are we getting value for our dollar that we are investing in it? And more so today, Mr. Speaker, when we see the Budget that has changed from last year to this year, an increase of 15 percent, many people are becoming very concerned, very concerned, Sir, as to just whether they are getting value for that amount of money they've spent. Thank you.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I wasn't going to speak, but it's so seldom it's possible to catch the Minister of Finance here that I thought I'd better take the opportunity

(MR. CRAIK, cont'd.) of it, so I brought my material back out and I'm all hot to go here. The reason I say that is that I know the Budget Speech generally is used for fairly wide ranging topics to be discussed, but on this particular occasion I want to confine my remarks pretty briefly and pretty directly towards the statement of the budget itself.

Before going into it, I did want to say that there was a remark or two made by the Member for Crescentwood earlier today, not necessarily in the field of agriculture which has been covered by the Member for Lakeside but in another area in which I felt that he wasn't presenting exactly a true picture, and that was with regards to taxation of our natural resource industry. I think, Mr. Speaker, that the member made the statement that the mining industry was taxed less than other industry because of the depletion allowance that is allowed to it and if this was not in existence that Canada would collect another \$300 million worth of taxes. I think that he's probably excluding here a recognition of the fact that the mining industry does pay mining taxation through the Mining Royalty Taxation Act, and it's hardly fair to exclude that when you're talking about their taxation.

As a matter of fact, the propositions put forward by the Benson White Paper would have taxed the mining industry, the average mining industry at a rate of something in excess of 60 percent, 62, 63 percent in comparison to the rates when you combine the royalty taxation and the revised, mainly the mining royalty taxation and revisions to the depletion allowance, compared to the average industry which would be taxed at 50 percent, which in effect says that they're paying 12 percent for other taxations for their raw materials, and it's questionable when you add all this up, if this does come to pass, whether the mining industry can sustain any higher taxation than what is being proposed. So I think it's hardly fair, hardly correct, to exclude the mining royalty taxes when you're talking about mining taxation.

Now with direct reference to the budget itself, the Minister presented his budget and was reasonably convincing at first blush that in fact he had been successful in giving Manitoba a very equitable set of books for the 1971-72 year. He showed basically from the way he keeps books, a balanced budget, but in actual fact it shows up that it isn't a balanced budget by any stretch of the imagination. He refers in the press release to an unusual find, unusual revenue, and it certainly is unusual because there's \$19.3 million in it that cannot normally be considered in a budget if you're going to present your budget as being a balanced one.

In addition to that, Mr. Speaker, I think that once you add the capital that has been transferred from current to borrowing you have to add another amount, and the only one that we can see here in dollar terms is the university transfer, \$7.7 million. The Minister of Highways was asked how much had been transferred out of highways, would he advise what would be transferred, and he says "I can but I won't," so we can assume only that there's money that has been transferred out of highways as well. I wonder if the Minister would let us know how much has been transferred out of current and put into borrowing, on a borrowing basis. At any rate, it looks like that there's a minimum of \$30 million of deficit budget and not a balanced budget if you compare it to last year's techniques and methods of bookkeeping. I trust the Minister is coming back so perhaps I can proceed, Mr. Speaker.

First of all, I wonder if he could advise us why the corporation income tax is down an estimated \$30,579,000, from last year's estimate of \$36 million, which is a decrease of \$6 million or a decrease of 20 percent. This probably goes hand in hand with the information that was presented by the Member from Crescentwood that last year there was the smallest amount of capital expansion in the last ten years, and so not only is capital expansion down but it indicates that corporation income tax is down as well. This could probably be for two reasons. One is that the estimates last year were high, or in fact that business is not producing the profits or has shifted their tax centres out of Manitoba. But whatever it is, it would be valuable if he would tell us why business taxation is down that much and individual taxation is up by a figure of about \$12 million, or up by a figure of roughly 112 percent.

The other figure that we would like clarification on are the national equalization figures, which for 1970 showed 41 million and for fiscal 1971 showed 49.3. Now the question there that has to be asked is has the formula changed or are they in anticipation that the formula will be changed. This is a large increase of national equalization, and if it is based on existing known commitments from the Federal Government this would be quite different than an expectation figure that the Minister expects to have evolved later in the year.

The other figure that we would like to get clarification on is whether the figure for (d) in the budget, which is the revenue from Tourism and Recreation and Cultural Affairs, which goes

(MR. CRAIK, cont'd.) from 700,000 to over a million which is an increase of 40 to 50 percent, whether in fact you just expect increased tourism in the year 1971, which seems unlikely since last year was our centennial year with a high degree of traffic, or if it signifies an increase in the tourist fees and particularly the camping fees and so on of our resources and our parks. Again we're having difficulty in keeping our brain trust here to answer this and I trust he'll read Hansard at least. There's a \$300,000 increase in Tourism and Recreation and Cultural Affairs for revenue, so it would appear likely that the only thing we can expect - I see the Minister here - is an increase in fees of some sort in that department.

The further question regarding the capital transfer, I trust will be examined by the Minister and he can advise us whether there are transfers out of other departments in addition to education and highways, information which specifically has not been provided for at this point.

Mr. Speaker, the other item that I want to mention here again is the education tax which has been lauded by the -- a shift which has been lauded by the government. In the information background put out by the Manitoba Government Information Service, I think we've reached the all-time record for misleading headlines put out by the Government Information Service, which to back up the Minister's budget says: "Increased Spending; Lower Taxes Planned". Now it's a little difficult to find where the lower taxes are, because as you go through it there just aren't any lower taxes. For instance the automobile and drivers' licences next year is to bring in 13.1 million compared to 10.5 last year, two and a half million dollars more in automobile licences. The only place that you can find lower taxes, which should be lower taxes at least, is in the property taxation for school purposes which was intended by the government I'm sure but which in fact doesn't seem to be taking place at the local level because we find that the mill rates of the different municipalities aren't dropping; in fact they're going up. Winnipeg's up, and some of them are up by fairly significant amounts.

The problem is that the government has done little more than hold the line on the education property taxes which is a far cry from what their undertakings were over a period of time prior to assuming the actual responsibility for doing it, so I don't know why they don't say we held the line; we got caught up to date; we've injected \$15 million into the system, which is hardly equal to the growth rate of costs, rather than to bring out a headline which is so obviously incorrect, which says: "Increased Spending; Lower Taxes Planned". Well they may be planned, Mr. Speaker, but they're not happening, and rather than pretend that they're happening by saying they're planned, you might as well face the fact and tell the people that they're not going to have lower taxes and in only isolated cases is the property tax going to be arrested or reversed as far as the school taxation is concerned.

Mr. Speaker, it's late in the afternoon and I've been unable to keep the Minister of Finance here for the greater portion of the questioning, but as far as my participation in the Budget Speech is concerned, I would be satisfied if he could provide information to the questions that have been asked here so that we can analyze this further before the budget is voted on next week.

MR. SPEAKER: The Honourable Member for Gladstone.

MR. J. R. FERGUSON (Gladstone): Mr. Speaker, I beg to move, seconded by the Honourable Member for Pembina, that debate be adjourned.

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

GOVERNMENT BILLS

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Would you call Bill No. 31, Mr. Speaker.

MR. SPEAKER: The proposed motion of the Honourable Minister of Transportation. The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I will be brief and I'll try to confine myself to the bill itself and not deal with the Autopac or the Insurance Bill because it will be before us later on and I think I will have an opportunity to deal with it at that time, but I do wish to say a few things before the vote is called. I would like to say that on the surface the bill appears like it is an ordinary housekeeping bill, but, Mr. Speaker, there are some underlying principles in several areas that disturb me and I feel that I should bring them to your attention at the present time.

In the first place, Mr. Speaker, the principle is the retroactivity of this bill. To the best of my knowledge I believe this is the fourth piece of retroactive legislation that has been before this House during this session. The government may feel that they have a mandate from the people of Manitoba to offer programs for the present and the future and I would agree with that,

(MR. PATRICK, cont'd.) but what is past, Mr. Speaker, is past and I do not prescribe to the tendency of the government to put through legislation which is retroactive legislation. The government in one section is asking to pass what is retroactive legislation and may I ask at the present time, ask the government or the Minister why he didn't pass this bill last session or during the last session, because I feel that we should not pass this type of legislation.

The other point I wish to draw to the Minister's attention, Mr. Speaker, and that is in connection with the demerit points under this bill which concerns me quite greatly, and that is in respect to the drivers, under the insurance scheme, it took them three years to get a clear record. Under this system, under this bill they cannot get a free record, it may take him quite a few years because they can only reduce the points system or the demerits I believe by six demerits a year, and I believe that this will create not only a hardship on many people, financial hardship, but for instance if you have a truck driver who has a few demerits and his livelihood is driving a truck, he may have to pay as much as \$300.00 or more just for the demerits that he's carrying under his driver's licence, under the chauffeur's licence. So that's a very serious point, Mr. Speaker, and I hope that the Minister will take this into consideration. I believe that you can call it surcharges or surcharges for demerits under your licences, and I wish that the Minister can explain.

The other point that has been raised by somebody, I believe it was asked before the Orders of the Day, if a person can pay his insurance by a post-dated cheque, because we are collecting in advance. For instance the Autopac doesn't come into effect until November and we are required to pay for our licences, which is part of your Autopac, at the present time. Again I don't think it's right and I cannot understand why we are required to pay in advance under this present scheme, and this is what this bill is asking us to do. Unless I'm missing some of the logic of the Minister, I don't know, but I wish that he would explain it to the House.

Mr. Speaker, there's another point that I wish to raise at the present time and I see that the Human Rights Commission have raised it quite strongly yesterday in the paper in respect to discrimination. I will not get involved into this because I understand it may be before the courts, but in respect to the different charges for male and female, I know that this only to a small extent was practised by the automobile insurance industry, but I do not believe that this is right and I feel there is some discrimination in respect to male or female and perhaps the Minister can take a look at it and give us an explanation.

But if I can just raise the point again, what I mean -- for instance if a driver is charged with an infraction of the law for, say he didn't stop at a stop sign and he's charged let's say a \$200 fine. He has to pay; he's penalized. Then he loses so many demerit marks under his driver's licence and he may have to pay another \$200 penalty on his point system, so the way I see this bill it's a double penalty. You had it to some extent in the insurance industry before but you only had it to a limited extent, because you did not have to pay a fine or a penalty for, say, speeding or missing a stop light or a red light or making a wrong turn, you were not penalized by the insurance industry. You probably were fined by the law and the fine was relatively small, but under the present system you are penalized in two ways. The insurance industry only charged you if whatever you did was wrong, say if you went through a red light and got yourself involved in an accident, then your rates went up for insurance, but under the present system under this bill it is an automatic double penalty. The insurance did not rate you for, say, speeding or -- (Interjection) -- they did not. No they did not. Well, I would like anyone to show me where and I would challenge that. The insurance industry did not charge you an extra rating for speeding or for going through a red light or going through a stop light. They did not unless you were in an accident, unless you lost your driver's licence through impaired charges, then naturally there was a charge. You had to pay extra. -- (Interjection) -- No, no, Sir. I would like somebody to prove that; that's not so.

So, Mr. Speaker, my concern is that under the present bill it is a double penalty. The biggest point is that previously if the man was found guilty for some highway conviction or for some highway crime, he paid his penalty and within three years his driver record became clear for the insurance purposes. It is not so under the present system. I understand that your point system can continue for a long time and you may be paying as much as \$50 or \$80 or \$200 every year and it will take you a long time before you can get a clear record because you can only decrease or reduce your points, I believe, by six points or so each year.

So I think this is a very serious matter and I have had it brought to my attention just the other day. I don't think that this is fair play, not to be able to give the opportunity to the driver

(MR. PATRICK, cont'd.) to wipe out his record and to give him a clear record after he has had three years of free accident - or three years, without any conviction, driving experience. I think that he should return back to a clear record and he should have the benefit of good driving experience to return back to the position where he would have no demerit marks, but under the present setup I don't see that.

So I wish that the Minister would be able to answer some of the points that I raised, the three points at least. I feel that to some extent it may have been wrong with the private insurance companies when they practised it only to a very limited extent, but this bill, this bill goes the whole way which is almost charging double for the same penalties. So I would say if it was wrong before to some extent, it's doubly wrong for the government to do the same thing. So I hope that the Minister would be able to reconsider his position in respect to those few areas and I would like to hear his explanation.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): Mr. Speaker, I beg to move, seconded by the Honourable Member for Killarney, that debate be adjourned.

MR. SPEAKER presented the motion.

MR. GREEN: . . . some of the members that the member has spoken. I just wonder if that could be checked.

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

MR. SPEAKER: The hour being 5:30, I am leaving the Chair to return at 8:00.