

THE LEGISLATIVE ASSEMBLY OF MANITOBA
10:00 o'clock, Friday, June 25, 1971

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements. The Honourable Minister of Labour.

MINISTERIAL STATEMENT

HON. RUSSELL PAULLEY (Minister of Labour) (Transcona): Mr. Speaker, I'd like to make a statement regarding the construction industry and, in particular, a dispute between the employers and the employees in the Greater Winnipeg area. The statement, Sir, is as follows:

Mr. Speaker, at this time I would like to inform the Assembly of recent developments in a current dispute between certain employers and certain unions in the Manitoba construction industry. It is public knowledge that the parties to the dispute in this industry have been carrying on negotiations for some time. Recently a conciliation officer of the Department was appointed to assist the parties in reaching settlement. Unfortunately, a settlement was not achieved and stoppage of work in the industry threatens. However, this may be averted because of the action of the parties themselves.

I would like now to announce that, on the joint application of the parties, I have appointed Mr. Duncan Jessiman, Q.C. as an industrial inquiry commission for the dispute. The terms of reference of his appointment are: (1) to determine those issues still in dispute between the parties; (2) to make every effort to bring about a mutually satisfactory settlement of the dispute between the parties; and (3) if necessary, to make recommendations for a fair and just settlement of the present dispute.

The parties have been advised of Mr. Jessiman's appointment, and I have requested them to extend their full cooperation to him in an effort to reach a mutually satisfactory settlement. I also have appealed to the parties to refrain from exercising their legal right to strike or to lock out while Mr. Jessiman is carrying out the work of his inquiry.

MR. SPEAKER: Any other ministerial statements? The Honourable Minister of Finance.

TABLING OF REPORTS

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, I would like to table two reports in accordance with the respective statutes. One is under the Legislative Assembly Act; the other is the Manitoba Centennial Lottery Act.

MR. SPEAKER: Tabling of any other reports?

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 62 students, Grade 6 standing, of Belmont School (which is the host) and Thompson School (which are the guests). These students are under the direction of Mr. Wall and Mrs. Heuvel. These schools are located in the constituency of the Honourable Minister of Youth and Education, and the Honourable Minister of Transportation and Public Works.

We also have 32 students of the Laidlaw School, of Grade 5 standing. These students are under the direction of Miss Ruth Faryon and they come from the constituency of the Honourable Member for Charleswood.

And we have 43 pupils of the St. Marie School, of Grades 4 and 5 standing, under the direction of Mrs. Thiessen and Mrs. Laboissiere. This school is located in the constituency of the Honourable Member for St. Vital.

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

INTRODUCTION OF BILLS

MR. SPEAKER: The Attorney-General. The Honourable Minister of Finance.

MR. CHERNIACK, in the absence of the Honourable Attorney-General, introduced Bill No. 76, An Act to amend The Executions Act.

MR. SPEAKER: The Honourable Minister of Agriculture. (Stands)

MR. PETER ADAM (Ste. Rose) introduced Bill No. 82, An Act to amend An Act to authorize the Town of Dauphin to construct and operate a System of Systems or Waterworks,

(MR. ADAM cont'd.) Main Trunk Sewer and Outlet and Sewage Disposal Works in said Town; and Bill No. 93, An Act respecting The Town of Dauphin.

MR. SPEAKER: Oral questions, The Honourable First Minister.

STATEMENT

HON. EDWARD SCHREYER (Premier) (Rossmere): Mr. Speaker, before the oral questions, I wonder if I might, by leave, make a very short statement. (Agreed)

As honourable members are aware, because of the terrible tragedy in Pakistan in recent weeks, because of the great human suffering, because of the large numbers of refugees now homeless, and because of the health problems that are involved in this tragedy, the Government of Manitoba has, along with governments elsewhere in the western world, throughout the world really, responded to the calls of a number of charitable organizations and a decision was made to provide a modest amount of money. Now, in order to expedite the forwarding of this money to Oxfam and the other appropriate aid organizations, it is our intention to proceed by way of Section 42 of the Financial Administration Act, which is simply to provide for a special warrant for this amount, and I make this statement now so that honourable members opposite will know that we are in this instance invoking Section 42 of the Financial Administration Act even though the House is in Session, but it is provided for in statute and is a proper procedure, which the honourable members should be aware of.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SIDNEY SPIVAK, Q.C. (Leader of the Opposition) (River Heights): Well, Mr. Speaker, I join with the First Minister in expressing concern for the tragedy that has occurred and certainly in support of the contribution that is being made. I recognize that it is a modest contribution and in many respects it is a token effort on our part to indicate our concern. The particular section that has been referred to I do not have available in front of me, but I am assuming that the procedures are correct and for that reason I'm not in any way intending nor will I intend to question it.

However, if I may, I would like to make one observation on this because it relates to the contribution that we are making, not in terms of the sum of money, but as part of a world effort and as part of a Canadian effort. I'm one who believes that in this particular situation the Federal Government, the government of Canada, has not put forth the kind of effort that should have been put forth for the tragedy that faced those people who are affected, and for the real danger that I think our society in our world faced. It's my belief that this particular situation required an urgency and a kind of leadership that at this point has not been shown and should have been demonstrated without question. The human suffering, the potential danger to the people all over the world, required a kind of massive support which at this point has not been shown, but rather has been followed through with what may be considered, even on the national level, a token support, I therefore welcome the modest contribution of the province, recognizing that it is not a provincial responsibility, but at the same time I am one who feels that our government, our Federal Government, should be chastised for not acting in the forthright manner that I think this emergency warranted.

ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Rhineland.

MR. JACOB M. FROESE (Rhineland): I would like to ask the Minister just how much is involved in this, so that we know in what terms we are talking of. I too feel that . . .

MR. SPEAKER: Order please. The honourable member can ask a question only.
The Honourable Member for Virden.

MR. MORRIS MCGREGOR (Virden): Mr. Speaker, I'd like to direct this question to the House Leader as a rural member. I would like to know what our schedule is for the 1st of July and indeed the 2nd of July, because we have plans to make in regard to our constituency and we would certainly like to know prior to leaving the House today.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I suggest the member confer with the Honourable Member for Morris.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Mr. Speaker, I have a question for the Honourable Minister of Health and Social Development. Can the Minister tell us why the funds for the Jewish Child Care and Family Bureau are not being given?

HON. RENE E. TOUPIN (Minister of Health & Social Development) (Springfield): Mr. Speaker, this is being considered by the department and the recommendations should be made to Cabinet for policy decision.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I would like to direct a question to the Minister of Youth and Education. Can he indicate if arrangements are being made by his department or by the government to convert Woodlawn School in St. Vital into a transient Youth centre, or what arrangements have been made?

HON. SAUL A. MILLER (Minister of Youth & Education) (Seven Oaks): Mr. Speaker, I'm not aware of what arrangements have been made because I'm not involved in these hostels program this year.

MR. CRAIK: A supplementary question. Could the Minister indicate whether he or his department have made arrangements to obtain the school from the Metropolitan Corporation who holds the title to it?

MR. MILLER: Mr. Speaker, I wrote the Metropolitan Corporation who are, I believe, the owners of the building, asking whether they would be prepared to allow its use as a youth hostel, and I'm given to understand that they agreed. That's the extent of my participation.

MR. CRAIK: A subsequent - can the Minister indicate where we might go to obtain information on this move?

MR. MILLER: I'm not sure. I'd have to take that question as notice. I'm not sure what organization will be operating these hostels.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, my question is for the First Minister. I wonder whether he can indicate whether the government has decided on the acceptance or non-acceptance of the Charter at Victoria.

MR. SPEAKER: The Honourable the First Minister.

MR. SCHREYER: Mr. Speaker, I intend to have a statement to make on this on Monday.

MR. SPIVAK: A supplementary question. I wonder if the First Minister can indicate whether he's been in contact with the Prime Minister in the last few days with respect to this matter.

MR. SCHREYER: Yes, Mr. Speaker, I have been in contact with the Prime Minister's office, more correctly, and -- well, I suppose that answers the honourable member's question.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. FROESE: Mr. Speaker, I'd like to address a question to the Honourable Minister of Education. During the time we discussed the estimates, I asked for certain information in connection with the divisions, the amounts of moneys that each division received and the number of teachers employed by each division. When can I expect this information?

MR. MILLER: Mr. Speaker, I'll check and find out when, and I can give that information when they have it.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE (Roblin): Mr. Speaker, possibly by leave in the debate yesterday the Honourable House Leader took issue with some of the remarks I made with regard to the debate on that bill. I read the honourable member's remarks on the speech of that given day, the one I was referring to. I haven't got my remarks as I was speaking from the top of my head, but what I was trying to draw to the attention of the Honourable Minister was the probability that the plan wouldn't save any money, wouldn't give any actual better service, but it would in fact transfer 25 or 35 million dollars of funds from the public sector to the government sector. If I did say it incorrectly I withdraw the remarks, but I'd like to refer to Hansard on Monday when we get it, Mr. Speaker.

MR. SPEAKER: I thank the honourable member for his statement of explanation. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I would like to rise on a point of general order, with regard to matters which have arisen in the House, and I seek, Mr. Speaker, simply a clarification - I don't seek an argument. I want to determine whether our rules at the present time would permit me, for instance, to say that the Member for River Heights says that he doesn't like the people in his constituency, whether it would be permissible for me to say that the Member for Morris doesn't like farmers, or whether it would be permissible for the Member for Roblin to say of me that I don't give a damn for the people in my constituency or I have

(MR. GREEN cont'd.) been quoted as such, because, Mr. Speaker, it's always been my impression that if a member is misrepresented in the House he is entitled to ask for a withdrawal of the misrepresentation, and if the misrepresentation isn't substantiated and the member's to be believed, that this misrepresentation has to be withdrawn. And I would refer Your Honour to Rule 133 of Beauchesne, which says: "Where the Speaker takes notice of any expression as personal and disorderly, attempting to induce heat and confusion" - and I refer to the expressions "personal" and "confusion" - "and calls upon the offending member to explain, it is the duty of the latter immediately to explain or retract the offensive expression and to apologize to the House for the breach of order," etc.

I take it, Mr. Speaker, if a member said that the Member for Kildonan says that his constituents don't mean anything to him, that the Member for Kildonan would have a right, on a breach of that privilege, to get up and say that "I have never made any such statement; I ask the honourable member to withdraw." And if the honourable member is not able to substantiate the location of that statement he would be obliged to withdraw. This has always been the rule in our House and I'm prepared to indicate numerous authorities from our own practices. It has also been the rule in the House of Commons and I'd be prepared to submit many authorities of that practice. If it is not the rule in this House, Mr. Speaker, I would ask you to merely clarify that for us, because if members are able to do that, I think that this would be a great disorder to the House and I would be prepared to move a substantive motion to change our rules so that this could not take place.

Now, Mr. Speaker, I'm not saying that it is or is not, nor am I debating your ruling. I am merely asking you to take this matter under advisement and to advise honourable members whether you now consider the rule to be that a member of this House can attribute to another member remarks that he did not make, and that that then becomes a subject to debate even, for instance, if the member has already participated in the debate and couldn't take the floor. Now I, for one, Mr. Speaker, have always felt that if I was to attribute something to an honourable member which he did not do, and the honourable member denied it, that I would have to withdraw. That has been the practice in this House and in the House of Commons. If it is not now our rule, then I would want Your Honour to tell us so, so that if necessary a substantive motion can be made to confirm what both this House and the House of Commons have done for many many years.

MR. SPEAKER: The Honourable Leader of the Opposition; to the same point?

MR. SPIVAK: Yes, on the same point Mr. Speaker. I believe that if this matter is to be taken under advisement by you that we should have some reference to the past practices in this Legislature and to a clear understanding between the difference between a misrepresentation and an interpretation of what someone says. There has been too much of a tendency to indicate that an individual member has said one thing or another without particular reference to Hansard to indicate the quote and the interpretation which leads to the debate as to whether in fact the representation being made by whoever is addressing you, Sir, is correct. The past practice has been to indicate that that is a debatable item and there have been many references in which motives have in fact been dealt with as a result of such interpretation.

Now I may suggest to you, Sir, if you are going to be considering it, that this is probably a more appropriate matter to be discussed by the Rules Committee, and this is more appropriately to be dealt with by the committee that will in fact be formed as a result of the activities of this session to in fact determine this. I believe that the practice that we have followed in the past has up to now worked, not necessarily satisfactorily in all cases. I, for one, Sir, have been one who has felt that in many cases the House Leader has not interpreted the statements that I had made correctly, and on various occasions I have attempted, by way of privilege, to question that and I have not been allowed to do so. However, I recognize that this has been the past manner in which we've operated and it would be my feeling that this should be continued until we arrive at a proper solution to this matter within the Rules Committee.

MR. SPEAKER: The Honourable the First Minister.

MR. SCHREYER: Mr. Speaker, speaking to the same point of order, I would take this opportunity, Sir, to urgently ask you to take the matter under very careful and, if necessary, prolonged advisement. I don't think it's a simple matter at all. There are quite a number of points of privilege which are so easy for the Chair to ascertain. The imputation of motives is a very simple thing for the Chair to deal with. The misquoting of a quotation that purports to be a direct quotation is also simple for the Chair to deal with. But when it comes to a member

(MR. SCHREYER cont'd.) . . . rising in his place and attempting to indicate what another member has said at some point in the past, and when he does so in a way that must be described as paraphrasing, then frankly, Sir, I feel that the rules of this House and Parliament have always in a sense been inadequate, and yet I don't pretend that there is any easy way to frame and formulate a rule that would cover such a situation adequately so as to be of any real assistance to Mr. Speaker.

Nevertheless, my colleague the Minister of Mines surely has a point when he argues that it can hardly be acceptable that a member can get up in his place and attempt to paraphrase or quote indirectly what a former member has said and to do so in a way that is known to be inaccurate, which everyone knows is inaccurate, and yet be allowed to get away with it with impunity.

Well, Mr. Speaker, I suggest to you, Sir, that there is a very - not only very important but a very difficult problem for you to deal with, Sir, and would certainly urge that you take it under very careful consideration.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I don't want to prolong it; I trust that you will be taking it under advisement. The Honourable the First Minister has raised several questions which should be looked at; I am concerned with merely when one member represents that another member has said something, has quoted him as saying something, and if that has not taken place, the member who has been misrepresented I've always felt has been entitled to get up and say, "I didn't say it. I ask the honourable member to withdraw." And if it can't be substantiated, the member is required to withdraw. Those have been the rules under which we have operated. If he said, "I interpret my honourable friend as meaning this," it would be an entirely different situation.

MR. SPEAKER: I thank all the honourable members for their contribution and I shall take the matter under advisement. The Honourable Member for Riel.

MR. CRAIK: I take it we're still in the question period. Can the Minister of Mines and Resources indicate whether the transcripts are yet available from the last Public Utilities Meeting?

MR. GREEN: No, I can't indicate, Mr. Speaker.

MR. CRAIK: A subsequent question. Would the Minister undertake to determine whether he can obtain these for us for next week?

MR. GREEN: Yes, Mr. Speaker. I am doing that right now just by looking at the . . .

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. SPIVAK: My question is to the House Leader. I wonder if the House Leader can indicate when the Public Accounts Committee will be meeting.

MR. GREEN: Mr. Speaker, I can't at the moment but there will be no difficulty calling Public Accounts very shortly.

MR. SPEAKER: The Honourable Minister of Transportation.

HON. JOSEPH P. BOROWSKI (Minister of Public Works and Highways) (Thompson):
Mr. Speaker, I wonder if . . .

MR. SPEAKER: Order. The Honourable House Leader.

MR. GREEN: I wonder if the honourable member would yield for just a moment because the Minister of Finance has just indicated to me that he just has to clear it with the Accounting Department and as soon as that happens we will be able to go ahead.

MR. SPEAKER: The Honourable Minister of Transportation.

STATEMENT

MR. BOROWSKI: Mr. Speaker, I wonder if I could, by leave, make an announcement I didn't make this morning because I was late getting into the House? (Agreed)

MR. SPEAKER: The Honourable Minister of Transportation.

MR. BOROWSKI: As members have probably noticed, we have put up special parking signs around the grounds. I thought I'd bring it to their attention because there's quite a few rule changes there which will be enforced on Monday. We've set up one area for tourist parking directly across from Memorial Park. There's nine cars for tourist parking. Another section is reserved for people coming in to see MLA's of both sides of the House, whether it's reeves or councillors or people with problems - that'll be reserved. We also have another area on the east side of the House for five cars doing service work in the Legislature. This

(MR. BOROWSKI cont'd.) will be reserved exclusively for people doing business here whether they're Hydro, Telephone or service vehicles. And the most important part is the Assiniboine Avenue, which is presently two-hour parking. This will be opened up and it will be all-day parking on a first-come first-served basis. I'd like to make this announcement because starting Monday any cars parked in these areas, if the rule changes that we've made and the signs we've put up are going to have any meaning, we're going to have to get tough with those who park in these areas. We have many American tourists coming in here. We've had many letters and I know that members of the Opposition have had many letters of where they've come in here and spent half an hour circling the building - they can't park. So tickets are going to be given out and, in the case of civil servants who park in restricted areas, after a ticket is given, the next time the car will be towed away.

There's one other problem we have, is that it appears over the years that somebody in this building has been selling privilege stickers to people from Great West Life and others. We have found several cars having stickers and we are told that they were sold by someone within this building. Stickers are going to be changed very shortly and anybody found having an illegal sticker will be prosecuted.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, we thank the Minister for his statement. Speaking of letters, members of the Legislature did receive a letter from the Minister of Highways back a month or two ago, and with reference to that letter I'm wondering if there's . . .

MR. SPEAKER: Order. Is that a question?

MR. CRAIK: Yes. This refers.

MR. SPEAKER: Very well.

MR. CRAIK: I'm wondering if, with reference to that, if there's a further sign to go up on the grounds designating one of these locations as being "Hell's half-acre." Perhaps the Minister has forgotten the letter in question to do with parking on the grounds in which the members of the Legislature and others were accused of parking all over Hell's half-acre at the Legislative Building. I'm wondering if tourists to Manitoba are to be graced with a sign on one of these locations designating it as such.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the honourable members to where we have some more visitors. We have 22 students from Wawanesa Junior High School, of Grade 9 standing. These students are under the direction of Mr. Derkach and Mrs. Derkach. This school is located in the constituency of the Honourable Member for Souris-Killarney. On behalf of all honourable members, I welcome you here.

Orders of the Day. The Honourable House Leader.

ORDERS OF THE DAY - GOVERNMENT BILLS

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

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

MR. STEVE PATRICK (Assiniboia): Mr. Speaker, my comments will be brief on this bill because I feel the other day the Member for Roblin pretty well said everything that could be said on this bill, but I do have a couple of points that I wish to raise. The first one is, I believe that the Minister of Municipal Affairs perhaps went wrong about the way he went implementing Bill 56 in respect to Government Auto Insurance, because in my opinion all the government has done is taken over the insurance industry from the insurance companies and are trying to operate it almost in the same manner to what the insurance companies were operating it before. To some extent, government and the Minister were trying to relate a message to the people that this is a no-fault insurance. This is completely incorrect. This is false, because there's no such thing at the present time in the government legislation. There is such a thing as compensation as no-fault attached, but this has been sold by the private companies for some time in Manitoba similar to the plan that is now available and sold in Saskatchewan. So when the government talks about no-fault, I think this is completely wrong and it's false because there's no such thing.

What the Minister has done is taken over the industry completely and is trying to sell the same product to what the insurance industries were marketing before. If the Minister

(MR. PATRICK cont'd.) would have gone to a no-fault concept, then perhaps I think it would have been easier for him to sell the idea and it would have been easier perhaps to get the acceptance of this House because he would have gone completely into a new concept of marketing insurance which would have been similar to, let's say, Workmen's Compensation Plan, and perhaps he would have had a fairly good argument saying that we are coming out with something new, we've done research on it, and we feel this is the answer and this is the solution to the automobile insurance industry, if he would have really gone into the no-fault concept. This is not what he has done.

What he has done is almost identically and completely marketing the same product as what industry has been marketing in this province for years, and I am the first one to agree that there has been problems with insurance for quite a few years and I blame the politicians more than anybody else; I blame the people that sat in this House that have not taken the responsibility more seriously and corrected the wrongs that were wrong. I think this is the responsibility of any government to do, to try and improve things, and I think it was the responsibility of the government of the day and the government of the time to see what was wrong with the industry, to see how it can be improved, to bring in regulations that were required, and see if it could be operated in a better way and a better system. But that's not what the Minister did. I feel the government, they completely almost confiscated the industry and are operating or are trying to operate an almost identical plan to what was available to the people before, and I think this is wrong.

If the Minister would have gone all the way to no-fault, then I would have said he's really bringing something new, he's bringing a new concept in, and I'm sure he would have had a much easier time to sell to the members in this House that he's coming with something completely different on a no-fault basis, and this would have been, I'm sure, much easier for him to convince the members of this House. But what he has done is strictly taken over the industry, taken over the industry, taken over the business that has been marketed on the same basis before. The only thing that he's talking about, and I think the government was wrong and it's unfortunate that this is what they tried to do, they tried to advertise and make the people believe that there is such a thing as no-fault insurance - for there is no such thing. There is no-fault compensation for personal injuries. We had no-fault compensation for personal injuries before. The private insurance companies were marketing no-fault compensation in respect to personal injuries up to certain limits, say \$10,000 for death benefit for the member of the household, and so much compensation for injury, and I think that today the people are completely, have completely misunderstood what the government is trying to do, because you can talk to many many people - I know I have every day talked to clients, and they say we're getting no-fault insurance. That's not the case. In some way, and I think the Minister, the quicker he tells the public I think he'll be doing a service, because the people believe they are getting no-fault insurance and that's not so. They're getting the same package, they're getting the same thing what the private industry was marketing before, Mr. Speaker. So to tell the people that they're getting no-fault insurance is completely erroneous. It's, you know, the public, I would say, if they didn't misunderstand the Minister, they were deceived to the extent that they do not understand it is not no-fault insurance at all. So, Mr. Chairman, that's one argument that I have with the Minister. I think what he has done is completely taken over the industry and is marketing the same product what the industry has done before. I think he would have been probably right if he would have said to the industry, look we are going to regulate you, we are going to tell you what we want you to do and you'll have to work within the regulations, within the legislation we're going to provide, and if at such time it wouldn't of worked then I would have suggested the Minister perhaps had enough reason to proceed on some basis, and then if he would have proceeded on a strictly no-fault basis, and I said he would have come out with a new concept as far as the insurance is concerned and he could have proved his point. But at the present time what he has done he's strictly taken over the industry and marketing the same product, what the private insurance companies have been doing.

The other point that I wish to raise to the Minister, I don't believe that he has been fair with -- I hope he listens -- I don't think he has been completely fair with the industry, because my information is when the government came into power two years ago they did request the industry to meet with the government and said -- (Interjection) -- Okay. And said -- request that the industry and ask them what is wrong with the insurance, can you tell us. And the industry in good faith met with the government and said yes, we're prepared to talk, and I

(MR. PATRICK cont'd.) believe the Premier at that time said you know they're not thinking of any drastic moves in the insurance industry, he says but tell us what is wrong. So the industry met and had a good discussion with the Premier and I believe some members of the Cabinet I don't know which ones, and they requested of the industry to send them a list what areas that they should look into and what should be done. I believe a letter did go in from the industry to the Premier and many points were raised to the government, such points as the industry said; "In accordance with our meeting with you of -- I'm quoting a letter, from a letter of September 12, 1969 and it's addressed to the Premier and it said: "In accordance with our meeting with you of August 17th, 1969, we are setting forth herewith a list of topics in regard to automobile insurance which we think will be pertinent to your exploration. They are not necessarily set down in order of importance but we would be interested in pointing out some of our ideas that should be explored." And the points that they raised is: retention of the tort system, compensation without fault, compulsory insurance, British Columbia plan for indemnity in event of disability or death, limitation of pain and suffering formula, 50 percent of the first five hundred medical, exploration of methods limiting costs from third party property damage. They laid out a whole area of points and that the government should get involved and that the government should try to improve and I think the industry was sincere when they met with the government of the day and they pointed out what is the problems - and what really happened? I don't believe that the industry even had a reply to this letter. From that point on the government went completely into the process of setting up their Autopac and taking over the industry. I think this is unfortunate, I think that at least the government should have met with the industry in good faith and said either we don't want to talk to you because we know what's right for the insurance business and we're going to proceed to set up our own Autopac, or on the other hand should have not told them that, look tell us what's wrong we'll try and work with you; because the information that comes to me, the industry is inclined to believe that they were deceived by the government because they say they've asked us to meet, asked us what's wrong, we told them what's wrong, we laid it out on a plan, on a chart and that's the last time we heard from them and nothing else happened. So if that is the case surely the Minister must be concerned. I think he must feel on much better terms with the industry today because I don't think that's the way to handle the situation.

The other point that really concerns me: We are aware when the report came before this House last year, the committee's report, I don't think it was worth the paper it was written on and everybody knows it. The report did not deal with how many people will be displaced. I think the Minister should have met with the industry and said, Look, how will it affect you? We have to know the answers. What are we going to do with the people that are going to be displaced? How many will be displaced? How many companies can stay in the province and write business and how many will not? Because at the present time the Minister knows that there are 13 companies leaving now. If he hasn't the names, I'll give him the names. And each one of these companies employed between 40 and 50 people. So, Mr. Speaker, that's 700 people that are going to be displaced.

I am also told the other factor is that the government has set their basic rates quite high, higher than they first originally intended which now indications are, and there's substantial, I'm sure, proof of the fact, that at least 65 percent of the people will be paying somewhat higher insurance than they are paying at the present time. They will be paying higher and the rest will be perhaps -- and surely the young people will be paying much less; I agree the young people will be paying less, but the point that I'm driving at, I understand the purpose it was done this way, it was designed this way, that the supplementary -- it will give the government the advantage to sell the supplementary at a very advantageous price to the government so -- (Interjection) - No, it's written, it's correct because I'll tell you everybody in the industry will tell you this. So what happens, Sir, what happens, Mr. Speaker, that virtually nobody will be able, of the companies, to sell supplementary because they will not be able to compete. So what really will happen, not that you will have 700 people that are being displaced at the present time, you will displace, if my assumption is correct, I hope the government will disprove it but that's what I'm told by the industry that they cannot be able to compete on the supplementary with the government because they've set themselves a cushion on the basic. If that is true, I'll tell you, Sir, that you'll have 3,000 people displaced by this factor because none of them, none of them will be able to compete for the supplementary.

So I just raise these few points before I go into the bill, because really, Mr. Speaker,

(MR. PATRICK cont'd.) what is the government marketing under the government insurance plan? They're not marketing anything different than there is available to the general public at the present time; nothing different. Every identical thing is the same. In fact I'll tell you the present insurance system is much more superior. I'll point this out to the Minister and I'll show him some letters and I'll tell him what Bill 52 does which to me is I don't think good legislation. So I think this was the Minister's responsibility first to find out, meet with the industry and tell the industry what he's intending to do, find out how many people will be displaced so that he knows what's happening. We have a difficult time to create 25 jobs which is very expensive, here we're displacing 3,000 because we may save some few people some money but we know that 65 percent will be paying more. So I think that this is unfortunate.

What is the government really marketing, Mr. Speaker? P.L. P.D. \$50,000 limit, same as we had before. Compensation for personal injury \$10,000 limit, same as before. I believe that you do have "lifetime" while under the present industry you had up to four years, you were able to buy compensation for life. And you have collision and comprehensive, there's nothing different, nothing different, but to tell the people that you're selling no-fault insurance I think is completely false and the sooner the Minister tells the public it is not no-fault insurance I think he'll be doing justice because I'll tell you most of the people are inclined to believe that it is no-fault insurance. -- (Interjection) - It is not no-fault insurance. It is no-fault in extent to personal injury, that's all, but it is not no-fault as far -- you mean that nobody will be able to resort to the tort system and go before the courts . . .

MR. SPEAKER: I should like to indicate to all honourable members that when a member is debating the question and he sees another member rise, if he wishes he will yield the floor by sitting down, but if he doesn't sit down then the honourable member must contain himself until the debate is done and ask his question at that time. The Honourable Member for Assiniboia.

MR. PATRICK: So, Mr. Speaker, it is not no-fault insurance. Let the Minister not fool anybody. If he would have gone to the no-fault system then perhaps I think he would have had more support in this House than he had. He wouldn't have had the extreme opposition that he had last year because it is not total no-fault insurance; it is not. It is strictly only as far as the compensation is concerned and you have no-fault insurance now as far as compensation for personal injuries is concerned up to certain limits at the present time. That's all what it is.

But to return to Bill 52, Mr. Speaker. Section 26 of The Automobile Insurance Act has been amended whereby the Automobile Insurance Act as far as the universal compulsory government Autopac is concerned is no longer subject to the Insurance Act of Manitoba.

MR. SPEAKER: Order, please. I should like to indicate to the honourable member that I believe he has had the experience -- that we do not debate the sections item by item on second reading in principle. I'm sure that he can find ways of carrying on the debate by discussing the principles contained. The Honourable Member for Assiniboia.

MR. PATRICK: Okay, Mr. Speaker, I agree with your ruling. The principle involved in the bill is making the Autopac - the government Autopac does not apply to the Insurance Act any longer and this is what concerns me. I think it gives advantage to the government with regard to competition on the excess supplementary coverage and I'll tell you what the problem is. By the very fact that the government compulsory insurance will not be subject to The Insurance Act, we must therefore assume that in situations involving a policy violation that the Manitoba Government Autopac Insurance will deny coverage under their plan and the injured party has no recourse against the Manitoba Public Insurance Corporation and is therefore entitled to those benefits that he or she may be qualified only to receive under the basic section. An illustration that I could use. Let's assume if a breadwinner in a family was killed and he has no recourse against the Government Insurance Plan, what will happen? This is exactly what this bill will do, and it concerns me very much. You may ask me well how it may happen. Well I'll tell you how it may happen. The operator of the other vehicle may be impaired, may be impaired, and then any damage that he does or personal injuries to the other third party, the third party cannot get any compensation from the government insurance. And I'll tell you I hope that the members realize this is a very serious point in this whole bill, because, Mr. Speaker, I'll tell you what I'm saying and I'll illustrate it.

I have a letter here from the Government Insurance of Saskatchewan and I'll quote it: "Dear Sir: Re: Auto Accident November 6th, 1969. We have been instructed by the principals of Saskatchewan Government Insurance Office to deny all claims pertaining to this accident

(MR. PATRICK cont'd.) case as the operator of the MacFarlane vehicle violated his insurance policy. Would you please direct your claims directly to Mr. MacFarlane and the operator of the vehicle, Mr." -- (Interjection) -- This is the letter. I'll tell you what happened. The driver was impaired and he totally demolished a new car parked in the street, total loss of \$4,000.00. So what does the Saskatchewan Government say? They say that he violated one of his clauses in the insurance and there's no compensation. We're getting the same thing in here, saying that the Autopac will not now apply to the Insurance Act of Manitoba. If this is the case that you'll have many of these cases and I think this a serious thing.

Mr. Speaker, the Insurance Act clearly indicates at the present time that where an individual purchases another vehicle that he is given automatic 14 days extension under his present policy before he gets the proper change. What happens under the present system? If he doesn't go the same day -- What if he purchases a vehicle say on Saturday afternoon when all the offices are closed. Does that mean that he has no coverage at all? The way I would construe this bill is that he has no coverage at all and that's another point. This is an area where it would not apply to the Manitoba Insurance Act. It could be one of the other areas and I think it's unfortunate. The Automobile Insurance Act allows for payments of the Consolidated Fund for the purposes of initial financing in respecting payments, interest, and otherwise as the Lieutenant-Governor-in-Council may prescribe. I would like to know from the Minister exactly what he means. Does this mean if the Insurance Corporation runs into financial difficulty that the Governor-in-Council from the Consolidated Fund will give it any amount of money that it needs to. And I think it's wrong. I think that the Autopac Insurance Corporation should be subject to the same laws as every other insurance company is at the present time. They have to be audited twice a year by the government audit. Why shouldn't the Autopac or the Government Auto Insurance be audited in the same way? You know, I can't agree with this at all. Now the Minister may have some explanations and I hope that he has.

There is another point that probably the Minister has not considered and I think that he should consider. In the area of limits of liability where the government intends to provide for the compulsory or for the excess, I would like to ask the Minister what would happen if you had, say, a certain function, where you had perhaps 25,000 cars or 30,000 cars and you had a serious hail damage, and that you had most of the windshields and paint jobs, and which would bring what you'd call a real catastrophe, that you would have a very serious claim which would almost wipe out any money you'd have, and in the Autopac which would be impossible to pay the claim. So what I'm asking is: what about the reinsurance? Have you considered reinsurance? I would like to know if you are going to reinsurance of the risk. Are you going to reinsurance with a Manitoba-based company, or are you reinsuring with somebody in the States? I'd like to know! And, you know, I know that the government for years are against anything that's American or foreign, and I wonder if . . . -- (Interjection) -- I could -- well it's a policy. Read some of your statements of the NDP waffle group, and -- (Interjection) -- Well, I don't know if it's the policy but the Minister must know real well when he sat on this side -- and let him go and read back some of his Hansard, when he used to say about the mining, if he'd been government, how quickly he'd change everything.

MR. SPEAKER: Order, please. I would like to indicate that interjections are not part of the procedure of this House. If a member wishes to rise on a point of order, or on a matter of privilege, that he is entitled to do. If a member wishes to place a question, he may rise. If the other member does not wish to yield the floor, does not sit down, then he has not extended the courtesy, and that's the procedure in this House. Now the Honourable Member for Assiniboia has not yielded the floor to a number of people who tried to rise on a question, but the Honourable Minister may try. The Honourable Member for Assiniboia.

A MEMBER: Would the honourable member permit a question?

MR. PATRICK: When I'm finished, Mr. Speaker. When I'm finished.

Mr. Speaker, the other point that really concerns me is the amount of advertising the government has been promoting in respect to the false concept, and in my opinion it is false advertising -- well, if it's not false, let's say it's misleading, because really, right now the people are of the opinion that they're getting no-fault insurance. They are only getting no-fault in respect to the personal injury, but as far as your -- well, on the public liability, I wonder -- the Minister better explain it to the public properly, that no person will have any right, or no recourse to the courts. Whatever the adjuster of the government will say, that

(MR. PATRICK cont'd.) will be final; and say your compensation, if you're a doctor, you're injured today, you are entitled to \$200.00 compensation a month and that's final. Is that what the Minister is referring to? If that's not what he is referring to, then he is not correct to say that there's no-fault insurance. I know there's no-fault in respect as far as the compensation is concerned, but this is not no-fault insurance and I know the Minister knows that.

I think that there has been some improper advertising. My point is, I cannot see why the government is not subject to the Consumers' Protection legislation in respect to advertising, and I think it should. I don't believe it is, but I think it should. I will agree with the Minister of Mines and Natural Resources when he was speaking in this House, not perhaps in the early part of the debate, but later on when he used to say that maybe there won't be much saving.

MR. GREEN: I didn't say that.

MR. PATRICK: You didn't say that? Well, I believe anyhow that you have indicated that one of the main reasons was that the government will have their hands on the \$35 million. Am I correct now? Okay. So that's -- and so I agree that the whole purpose of the government behind the insurance scheme was to get their hands on the \$35 million and not so much that they can improve the insurance industry, not so much that they can save anybody any money, but it is only for the purpose to get the money, so as long as we understand that -- and I'm pointing this out; I think this was the reason; and I think it's unfortunate that the Minister of Municipal Affairs did not meet with the industry and say, "Look. We are going to set up a rate review board for the insurance industry. We will make it compulsory. We will make it no-fault compensation in respect to accidents on a compulsory basis, and we'll improve it through legislation." Because I think the government's purpose is to regulate the control of any industry but if it isn't, then, you know, if you're going to start with insurance because I feel there have been other areas that would perhaps have been much more important for the government to get involved and to be interested to take over instead of the insurance industry. -- (Interjection) --

MR. SPEAKER: Order, please. I would like to indicate to all honourable members that one of the reasons why we have difficulty is because the interjections are made, and then the member who is debating debates to that point, and pretty soon we have heat in debate. Now, if honourable members wish the procedure of this House to be conducted with decorum, they'll have to maintain this rule, that there must be no interjections and no requests for replies of the debator. The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Speaker. The other point that I wish to raise, Mr. Speaker, is it not true that the Minister of Municipal Affairs during the last election had been telling the people that the government insurance in Selkirk -- at least to the people -- would be much cheaper than the private insurance that's been sold or marketed by the private companies, and is it not true that now we have suffered, if it would have been in Area I, it would have been higher than private industry would have been selling. So now we find Selkirk in Area No. II which I think puts Selkirk in a position where they have the benefit of cheaper rates, and I understand that many, many people drive from Selkirk to Winnipeg every single day, more than any other community close to Winnipeg. I also understand that there has been more accidents, as was pointed out by the Member for Roblin, in Selkirk or from the people who are driving cars in Selkirk, had much more accidents than a community, say, like Flin Flon up north, and still one area has a distinct disadvantage as far as rating is concerned than some other area who has less accidents and have a better driving record. Now perhaps the Minister can explain that point to me. You know, I would be interested.

I think there is another principle involved in this Act, that states that information and reports shall be the property of the Corporation and not made public in respect to any investigation of the drivers, and I would like to know how this condition compares with regulations which are just produced and before the House on Bill 27, which is The Personal Investigations Act. It seems to me that this would strictly be contravention to Bill 27, and I feel that Bill 27 should apply to the government as well as anyone else, and so if the government is going to seek information and do any personal investigation, I think this information and investigation should be available to any driver, any policyholder that he wishes to see that record, should not be strictly secret, confidential files of the Autopac Insurance, government insurance industry. I would like to see it apply to Bill 27 as well, if it's going to apply to the government.

So Mr. Speaker, I am concerned when the bill will not be -- or Autopac will not be subject to the Manitoba Insurance Act; it will not be subject to that Act. What we will have, we'll

(MR. PATRICK cont'd.) have exactly what's happening in Saskatchewan. When any one of those drivers violates any clause of his insurance policy, then he's immediately told, "Sorry, fellow. We have no coverage for you. You have to proceed under the court system and see if you can get any damages or compensation from the person himself." And this is the point that really concerns me very much.

MR. SPEAKER: The honourable member has five minutes.

MR. PATRICK: Thank you, Mr. Speaker. And I think that's one area that we definitely need an explanation.

The other point, in closing I will reiterate, I feel that the Minister could have done a much better job if he would have consulted with the industry and met with the industry, which I understand he has not done, and initially when the Premier did meet last year, or 1969, he met strictly for the purpose to bring some new legislation to improve the problems that existed in the industry and the industry met with the government in good faith, and after the first meeting when the Minister replied and said, "These are the areas that there are certainly problems," and the industry never heard no more from the government. So the industry does feel that, you know, that they were to some extent deceived.

Now I think the government should have gone further and investigated how many people it will displace, what will happen, in what ways some of these people can be assisted and so on, but the most serious point, Mr. Speaker, the most serious point is compensation for the agents, and they have no axe to grind for the insurance companies, but a lot of these people are fighting for their lives. They spent 25 to 30 years in this business and I'll tell you, they're concerned, and say, "My compensation, if I take the \$85.00 a year compensation, so it amounts to perhaps \$1,600 or \$2,000, that's not very much; that's nothing," Mr. Speaker. And I think this is where I urge and plead with the Minister to reconsider his stand as far as compensation is concerned. I know this will displace at least 50 percent of the agents, and if some of them or the employees don't take the jobs with the Autopac, and I'm sure the government will be using computers so the government insurance will not employ that many people - there will be very few, in my opinion - so I feel that the Minister must give urgent attention and reconsider his stand in respect to compensation, because the information that I'm getting from some agents is that they're desperate; they don't feel that they are getting a fair shake, a fair break, and they're very disillusioned at the present time. I know that the Minister is more compassionate than what insurance agents feel at the present time and I'm sure he can reconsider and meet with them and say, "Look, we can be fair in this thing," because at the present time when you give him \$85.00 for each year he's been in the business, really this is -- you might as well not be involved in setting up all the time, setting up the mechanics and the people involved, because \$85.00 for a man that's spent his lifetime in the industry, per year, I don't think is good enough.

So I urge the Minister to reconsider his stand as far as compensation is concerned. And in respect to Bill 52, if the bill is not subject to the Manitoba Insurance Act, I cannot see how we can support it, or how I can support it, because what we'll have, we'll have real chaos; we'll have people being told every day that the driver, the third party has directly violated one of the clauses in his policies, "Sorry, there's no compensation, you go to the courts and fight your own battle."

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs)(Selkirk): Would the honourable member submit to a question or two? Would the honourable member advise the House whether or not he has consulted with any Selkirk insurance agents as to where they rate the present policies they write within the Selkirk area?

MR. PATRICK: No.

MR. PAWLEY: . . . do so, and advise the House as to the outcome of his inquiry?

MR. PATRICK: Yes, I will, Mr. Speaker.

MR. PAWLEY: Further, would the honourable member agree that there is, to a certain limit, no-fault coverage included within the basic plan for every motorist in the province?

MR. PATRICK: No different than is presently available under the private schemes.

MR. PAWLEY: Is the honourable member suggesting that under the private schemes that there was basic no-fault coverage carried by every motorist in the province?

MR. PATRICK: No, it was on a voluntary basis. I believe the industry did request the government - perhaps the previous government, I don't know - that this be made on a compulsory basis and I don't know what happened, but I would tell you this much, that in some offices,

(MR. PATRICK cont'd.) I would say the majority, or the larger percentage of the people did carry, and I would be safe to say at the present time that the majority of the people do carry no-fault compensation as far as the personal injury is concerned.

MR. PAWLEY: Would the honourable member be prepared to join with me in indicating publicly that after there was a cost analysis, if it proved positive, that he would be prepared to support me in a bill which would remove third party . . . ?

MR. SPEAKER: Order, please.

MR. PAWLEY: This is a question.

MR. SPEAKER: It is not a question. The Honourable Minister is starting to create a debate. I wish he would remember our rule which indicates that a member may ask a question of clarification in respect to debate, but he may not ask a question to enlarge the debate. The Honourable Minister of Municipal Affairs.

MR. PAWLEY: Well, is the Honourable Member for Assiniboia prepared to support specifically his suggestion that there be strict no-fault in that third party liability be eliminated in the House next year?

MR. PATRICK: Mr. Speaker, you can't -- how can I support anything when I don't know what it is? The man says there may be no-fault next year sometime. If there was legislation I have to consider what it is before I can, you know, commit myself to anything . . .

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

MR. GREEN: Mr. Speaker, I just want to try to get clarification from my honourable friends. Is he suggesting that when I was on that side of the House I spoke against American mining companies and American capital in this country? And is he suggesting that this government has made a policy statement in that connection?

MR. PATRICK: The members of your party, Sir.

MR. GREEN: Members of the party. You indicated that it's the government policy to be against the Americans and foreigners. Can you tell me where that statement of government policy comes from?

MR. SPEAKER: I would like to indicate again that I do wish to introduce all honourable members and that it will avoid heat and it will avoid conflict of debate if they will wait until they are introduced. The Honourable Member for Assiniboia. The Honourable Leader of the Opposition.

MR. SPIVAK: Mr. Speaker, I move, seconded by the Honourable Member for Riel, that the debate be adjourned.

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

GOVERNMENT RESOLUTIONS

MR. SPEAKER: The Honourable the House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable Minister of Labour, that for the remainder of the session, the House have leave to sit in the forenoon from 9:30 a.m. to 12:30 p.m.; in the afternoon from 2:30 p.m. to 5:30 p.m.; in the evening from 8:00 p.m. and each sitting be a separate sitting, and have leave so to sit from Monday to Saturday, both days inclusive, and the Rules with respect to 10:00 o'clock p.m. adjournment be suspended, and that government business take precedence over all other business of the House.

MR. SPEAKER presented the motion.

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

MR. GREEN: Mr. Speaker, the House has been in session now for several months and I just feel that there is now a disposition to work longer hours in the hope that more can be accomplished in a shorter period of time. This resolution will make it possible for the members to stay here for periods longer than we have been staying here and it will permit us therefore to get through a greater amount of business in a shorter period of time, which if we are successful in this means that we will be able to have more time off than we would have if we carried through under the ordinary rules. It's a practice that has been carried on by the House for many many years although sometimes with some dispute as to the decisions that have been made but on the whole I believe that it is a useful practice, it permits the members to put in more time, do more work and get more time off at the end. It would be the intention, Mr. Speaker, and I would expect that the debate would be adjourned so that the actual change of rules would not take place probably until after the 80 hours of estimates have been completed.

I'm not moving an amendment, Mr. Speaker, but I'm indicating that if there is any

(MR. GREEN cont'd.) debate on the question and I am then given the opportunity to close debate, I will not close debate until the 80 hours of Estimates are completed. I make that statement to the House in full faith that some members of the House believe me, that it's not intended that this resolution will become operative until the 80 hours of Estimates has been completed. The member says "why move it." We move it now so that debate can take place during the period between now and the time that the 80 hours are completed. Of course the member knew that when he said "why move it," but in order that he have a response I give him the response. I tell honourable members — and if the honourable members, if the honourable members opposite think that there is some duplicity about putting the resolution now then I tell you that I will ask the Minister of Labour and I ask him now on my feet to adjourn debate. We will hold the adjournment and I will close debate on the day after the 80 hours of Estimates have been completed — unless something unforeseen happens with regard to the conduct of the House with respect to these 80 hours of Estimates. But if nothing unforeseen happens and my honourable friend is suspicious of the intentions of the government then I tell him that that is the case. However, I fully expect one of the other honourable members to get up and not let this resolution pass through the House right now on this debate, on first reading. If that doesn't happen I will be most shocked and surprised. I have my honourable friend here waiting to adjourn it so that we don't violate the undertaking which I am now giving to the House.

It would also be the case, Mr. Speaker, that all of the members of the House I am sure would attempt to be reasonable in terms of the hours of debate. The fact is that the process has proved to be effective, it has proved to be a facility for all of the members of the House. I know that all of the members of the House who were here in 1968 have voted in favour of equivalent resolutions. So I put this resolution, Mr. Speaker, knowing, fully confident, despite what may be said by honourable members opposite, that they too consider this to be a good procedure.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (BUD) SHERMAN (Fort Garry): Mr. Speaker, I move, seconded by the Honourable Member for Sturgeon Creek, that debate be adjourned.

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

MR. SPEAKER: The Honourable Minister of Finance.

MR. CHERNIACK: Mr. Speaker, I beg to move, seconded by the Honourable Minister of Labour, that Mr. Speaker, do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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

COMMITTEE OF SUPPLY

MR. CHAIRMAN: The matter before the Committee is Resolution 56 (a) (1) — The Minister of Industry and Commerce.

MR. LEONARD S. EVANS (Minister of Industry & Commerce) (Brandon East): Thank you, Mr. Chairman. I would like to very briefly conclude some remarks I was offering the House last night in response to various comments and questions asked by members opposite. I'd like to relate to the concern of my honourable friend the Member from Fort Garry with respect to this so-called climate of anxiety and depression and so forth, and as I was saying last night that I'm not so sure that this climate of anxiety exists in the province.

The fact is that we do have in effect the lowest or the second lowest level of unemployment of any province in Canada. But I would like to repeat what I've said perhaps on other occasions, and it is simply this: that when you're talking about the pattern of investment in a provincial area or in a regional area in Canada you must realize that a provincial government, and I don't care which provincial government you are talking about in this country, has a limited capacity to affect the level of investment as it affects in turn the growth of industry, as it affects the number of jobs that are being created. Because, Mr. Chairman, all the provinces of this country are affected one way or another by federal economic policies and if the Federal Government in its wisdom chooses to fight inflation by the deliberate cutback in Federal Government spending, by the deliberate tightening of the monetary situation resulting in high interest rates and thereby discouraging potential investors from borrowing funds from our financial institutions, and if the Government of Canada chooses to float the

(MR. EVANS cont'd.) Canadian dollar and this Canadian dollar appreciates in value so that it's more difficult for us to sell our exports abroad, then obviously you are going to have a dampening effect on the total economy and including the provincial economy of Manitoba. This is the reality of the situation, Mr. Chairman. The pattern of investment is affected by Federal Government policy.

Let me just say as an aside, I for one am very proud of the record of the Government of Manitoba during this past six, seven, eight months in our efforts to overcome the dampening effects of the federal economic policies; and I refer to many things, into speed-up of our provincial public works program, into a higher level of public housing construction. Last but not least into our - I would refer to our provincial employment program which did create between six and seven thousand jobs for a period of time when we were normally at our lowest part of the seasonal cycle of employment. And, you know, I'm accused of merely talking in theories, merely taking an academic approach, but the fact is, Mr. Chairman, that I am very pleased to have been associated with this government in tackling a very real situation, in coming up with a program that involved the bulk of the municipalities in Manitoba in very worthwhile efforts which took people off of welfare, which took people off of welfare, and which took people off of the unemployment rolls. If people were registered as being unemployed for a month or more they were eligible to participate in any type of program that their municipality chose to pursue using provincial monies to pay 100 percent of the wage bill. That's not an academic program, that's not a theoretical situation. You say let's face realities, let's get down to the gut issues; Mr. Chairman, I would say that we got down to the gut issues, just to use one example - in that particular program where we devised a program which created between six and seven thousand jobs, albeit for a period of time, a relatively short period of time, but nevertheless at a very critical period of time. I think this is perhaps one of the most imaginative programs of any provincial government, that any provincial government has ever devised to tackle a situation of severe unemployment. Again, largely created I would say again, Mr. Chairman, by the Federal Government. But I would also add on top of that North America has been experiencing something of an economic recession and that too is partly responsible.

The pattern of investment, and therefore the creation of jobs is also affected by specific very concrete other types of federal policies. We've talked about DREE, the Department of Regional Economic Expansion. The fact is, of course, that Manitoba is subject to receiving industrial incentive grants under that department in its various programs. But the fact of the matter is, Mr. Chairman, that that department has programs for the Province of Quebec and the provinces in the Maritimes, the Atlantic provinces which are even richer, you might say, than those available to business in this part of the country. There may be a reason for that, but that too you see affects the location of industry. If Ottawa is prepared to give more money to industry going to Quebec as opposed to Manitoba then it makes the job of bringing industry to Manitoba, that could possibly come here as opposed to Quebec for natural economic reasons, it obviously makes our job much more difficult. So the pattern of investment is affected then, Mr. Chairman, by the over-all federal governmental fiscal and monetary policy, it's affected by very specific policies of Ottawa in specific departments.

We talked about the Department of National Defense and the closure of certain bases. We can look at the whole freight rate structure. You know if you really wanted to create industry in Manitoba, you know, I think what we should do is somehow or other get sole rights to determining the pattern of freight rates in this country. You know give me one week and give me the arbitrary authority to influence freight rates and I'll bring new industry to Manitoba and they'll be flooding in here as you've never seen industry flood into this province before. The fact of the matter is, there are thick files on record whereby we have been attempting to get Ottawa to take a more reasonable stance with respect to freight rates. You know, let me just give you one example, one very concrete example. It apparently is cheaper to ship rapeseed from the west to Ontario and other points in central Canada than it is to ship rapeseed oil, the processed oil. So this obviously works against the establishment of oil processing facilities, not only in Manitoba but in the prairie provinces as a matter of fact. All three prairie provinces are concerned about this, we're all trying to persuade the Canadian Transport Commission to change this particular aspect of railway freight rates. That's just one minor example. I shouldn't call it minor, it's an important example. Here we have a freight rate situation that works against the establishment of the processing of that particular type of seed, rapeseed. Then we're not assisted of course when other provinces tend to put up barriers to our products,

(MR. EVANS cont'd.) whether it be agricultural products or other kinds of products - agricultural products have come into the news - but there are certain provincial barriers that we know in agriculture at least that have tended to inhibit the economic development of this province. And then of course we have to realize what our geographical situation is; the development that takes place in this province is going to be contingent upon our natural geographical situation, our natural resource base; it depends upon the population patterns across the country.

If you are talking about manufacturing, a great deal of manufacturing today, particularly light manufacturing, tends to locate at the population centres and obviously if you have a concentration of population in one or two cities in this country, namely Montreal and Toronto or that stretch along Lake Ontario, Lake Erie and the St. Lawrence lowlands, obviously you have a situation which causes industry to want to locate near there and of course the parallel is in Manitoba where given - everything else being equal industries would likely and do tend to come to Metro Winnipeg rather than to the Village of Waskada, for example. Why? Because they want to be where the market is. Mr. Chairman, I don't really want to elaborate on this but these are the realities that this province has to face, and that any government has to face.

Well there were a number of other specific issues raised. There was a question raised about the small loans program of the Manitoba Development Corporation. I would say, Mr. Chairman, I'm sure that no matter what kind of a government program any government institutes there's always somebody who is not satisfied with it, and in this particular example that my friend from Fort Garry raised I would add that the particular application in the initial instance was declined for, what I'm advised to be, specific financial reasons, sound financial reasons. However because of this particular citizen's concern, I had the staff of the MDC, I requested them to review it, the Small Loans Division; they put on another loan's officer and they reviewed it, and again they came up with a negative answer. But in the meantime we appointed a new chairman and I've promised this individual that I'll have the new chairman personally look into the matter and see whether we had left something undone or whether we had not looked at certain aspects of the application, that would cause us to have a positive answer for this person.

But, Mr. Chairman, I wouldn't want members to think that nothing was happening and that there was this lack of communication between the MDC and myself, because there isn't. And, you know, I can give you many examples of people who have achieved small loans and who have had little or no capital in the first place; they had little or no assets to begin with; but they did have a certain ability, they did have a certain management skill, or they had a good idea, and we felt confident that in loaning them the money we were going to help them. You know, you can loan some people money and you're not helping them, you're really hurting them, and let me just provide some examples.

There's one case of a very small enterprise which is getting started to manufacture a very special type of high grade furniture. That company received a loan of \$5,000.00. It's a small loan, a small loan; it's a small enterprise - I don't know how many people, three or four people, but this is helping that company hopefully prosper and become bigger, and therefore offer more jobs. It's a fine industry.

For another example, a manufacturer of a specialty type of fiberglass boat recently received a loan of \$30,000. Again, it made sense.

Another example, a small company wished to manufacture imitation gas fireplaces and they received a loan of \$20,000. No complaints, and I think they're a fine little business and I think they'll do well. I hope they'll do well. Nobody knows what the future will hold but you hope they'll do well.

Another chap is interested in custom-making trailer and truck bodies, and he felt that he needed \$5,000 to get started, and after very careful examination the Loan Committee said yes, this is the amount that he can get by with and we have confidence in this man and what he can do, and so they granted him a loan of \$5,000.00.

Another very small enterprise - and these are small enterprises, you know, sometimes involving two or three people - wanted to, and are manufacturing apparently, automatic transmissions. Don't ask me how they do it. Don't ask me the details. I'm the world's worst mechanic. But they are on their way with a small loan, a \$15,000 loan.

There's another chap - and this is very interesting - who wants to produce television programs. And as you know, as honourable members opposite know, one can produce

(MR. EVANS cont'd.) pictures now. Film is relatively cheaper than it used to be; the equipment is relatively cheaper - not absolutely and this chap wants to go into the business of establishing a production facility of television programs, and he got a \$8,500 loan.

Well, I'm just, you know, I'm just pulling out a few examples to show you that while there may be one or two people who are unhappy because their application was rejected - and there are many applications that have been rejected because they don't make any sense, and the people have, and we've endeavoured to explain to them why, the Small Loans Division of the MDC has endeavoured to explain to them why their loan application wasn't successful and these people have accepted the explanation. That doesn't prevent them from borrowing money anywhere else anyway. But all of these are high risk loans and they are normally loans, as you would understand, that normal commercial financial institutions wouldn't look at.

The question was asked about how many jobs had been created, how many loans had been made in total and so on, and I would like to advise the House now that the official Annual Report of the Manitoba Development Corporation for the year ending March 31st, 1971, will be published if the printers can do the job on time, on the schedule that we've set for them. I would hope that we'd be able to table it here in the House in perhaps 10 days or two weeks. You may note that earlier this session I tabled one for March 31st, 1970. That report did not contain details of the companies who received loans - the names of the companies, the amounts, the interest rates, the terms. This report will include now the names of companies who have received loans since the passage of the legislation providing for disclosure, since the amendment of the old MDF Act which now allows us to disclose amount of loans outrightly.

Now I would say, Mr. Chairman, that really our interpretation of the Act enables the Minister, or the Lieutenant-Governor-in-Council, to publish specifics of any particular loan, I would think as long as the parties who obtain the loan or who obtain financial assistance realize that in obtaining this assistance this is subject to publication, and this has been the case since we amended the Act. Therefore there is some concern that we should publish more frequently than annually, and we in this government are prepared to publish loans granted and other financial assistance tendered, to anybody and everybody, in detail, on a quarterly basis. Now, our interpretation of the Act as it now exists says that the Lieutenant-Governor-in-Council or the Minister responsible can take this responsibility and do so. Therefore, this does not require any further amendment to the Act, I am now advised, and therefore we are prepared to publish this information on a quarterly basis. It could be in the Manitoba Gazette or some other suitable official document for reference by all concerned. And, you know, we've always said that we believe in a policy of open government and I think this is an example. We've always said, and we've argued that there should be disclosure of loans made, and we have made ample provision for this.

I would also remind members that in companies in which we have equity under the Act, the Legislative Committee on Economic Development may, if it wishes, obtain information in detail on those particular companies and those companies have to understand that, and they do understand that, that they are now subject to complete disclosure, not just the highlights, but if we have equity, then, as shareholders, as shareholders for the people, then we have the right and the obligation to make it available to members on that committee and the legislation states this. And I think that there should be no question, then, with respect to the matter of secrecy, as I think one particular daily newspaper was trying to misconstrue the case, that there was great secrecy, that there was non-disclosure, etc. The fact of the matter, of course, is the reverse is the case.

Just going along, Mr. Chairman, let me make a brief comment to the Economic Development Advisory Board. Some members queried why the particular report of that Board didn't, you know, more or less repeat some of the policy statements that I've made or other members of this Cabinet have made, with respect to economic development. Well the fact is, Mr. Chairman, that this Board, although headed up by a civil servant as chairman, is a board of citizen members. It's made up of businessmen. There is an economics professor; somebody who's been in the Co-op movement, I believe. There's a trade unionist and so on. This is a cross section, a small cross section of citizenry who are interested in economic development. And this report was their report, and I can accept many parts of the report and there's other parts, you know, that I can't get that enthusiastic about; but that is their report.

That report -- I can tell you categorically, Mr. Chairman, that that report is not my report; it's not the government's report; it's not a report that I tried to exercise any veto

(MR. EVANS cont'd.) right over - in fact, the reverse is the case. We expect that Board to issue the report that they want to issue and, frankly, I was as interested to hear some of the remarks of the chairman as were members on that committee. So because that particular Board, which is an Advisory Board, which indicates, which provides some suggestions with respect to economic development, in this particular instance because they make suggestions that are not entirely in keeping with suggestions that I've made in the past, doesn't mean that there's anything amiss here; it doesn't mean that there is a lack of consistency, or what have you, of any serious purport, anything that is going to detract from a government thrust in economic development. This is just not the case. It's an Advisory Board made up of citizen members, which is concerned with problems of economic development and which is presenting a report representing their views of the situation, and we're pleased to obtain their views. I know there was great reference made to the potential of the tourist industry, tourism, and I would trust that the Minister of Tourism will take many of these remarks to heart and I know he is already pursuing a very positive and active program in tourist development, but nevertheless I'm sure he will, as he already has, read those remarks with great interest, the remarks and suggestions of the Economic Development Advisory Board.

Another question was raised with respect to the Japanese, recently received Japanese Trade Mission, and I was urged that we don't let things die, we don't let these contacts wither on the vine; that there should be follow-ups and we should really get down to it. Well I'm pleased to inform all honourable members that we have had, since the Mission has been in Manitoba, we've had two separate follow-up meetings with them. In fact, both of these meetings were out of the province. We even sent people to Toronto to follow up on some very specific possibilities. And I'm not going to mention them now because it's not in our interest, (By "our" I don't mean the government's, I mean the province's interest) the Province of Manitoba's interest to discuss them because it's too premature; it may be premature. However, we have made two specific follow-ups in this respect and these are very concrete measures.

Reference was also made urging me to, you know, get down to the basic issues of finding jobs, talking to businessmen and negotiating and so on. You know, I have a list of companies that have established in Manitoba or who are now in process of establishing, or who have expanded, or are in process now of expanding. I'm not going to go through the list and tick them off and deal in a lot of factual information but, you know, the fact of the matter is, although we have made perhaps not that much of a thing about it, but we have sat down with people such as the manufacturers of the luxury houseboats that are now made at Gimli, the All-West Marine people. You know, we've sat down with them, we've talked to them and we've negotiated with them, and we've done things for them. Very concrete things. I have personally done some very concrete things to help that company get established. And it's doing quite well - I was there yesterday, as a matter of fact.

Similarly, Cowl Industries, I think -- Cowl Industries incidentally is in the constituency of Fort Garry- here is something else. I don't know how many meetings, you know, I've had with the principals of that company. If I've had one, I must have had eight or nine meetings on specific concrete issues, and in some cases I have been required to make very pertinent phone calls, pertinent letters, have had to engage in very special correspondence, you know, to help these people solve certain problems so that they could get here and get established, and I have great hopes of this particular industry developing. It's specializing now in noise abatement equipment. It's a high technology industry; it's a high wage industry. Rather than creating pollution, it's going to manufacture devices that are going to help us in this world of ours to abate or control the noise pollution that we have now in our cities.

We could talk about other companies as well, Mr. Chairman, but I do not wish to go into this. Just one comment. As I said, I don't know whether all the comments that have been made on the opposite side really warrant detailed explanations or answers, but let me just conclude my remarks at this point by referring to a comment made with respect to Baxter Industries Limited, or R.C. Baxter and Associates. I want to take this opportunity, first of all, of thanking Dick Baxter for his yeoman service over the years in heading up the Manitoba Export Corporation. He has been, for some years, Chairman of the Export Corporation, and I think if you ask Dick Baxter himself, he will tell you that we have appointed a Manitoba Export Corporation Board, and with him continuing on as chairman, that has probably been more effective - and I'm not trying to take away from previous boards, previous memberships, but this -- I think he's been chairman of this commission, of the Manitoba Export Corporation,

(MR. EVANS cont'd.) for six or seven years, for some period of time, and I think Dick will tell you that together we formulated a board and appointed a board that's probably been more effective than any other Manitoba Export Corporation Board of Directors. You know, when you talk about political appointments look at that board; you know, just look at that board and your accusation about all our boards and commissions are filled with people who happen to be friendly to this government. The fact of the matter is that this board has been very effective and I want to thank Mr. Baxter in particular for his service to the Province of Manitoba, and I want that to be on the record.

With respect to his leaving the province at this time, there are many factors that went into this decision, but I can tell you that one of the major factors was that, as I am advised, that a great deal of that company's investments happen to be in the Vancouver area, and Dick himself admitted he could never see his family; he had to travel so much hither and yon and so on; and while there are other factors obviously that entered into his decision, this was one factor, one of the most crucial factors, and that is, the company decided to be centred near the bulk or near a great concentration of their particular investments. So that should go on the record too. So nothing, you know, nothing is simple in this world. You know, you can't point to any one reason why any one man or any one enterprise or any one organization makes a decision to move, to relocate, or to build or not to build. There's always a plethora of factors. But I should say again that this factor I think was one very substantial factor - maybe not the only factor, but it was a very substantial factor which should not be overlooked.

Mr. Chairman, many other suggestions and comments were made. Just one last point, and that is on the matter of housing starts, somebody made reference to housing starts, and indeed housing starts have been down, have diminished, but they have also been diminished in various other parts of Canada. I would simply say this, that I believe we are experiencing in Manitoba, and will be experiencing in Manitoba this year, certainly we did last year, a level of housing starts that exceeded the normal pattern of housing starts. You know, for example, back in 1968 the housing starts, this is the number of dwelling unit starts, in Manitoba was approximately 6,500. In 1969 because of a large amount of construction, a large amount of apartment construction, the housing starts approximated 12,000 units, so it just about doubled - and we are criticized for the decline. Last year we had almost 9,000 starts, but I say again, Mr. Chairman, that that level of 9,000 was far in excess of the average experience of new housing construction in this province. I might add that in our sister province of Saskatchewan, if you want to see a decline in housing starts you should have seen the decline there last year; whereas Manitoba had close to 9,000 dwelling unit starts in the year 1970, the Province of Saskatchewan had barely over 1,700 and yet our populations are approximately the same size. Here Manitoba had close to 9,000, Saskatchewan had only 1,700 approximately. So the record stands for itself and I think that you are going to see, particularly with respect to the growth in some of our regional trade centres and the stepped up program of public housing in certain areas, both urban and rural, that the level of housing starts will tend to be higher than they normally tend to be in this province.

With those few remarks, Mr. Chairman, I will . . .

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Before we proceed I would direct the attention of honourable members to the gallery on my left where we have 35 grade 7 and 8 students from Waskada School under the direction of Mr. Kirkup and Mr. Kalynuk. This school is located in the constituency of the Honourable Member for Souris-Killarney. On behalf of all honourable members I would welcome you to your Legislative Assembly.

MR. CHAIRMAN: The Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): Mr. Chairman, I would like to just make a brief comment on the remark of the Member from Rock Lake concerning our Ministers during the Flin Flon strike. I would like to go on record as saying that each day they were there they spent at least 15 hours working towards an end to this strike, not only with unions, but also with the company. They also met with the Chamber of Commerce and the town council, but most of all, they talked to the people and the people were amazed that the Ministers of the Crown took such an interest in their predicament. I would without any ill feeling, suggest that if the former Minister of Labour from the Flin Flon area had showed the same concern for people, he'd still be sitting in this House today. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Member for Riel.

MR. CRAIK: Mr. Chairman, I'm not sure how far in order the last comments were, particularly the tail end of the comments, with regard to the topic we're on. However, in defence of the former minister, let me say that I've never seen anybody who had a more open mind and a better ear for the problems of labour than one of the members that he refers to as the latter minister, and I speak particularly with reference to the Honourable Obie Baizley who occupied that position for many years.

Mr. Chairman, I want to speak on the Minister's salary and in preface to the remarks, sitting and listening to the comments which he made, one couldn't help but think of the comment that the late Winston Churchill once made about Clement Atlee when he said that he was a modest man with much to be modest about, and I think that this is particularly appropriate in looking at the performance of economic development in Manitoba under the guidance or the direction or the influence of the present Minister of Industry and Commerce. You couldn't help but wonder last night if he wasn't trying to make the transition from modesty to flamboyancy as he gave his presentation. I suggest, Mr. Chairman, that the Minister should stick with the more modest approach which I in fact was hopeful that he would stick with when he first assumed the responsibility for his department, but every once in a while he seems to feel that he has to throw out the degree of flamboyance to justify the very colorful slogan that has been pointed out by the Member for Brandon West here, that is being well advertised across Canada. But I don't want to stand here and berate the Minister for the performance of his department or himself, as he has said just a few minutes ago, that this will speak for itself and I'm very willing to go along with that conclusion with regard to the performance of his department and himself.

As I mentioned, I'm disappointed in one aspect of the department under his guidance. I was hopeful under his - what appeared to be his approach of studying the matter and coming out with an analysis of the performance of what his departmental duties were, that he would have realized that there are different things to do than make noise in the Department of Industry and Commerce. If he allows the department to continue on along those lines, as an assumption of their complete duty in all of this, then I'm afraid that we are not going to see what has to be done in Manitoba. And I refer specifically to the requirements of the industries that he has mentioned for technical help rather than the sort of PR approach that has been traditional and appears to still be the main characteristic of his department. We could understand this under some of the former influence within a department, it's a little more difficult to see why this should be continuing on under the present administration. Because when the Minister points out little developments that have been brought about such as a new type of fibre glass boat, or he also made reference to another \$20,000 grant or loan that had been made by the MDC that had sponsored another new type of industry. Well if he looks at all of these ones that he has mentioned about that are unique, he would find pretty quickly that the problem is that there is not the backup of technology in Manitoba to help these people after they get in trouble.

One of the main characteristics of Manitoba industry has been the smallness of the firms that dominates it. The figures speak for themselves. The national surveys show that 80 percent of them have assets worth less than \$100,000 or statistics that are similar to that. That might not be exactly right but it's characteristic. And that if you look at the anatomy of them, their problem is either one usually of under-capitalization, a lack of working capital or a lack of technology. They are characterized by men with ideas who falter in the stretch and who can't seem to make the grade because of the, primarily the combination of managerial skills that have to go along with the technology, but the biggest void is the technology. It was indicated when the Minister assumed his responsibility - there were very heartening signs that he was going to realize this and see that it was rectified. The Minister has made a few steps but most of them are very token; certainly he seems to realize the problem is there, but he doesn't seem to overcome the natural forces in his department or the natural forces of outside pressures to steer away from the emphasis being put on the flamboyance that he takes a fling at every once in a while and to get back down to the basic problem which is the lack of technical support.

Now it's easy to say that industry can do this for themselves but history has proven that the small industries can't because they are very difficult to co-ordinate. The Minister's Advisory Committee has presented him with a report for industrial research and development;

(MR. CRAIK cont'd.) the report's recommendations are clear, they've been made almost a year ago in which they presented the findings of the report. The Minister's Estimates are now before us and we find that there is no action on the report that goes anywhere near the recommendations that have been made.

This report realizes the problem, the people that worked on it realize the problem and the main part of the report goes back as far as 1965, and agree with the recommendations from as far back as that, with a few minor changes; and although there appears to have been disagreement over the years, and appeared to be realized by the Minister, characterized again by inaction, faced with the requirement of industry, the surplus of capable people in Manitoba, the surplus of people coming out of our universities and technical institutes, but lacking the necessary vehicle to bring the two together, to bring out a better overall benefit. Again, the Department of Industry and Commerce trapped in the situation where they feel that their primary responsibility is to maintain a liaison, to crank out more loans of one sort or another from the MDC, despite the fact that many of these loans have been running into difficulty lately; faced with all of these but still not able to realize and act on the requirements to bridge the gap between the economic side and the production side which is the technology in between. Faced with the fact that the universities are brimming with people and producing people who have to leave Manitoba to bring their training to bear in some other community and then we wait and hope for the fallout to come back from other areas of Canada and the United States.

Now I think the basic question to bring it to a head is, Does the Minister have any intention of acting on the recommendations that have been made to him by the Economic Development Advisory Board to bring about a more concerted research and development thrust.

The report recommends, the advisory board endorses it, says we believe that this is an excellent report and we accept the conclusions as stated, etc. But again, this is October 1970 and in 1971 we have no indication from the Minister apart from setting up Centex committees and so on, there is going to be any concerted effort. The main recommendation of the report is again to bring together the likes of the Manitoba Design Institute, the Institute of Management, the Research and Development requirements and bring them under one roof. This is an excellent recommendation but it can't be done without some financial assistance. The report also recommends here, which is a debatable point, nevertheless it recommends that they should not expect this organization to be completely self-sustaining. Well I think that's a practical recommendation, but what it does need is some seed money to get it going and the only way that it is going to happen is for these to come together outside of the department of Industry and Commerce.

The recommendation in the report again is that this group be sponsored outside of the department. I think it's a good sound recommendation. However, I challenge or ask the Minister at least to devoid himself of the power to sit over this group, as is so prone in government departments in their desire to control anything that they want to spawn. This has again been one of the problems historically of research and development in Manitoba - has been the desire from day one, going back to the earlier 1960's when the department felt it was its God given right to make sure that it had complete and absolute control over research and development, but you can't do this to scientific people and you can't do it to good technical people. Again, a reason for the very high turnover in the Minister's department which exceeds by far any other department in government. The people coming in and leaving are at a rate that matches the mining companies in northern Manitoba, and there is no other department that comes anywhere near the rate of turnover of people that there is in Industry and Commerce. Again primarily because good people - and many of them going through are excellent people, many there are as well - this is not a criticism of everyone that's there - but the grounds are not fertile enough there for you to keep good strong people and you are going to have to allow some autonomy in order for this to happen.

I do want to mention but briefly the selective growth policies of the department of Industry and Commerce, selective growth that the Minister has talked about. I think it is very disappointing that some of the industries that are folding up are actually the industries that are such an important part of our industrial growth. These are, I think, primarily the science based industries - food products and science based industries traditionally, and still, show the greatest growth potential in Manitoba, and when we see outfits or firms, say corporations such as Futronics folding and leaving, you can't help but wonder what hope there is for the electronics industry in Manitoba. Futronics wasn't a large firm but it was one that was tapped

(MR. CRAIK cont'd.) into the American market which in the Minneapolis area alone is larger than the whole electronics industry of Canada. The hope was there that a firm such as this would have the viability to tap into this market and provide a growth centre for electronics in Manitoba. Obviously it hasn't as it is now bankrupt as has been indicated by the Minister of Industry and Commerce. I think this is a disappointing development. I certainly hope that on the scale that is required that consideration will be given to how an electronics industry can be fostered in Manitoba that has greater viability and which is necessary to offer opportunity here in that area. Again the Minister I think has access to studies which indicate that unless the growth rate of the electronics industry exceeds at least a 10 percent mark per year, you are going downhill and cannot hope to catch on to the growth rate in this particular industry in North America.

The other area with regards to the science based industry is of course the food processing industry and the facilities that have developed at the University of Manitoba appear to be well on the way to satisfying many of the technical requirements. However, again I'd like to ask the Minister what steps are being taken to insure that the technological gap is not too wide between the technology and the food processors. This again is a problem, it is one that should have been included, this concern should have been included in the study on research and development. I don't think that any emphasis is given in it except back in the 1965 report which is contained in the Advisory Board's report.

With those comments, Mr. Chairman, I would like to hear the Minister's comments on these particular areas.

MR. CHAIRMAN: The Member for Rhineland.

MR. FROESE: Mr. Chairman, I haven't been able to comment on the Department of Industry and Commerce -- (Interjection) -- Pardon? I've got a lot of other things as well to talk about than what the Minister of Mines and Resources - and I don't think he should leave the Chamber either because some of these items will concern him as well.

The Department of Industry and Commerce seems to be at a standstill as far as the Estimates are concerned. There is very little change from the previous year and I do hope that this doesn't mean that there will be less activity or not any more activity during the year because there is lots to be done in Manitoba I can assure him. For many years during the previous government we received the Annual Report from the Economic Consultative Board and I think those reports were very good, and I think it would be wise to probably consider continuing these. After that we've had the TED Report, we've had another report brought in, but I think these annual reports of the type that we were getting at that time were good.

I feel when we are discussing industry that we should not leave the agricultural industry out completely even though we have a Department of Agriculture. We didn't discuss the Estimates of this department to any extent and I certainly don't like to see the agricultural industry go to pot here in Manitoba and that's probably in plain terms what is happening. Some years ago we heard quite a bit about potash when it was developed in Saskatchewan. We were told we had potash in Manitoba and that there was consideration at that time of establishing an industry of this type in Manitoba. St. Lazare was mentioned at the time. Is there no development in this respect? Maybe the item should have been discussed during the Minister of Mines and Resources but I'm sure that when we talk of industry in general in Manitoba that these be included. What about gold? Is gold left out of the picture completely and what is happening in Bissett? We never hear anything about what happened after certain assistance was granted to these people and to the mine.

The Minister I think is trying to hide behind the Federal Government's policy of fighting inflation versus development. Mr. Chairman, I don't think we can allow to have this as an excuse here in Manitoba because if that was the case we wouldn't see any development in other provinces as well. Yet we find development proceeding at a good rate in B.C. and I'm sure this applies to the central provinces especially Ontario and that production is increasing in those provinces. I feel that we should make every effort in the matter of industrial development here in this province. The item for promotion is the same as it was last year and I feel that this government should really go ahead and do more than they have at the present time and until the present time to convince the Federal Government that their policy is wrong and that more money be made available for industrial development in Canada and in particular in Manitoba. Because I don't subscribe to their policy of fighting inflation by way of bringing about unemployment. I think we're wasting a lot of time. Look at the many people who are

(MR. FROESE cont'd.) unemployed at the time that is lost. We should be making use of that time because we have many people living in poverty and not having the facilities that they should be provided with here in Canada. It seems that we have the skills, we have the labour, we have the raw materials, we have everything but the medium of exchange to bring this development about. This is what is happening here in Canada and we should bring about more plentiful supply of this medium of exchange so that development would be proceeding at a better rate in Canada.

Transportation I think is one item the Minister has mentioned. I just happened to look at the Manitoba Business Journal last night where I saw an article from the C.N., Canadian National, telling of the progress they were making and of the improvements they were making in Canada . . .

MR. CHAIRMAN: . . . too much noise from all the sides here. The Member for Rhineland.

MR. FROESE : Thank you, Mr. Chairman. They stated in this particular article the improvements they were making both in Manitoba and in other provinces and the changes as far as storage facilities and moving grain and other commodities. And, Mr. Chairman, I am rather alarmed at any of these elevators being closed down, these grain elevators, and not replacing that storage inland. I think we should take a closer look at this and pay more attention to it. This doesn't necessarily mean that this is just pertaining to the agricultural department here in Manitoba, this applies to industry as well, that we should look at the matter of inland storage.

We all should take another look at the Port of Churchill. Just recently they had a convention at Melville, Saskatchewan, and I haven't had time to look at the report so much coming from that meeting, but certainly we need greater storage facilities in this province so that farmers could deliver their crop in a given crop year. This would give us added purchasing power and certainly this would add to investment in this province; it would add to the activity that would take place as a result. I feel that we should also be serious about extending the railroad from Gympsumville connecting with the Churchill Railroad so that our freight wouldn't have to go through Saskatchewan before it could arrive at Churchill. This I think is ridiculous. And when we take a look at what B. C. did with their particular railroad, the Pacific Great Eastern Railway, which was set up some 58 years ago which seemed to start nowhere and end nowhere and when Social Credit took hold of it they've really made a go of it. The last year's operating revenues totalled \$31 million compared to \$13 million in 1960, so there has been a large increase in this respect. The net profit after all costs, including interest and depreciation, was \$896,000 compared to a deficit of \$2,904,000 at the start of the 60's. So this venture in British Columbia certainly has paid off and they are extending it further north all the time; I feel that we should do likewise, we should not just sit here and do nothing about this.

Certainly if we developed the Port of Churchill we could ship our own grain as far as Manitoba is concerned through this port. We should have inland storage, terminal storage here so that the wheat and the grain that would be shipped would be cleaned right here in Manitoba. This would give us a lot of feed and dockage that is now being shipped to the Lakehead. This is an added expense that the farmer has to bear. We could clean it here, use it for feed purposes and make greater use of it and on top of that we would save the farmer's money. And, too, we would be getting a higher price for our goods, for the commodities that we sell such as grains. I notice from a press article the other day that the Russians are interested apparently and looking into the matter of having their wheat shipped through Churchill. Maybe the Minister could enlarge on this and give us some further information in this connection. The matter of freight rates, the large differentials and whether we are shipping east or west. Having been involved in a cannery some years ago I know of some of the differentials that are existing and they haven't been changed. These are all working to the advantage of Eastern Canada. If we could use this port maybe we could bring about a lot of changes as a result, that if freight rates were reduced through this line that the Federal Government or the other railways would bring about changes in their rates.

When we talk about development - I did attend the dinner that the government sponsored just a week or two ago where they passed out a number of prizes for some of the firms that had made exceptional progress and were congratulated on it; I think my constituency doesn't have to take any back seat because we have a lot of ingenuity existing there and they have been

(MR. FROESE cont'd.) setting up industry. We have the Triple E trailer industry which has produced many many trailers and has been able to sell them through both east and western Canada and also to the Maritimes and which is a going concern.

There is a second industry of that type at Winkler which is manufacturing larger trailers and certainly they are making out quite well as well. We have another industry there which is manufacturing steel buildings. We have a self-propelled golf cart which is battery operated manufactured at Winkler; it's a beautiful product. We have another machine shop there that is making the under carriages for these trailers that are being completed by the other two industries that I already mentioned and there are others as well. We have a garment industry which has been functioning for a number of years. We have the vegetable oils industry at Altona which is increasing its production capacity, I think tripling it, and if I'm right it's already being used. But when we take a look at what the government is doing I feel that at least they should come across and give us a little better road to some of these industries. When we take a look at the Department of Education, instead of eliminating the inequities they're just increasing them. Certainly this doesn't add to developing that part of the province; in fact they are trying to hinder it in many respects. I feel that this government is not doing justice to these industries that have been established in the area.

I for one certainly would like to know something more about the government industries that we have at the present time. Mention has been made that the A.E. MacKenzie Company showed a surplus and I still haven't got a statement from the Minister. I've asked for it. I would like to get it so that I could study it and get a better knowledge of the industry here in Manitoba and how it's operating and functioning.

MR. CHAIRMAN: It has reached the lunch hour. I am leaving the Chair to return at 2:30.