

LEGISLATIVE ASSEMBLY OF MANITOBA
Monday, June 16, 1980

Time — 2:00 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Presenting Petitions . . . Reading and Receiving Petitions . . .

**PRESENTING REPORTS BY STANDING
AND SPECIAL COMMITTEES**

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. WARREN STEEN: Mr. Speaker, I beg to present the third report of the Standing Committee on Public Utilities and Natural Resources.

MR. CLERK: Your committee accepted the resignation of Mr. Brown as Chairman and appointed Mr. Steen in his stead.

Your Committee met on Tuesday, June 10, Thursday, June 12, and Friday, June 13, 1980, to consider the Annual Report of the Manitoba Hydro-Electric Board.

Your Committee received all information desired by any member of the Committee from Mr. C. E. Curtis, Acting Chairman of the Board, and members of the staff with respect to all matters pertaining to the Annual Report and the business of Manitoba Hydro. The fullest opportunity was accorded to all members of the Committee to seek information desired.

Your Committee examined the Annual Report of Manitoba Hydro for the fiscal year ending March 31, 1979, and adopted the same as presented.

MR. SPEAKER: The Honourable Member for Crescentwood.

MR. STEEN: Mr. Speaker, I move, seconded by the Honourable Member for River Heights, that the report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: Ministerial Statements and Tabling of Reports . . . Notices of Motion . . .

INTRODUCTION OF BILLS

HON. KEN MacMASTER, Minister of Labour (Thompson), on behalf of Hon. Brian Ransom, Minister of Natural Resources (Souris-Killarney) introduced Bill No. 93, The Dutch Elm Disease Act (recommended by His Honour the Lieutenant-Governor).

MRS. JUNE WESTBURY (Fort Rouge) introduced Bill No. 88, An Act to amend The Condominium Act.

INTRODUCTION OF GUESTS

MR. SPEAKER: At this time, I should like to introduce to the honourable members 21 students of

Grades 4, 5 and 6 standing from Komarno Elementary School under the direction of Mr. Buckkowski. This school is in the constituency of the Honourable Minister of Education.

We also have 52 students of Grade 5 standing from Portage Elementary School under the direction of Mr. Harvey Sawatski. This school is in the constituency of the Honourable Member for Portage.

At the same time, in the Speaker's Gallery, is Mr. John Robinson of New Zealand, who is the world champion in the Masters Division in the Manitoba Marathon. He came in 13th overall but he won the Masters. He is an engineering teacher in New Zealand.

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

ORAL QUESTIONS

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker. In the absence of the Minister of Economic Development, I would like to pose this question to the First Minister, with regard to a report regarding Jordan's Winery. I wonder if the Premier can advise whether it is correct that Jordan's Winery, now located in Selkirk, is about to close down within the next few months.

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, I'll be happy to take the question as notice on behalf of the Minister. I have no information on the enquiry that has been placed.

MR. EVANS: I would like to then ask a supplementary question to the Attorney-General, responsible for the Liquor Commission, Mr. Speaker, and ask the Attorney-General whether Jordan's Wines at the present time, because it is a Manitoba operation, obtained special consideration from the Manitoba Liquor Commission, in terms of number of listings or whatever, in order to hopefully stimulate the sales of that plant and therefore help to increase production from that particular winery in Selkirk.

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W.J. MERCIER (Osborne): Mr. Speaker, I believe that there have been some special arrangements made with that particular winery, but I'll take that question as notice and obtain the details of the information from the Liquor Control Commission and give that to the member at a later date.

MR. SPEAKER: The Honourable Member for Brandon East with a final supplementary.

MR. EVANS: Yes, Mr. Speaker, I wonder if the Honourable Attorney-General would also take under advisement the matter of the possible closure of the

Monday, June 16, 1980

company and consider whether there are possibilities of helping to keep that particular operation open, if it is correct that they are closing, if he would look into the possibility of seeking ways and means of maintaining the operation in the town of Selkirk.

MR. MERCIER: Mr. Speaker, I have certainly received no information from the Commission as to the closing, as suggested by the member, but I'll take his question as notice and consult with the Liquor Commission.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: Yes, Mr. Speaker, my question is directed to the Minister of Labour. I wonder if he can inform the House whether he or his department are conducting an investigation into the alleged harrasment or intimidation of nurses at the Concordia Hospital.

MR. MacMASTER: Yes, Mr. Speaker.

MR. FOX: I appreciate the answer. I wonder if he can give us the parameters of the investigation, and who is conducting the investigation.

MR. MacMASTER: There is a normal set of circumstances — not a normal set of circumstances, a normal set of procedures that are in place when you are asked to establish an enquiry into what is considered to be unfair labour practices in whatever way, shape or form. The Nurses' Association, under the title of the Executive Director, I believe is Mrs. Gleason's name, have made representation to our department asking for an investigation into circumstances that they allege are taking place, and an inspector has been assigned. I don't know the precise name, but I know that the department has assigned someone to look into those allegations.

I should say, Mr. Speaker, that there are occasions when the inspector himself, through conversations and working with both parties, can sometimes resolve the matter and, of course, we hope it is resolved satisfactorily.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. FOX: I thank the Honourable Minister for that answer. I wonder if he is prepared to let the house and the members know when the investigation has been concluded as to what occurred.

MR. MacMASTER: The investigator's report is never made public, Mr. Speaker, but from it flows suggestive action by the Minister, being myself, and the member certainly will be made aware — I can specifically make him aware of what actions are deemed necessary at the appropriate time by myself.

MR. SPEAKER: The Honourable Member for Tranconca.

MR. WILSON PARASIUK: Thank you, Mr. Speaker. My question is directed to the Minister of Health. In view of the fact that some 22 rural hospitals have clauses in their collective agreements providing job

security in the event of contracting out, can the Minister indicate whether the government has laid down any guidelines to the Manitoba Health Services Commission and to hospitals concerning the entire issue of contracting out and job security?

MR. SPEAKER: The Honourable Minister of Health.

HON. L. R. (Bud) SHERMAN (Fort Garry): No, Sir.

MR. PARASIUK: Yes, I would like to ask a supplementary to the Minister. In the absence of any guidelines from the government on this matter, does that mean the government condones contracting out as a device by hospitals to get around collective agreements, and also in order to pay lower wages; is that the practice condoned by the government with their absence of guidelines on this matter?

MR. SHERMAN: No, Sir.

MR. PARASIUK: In view of the fact that rural hospitals are being forced to opt for contracting out because of the three years of acute protracted Conservative restraint, can the Minister indicate whether indeed there will be some flexibility in funding by the provincial government to hard-pressed rural hospitals to ensure that hospitals aren't forced to use contracting out as a device to come close to the budget guidelines of 8 percent arbitrary limits put on by this government?

MR. SHERMAN: Mr. Speaker, I don't accept the preamble to the honourable member's question, therefore I can't deal with the question.

MR. SPEAKER: The Honourable Member for Churchill.

MR. JAY COWAN: Thank you, Mr. Speaker. My question is to the Minister responsible for Environmental Affairs. I would ask the Minister if he can indicate if the department yet has received any information from the Hearings ongoing in the United States as part of an Environmental Protection Agency investigation into the use of 2,4,5-T?

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HON. WARNER JORGENSEN (Morris): No, Mr. Speaker.

MR. COWAN: I would ask the Minister if he is aware of a document from Environment Canada entitled Pesticide Monitoring in the Prairies of Western Canada, and dated 1979, that indicates that ground water systems and some surface water systems in the province of Manitoba are contaminated with 2,4,5-T?

MR. JORGENSEN: No, Mr. Speaker, I have not seen the document.

MR. COWAN: As a copy is available, Mr. Speaker, through the Legislative Library, I would ask the Minister to review that and ask him if he is prepared to report back to the House as to his findings in regard to that contamination of water systems by

2,4,5-T, and also report back as to any actions his department feels necessary in dealing with that problem.

MR. SPEAKER: The Honourable Member for The Pas.

MR. RONALD McBRIDE: Mr. Speaker, my question is to the Minister of Agriculture. The Minister has received communications from The Pas Chamber of Commerce and the Local Government District of Consol in regard to water levels in the Saskeram area near The Pas, and I wonder if the Minister has yet responded to that communication?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. JAMES E. DOWNEY (Arthur): Yes, Mr. Speaker, there has been a response to the people who are affected in the Saskeram area. I have been in direct communication with the farmers of that particular area.

MR. McBRIDE: Mr. Speaker, I wonder if the Minister could let me know what he said.

MR. DOWNEY: Mr. Speaker, first of all, I can indicate to the member, as we as a government have indicated that we are going to allow haying to take place in the Saskeram area; that decision was made some time ago that that process would take place; that it would have to be done in an orderly fashion; that in fact we would have to assess the amount of water that would have to be let out of the Saskeram area to make the amount of hay necessary that would be worthwhile. I have staff in the area this morning, and there is an assessment being made of that particular situation. Further to that, Mr. Speaker, we are in the process of, as I said, making arrangements to put in a bridge or temporary communication link through the Minister of Highways to accommodate those people who are desirous of going in and getting hay. There has to be worked out a form or a method of distribution of the hay after the communication link is made; there has to be a fair and equitable system put into place. We have also been in touch with Ducks Unlimited, Mr. Speaker, who are also involved because they do hold a lease on that particular land. There are a lot of things happening in that particular area. It has to be done in an orderly manner, and let me tell you, Mr. Speaker, that has been taking place over the past few days.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. RUSSELL DOERN: Mr. Speaker, I'd like to direct a question to the Attorney-General and ask him whether he would confirm that Mayor Norrie and himself have sought the immediate approval of the Sherbrook-McGregor overpass from the Honourable Jean-Luc Pepin, and if that is forthcoming when the construction of that project would commence?

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MERCIER: Mr. Speaker, we've not only sought it, I received today at noon, in fact, a telex from Mr. Pepin announcing approval of the project and a request to the Canadian Transport Commission to issue a construction order to enable the project to proceed.

MR. DOERN: Mr. Speaker, a second part of that question already mentioned is, when is the earliest one could expect actual construction to begin. I would also ask the Minister if he could indicate his position on the 2-3 million cost overrun due to the delay of that project; whether he regards that as a complete federal responsibility; whether he regards that as a responsibility that will be borne by his administration, and the federal government, or whether he feels that the three levels of government should share that cost overrun.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, in response to the first part of that question, I understand that construction could probably start in the early part of 1981 on the Sherbrook-McGregor Overpass.

In response to the second part of that question, when Mayor Norrie and I met with Mr. Pepin in Ottawa, we advised him at that time of the concern over the cost increases which had occurred as a result of the delay caused by the federal government in ordering the further study on rail relocation. Mr. Pepin asked the mayor, particularly, to document the reasons for the delay and the reasons for requesting the federal government to compensate for those cost increases.

In a meeting I had this morning with Mayor Norrie, Mr. Speaker, he advised me that he would very shortly be forwarding that documentation to Mr. Pepin.

MR. SPEAKER: The Honourable Member for Elmwood with a final supplementary.

MR. DOERN: Mr. Speaker, on a related matter, apparently the city is interested in knowing the provincial position on some projects that were once planned for part of the core area of Winnipeg. Two projects were proceeded with, but the Provincial Autopac Building was cancelled and the courthouse, which was slated to go in a designated area, was slated for another part of the city.

In view of the fact that there was an original city request, an original commitment for four projects, and now a change, does the province have any plans to put any other buildings in that part of the city of Winnipeg, in lieu of the cancelled projects?

MR. SPEAKER: The Honourable Minister of Urban Affairs.

MR. MERCIER: Mr. Speaker, we discussed this morning with the mayor, the land that had previously been purchased by the provincial government for a courthouse facility in the vicinity of the city hall. We will be reviewing that matter further with Government Services and what, if any, plans that department has for that property and any plans the city may have need for that property.

Monday, June 16, 1980

As has been indicated previously, federal, provincial and municipal officials are meeting on a regular basis, under the proposal from the federal government, to consider initiatives in the inner core area. We expect to receive, because we have not yet received it, a letter from Mr. De Bane and Mr. Axworthy, specifically outlining the particular proposal. We intend then to enter into an interim agreement among all three levels of government, to review priority programs for initiatives in the inner core. When that is completed, Mr. Speaker, then I would expect to be able to indicate to the Member for Elmwood a number of projects that will be taking place in the inner core area.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. JUNE WESTBURY: Thank you, Mr. Speaker. My question is addressed to the Honourable Attorney-General. Would the Honourable Minister confirm that juveniles who are arrested at night or over the weekend have fewer rights in the matter of making bail application than adults in the same circumstances do.

MR. MERCIER: No, Mr. Speaker.

MRS. WESTBURY: Mr. Speaker, I wonder if the Honourable Minister would respond to the information that I have received to the effect that a Justice of the Peace is on call continually at night and on weekends for adults who are charged. No such Justice of the Peace is on call for juveniles and it is the responsibility of the lawyer representing the juvenile or the juvenile's family to try to contact a judge who out of the goodness of his heart will come downtown or into the city from the lake or wherever he or she happens to be in order make it possible for the juvenile to apply for bail.

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: I'll take that question as notice, Mr. Speaker, and inquire into it.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. A. R. (Pete) ADAM: Mr. Speaker, my question is for the Minister of Agriculture. I would ask the Minister if, in view of the drought and the shortage of water this year, if there is a program available to assist farmers to drill new wells on farms because of wells going dry?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, to be specific on farm wells, I'm sure that if there are farmers having difficulty we would be quite prepared to assess or look at the specific requests that the member is bringing to our attention. We do have a program, it's under the Agro-water Program, where we cost share up to a maximum of 2,000 to assist in source development, and wells, particularly those that are not on the farmsteads do qualify for that particular program. We are looking at other programs or other

assistance that may be implemented, and I will review or get information for the member on the specific area that he is requesting.

MR. ADAM: I take it then that there is a program available, Mr. Speaker, for development of water on Crown lands for dugouts. I'm not sure now whether the Minister has given me a specific answer as to privately-owned land where the well has gone dry, and there is assistance available from PFRA. We had a program under the previous administration where there was some assistance for the costs to be provided by the province. I wanted to clarify that part from the Minister.

MR. DOWNEY: Mr. Speaker, the program I referred to does also apply to privately-owned land. It doesn't have to be Crown land. We also have waived the dugout filling charges for this year, as I announced on Friday, that if individuals want to pump their dugouts full from rivers or known sources, that in fact any charges for that will be waived. I am saying that any specific farm assistance for the development or the further development of wells, to be specific, on the programs that are available at this particular time, I can't respond specifically to that particular question. I will take it as notice and refer back to my department for the specifics of that particular request.

MR. SPEAKER: The Honourable Member for Ste. Rose on a final supplementary.

MR. ADAM: Mr. Speaker, I'm wondering if the Minister could advise if there are any pumps available for pumping of water. I had a request this morning from people wondering if they could obtain a pump to pump water from Lake Manitoba onto their pastures in order to — they've only received about a half an inch of rain since last week, and within a couple of weeks they are going to have to start liquidating their livestock, the basic herd, which has taken them 15 years to develop. They are wondering, first of all, where are the pumps. They are in the Gladstone region, Mr. Speaker, and the Ag Rep is away and they were not able to get a response or any information where they could apply or obtain necessary pumps to pump water onto their pastures. I wonder if the Minister could give some information in that regard.

MR. DOWNEY: Mr. Speaker, the member is asking the question are there pumps available for irrigation is really the question, and not are pumps available to supply on-farm water. At this particular time, Mr. Speaker, we don't have a program in place that would assist the purchase of pumps or the making available of pumps for the irrigation of land. I think we have a supply of pumps available, and the information that I have is that we do have, for pumping of water into dugouts. We have also instructed the department if more pumps are needed that they have the authority to go ahead and purchase pumps, so there shouldn't be any roadblocks as far as the departments or the farm community are concerned. But there isn't a program in place to irrigate land out of Lake Manitoba or anywhere.

Monday, June 16, 1980

I appreciate the member bringing this information to me. I have also been out through rural Manitoba and can appreciate what the member is suggesting, because there is an urgent need for farmers to try and make all their own feed available that they can, because of the high cost of feed being brought in from other areas.

INTRODUCTION OF GUESTS

MR. SPEAKER: Order please. I wonder if I may have the indulgence of the House at this time to interrupt to introduce to you the Honourable Paul Cosgrove, Minister of Public Works, here from Ottawa.

On behalf of all the honourable members, we welcome you this afternoon.

ORAL QUESTIONS Cont'd

MR. SPEAKER: The Honourable Member for Ste. Rose with a fourth question.

MR. ADAM: Mr. Speaker, this is my fourth question to the Minister. I ask him if he would take under consideration to allow the program to be flexible enough to provide pumps, if they are available, for that specific purpose of irrigating some of those pastures that happen to be fortunate enough to be close to a water supply?

MR. DOWNEY: Yes, Mr. Speaker, I will take under consideration the recommendation from the member.

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

MR. EVANS: Thank you, Mr. Speaker. I would like to address a question to the Honourable Minister of Health, again with regard to the negotiations that are in progress between the MHO and the other CUPE workers outside of Winnipeg. Mr. Speaker, there is already a considerable spread in wage levels between the Health Sciences Centre in Winnipeg and centres outside of the city, and there is possibility of this spread widening. I understand the spread is now 61 cents per hour on an average, and that if the union accepted the offer the spread will widen to about 85 cents per hour on an average.

My question to the Minister is, does he approve of this type of discrimination; does he approve of this unusually high differential between wage levels in the city of Winnipeg and the possibility of such lower wage levels in centres outside of the city of Winnipeg?

MR. SPEAKER: The Honourable Minister of Health.

MR. SHERMAN: Mr. Speaker, first of all, I don't accept the discrepancy in the range that has been suggested by the Honourable Member for Brandon East. Secondly, I would advise him that the two sides are scheduled to be back at the bargaining table tomorrow and he is fully aware, I think, from news reports over the weekend, as to where the differences of opinion now lie between the union and the MHO, and I think, Sir, that I should reserve comment on that question he has asked me until

after the two sides have reached a settlement, which hopefully will come fairly soon.

MR. EVANS: I would like to ask the Honourable Minister a general question then. Does the Honourable Minister of Health believe that, in principle, workers in the Health Care field should be paid approximately the same for the same kind of work, for the same kind of effort, no matter where they are in the province of Manitoba inasmuch as they are being paid by the same source, namely, the Manitoba taxpayer?

MR. SHERMAN: Yes, Mr. Speaker, I believe that.

MR. EVANS: Thank you, Mr. Speaker. I wonder if the Honourable Minister could advise the House whether the level of funding, on a proportionate basis at least, between Brandon and other rural centres on the one side, the health institutions and those centres on the one side, and those in Winnipeg on the other, whether the funding is proportionately lower in health institutions outside of the city of Winnipeg. Does the government spend fewer dollars proportionately on health centres outside of the city of Winnipeg?

MR. SHERMAN: Mr. Speaker, the answer to that question is probably yes, but that is a qualified answer, I would have to check the figures. I would not be surprised if my suggestion of a probable answer proved out on examination because, as the honourable member well knows, there are major teaching, referral and research centres located in the city of Winnipeg, which include in their patient volumes an enormous number, an enormous percentage in relative terms of referrals from other parts of Manitoba. So the answer is probably yes, but it would be found and founded in that kind of different scale of operation, and I don't want to give a definitive answer until I check my budgetary figures.

MR. EVANS: Just a supplementary then, Mr. Speaker. Could the Minister undertake a brief analysis of this and put aside the special functions that are offered by the Health Sciences Centre and other large institutions in Winnipeg and look at the commonality of service offered in the rural centres, centres outside of Winnipeg and those in Winnipeg, and see indeed whether the government of Manitoba does pay fewer dollars for the same kind of service in rural Manitoba?

MR. SHERMAN: Yes, I could do that, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Elmwood.

MR. DOERN: Mr. Speaker, I would like to direct a question to the Minister of Cultural Affairs and ask her if she can report on an apparent clash between the conductor of the Winnipeg Symphony Orchestra and the business manager?

MR. SPEAKER: The Honourable Minister of Cultural Affairs.

Monday, June 16, 1980

HON. NORMA PRICE (Assiniboia): Mr. Speaker, the only information I have is the same as the Member for Elmwood has, it is what I have read in the paper.

MR. DOERN: I'll note that, Mr. Speaker. Could I also ask the Minister whether she can report on the fund raising efforts of Symphony as to whether they are getting that high deficit down to manageable size?

MRS. PRICE: Mr. Speaker, I haven't been made aware of what their fund raising has amounted to. I know they have been able to keep ahead of their current expenses, but I don't know anything further than that.

MR. SPEAKER: The Honourable Member for Wellington.

MR. BRIAN CORRIN: Thank you, Mr. Speaker. I would like to ask a question of the First Minister, Mr. Speaker. I would like to be apprised of the position that Manitoba took at the recent round of the Constitutional Conference with respect to the entrenchment of Indian and aboriginal rights in the Constitution.

MR. SPEAKER: The Honourable First Minister.

MR. LYON: Mr. Speaker, the purpose of the Conference was outlined before I went to the Conference. When I returned, my statements are on the record with respect to what was agreed to on Monday last, which was namely process and schedule.

MR. CORRIN: A supplementary to that, Mr. Speaker. I would ask the Honourable First Minister whether Manitoba expressed support for the participation of representatives of the National Indian Brotherhood in order to enable them, as they have wished and asked, to participate in future rounds of the conferences now being conducted?

MR. LYON: Mr. Speaker, there has been no final determination that I am aware of as to who will have observer status at upcoming conferences. Those with a territorial, that is territorial legitimacy in the sense of the Yukon, the Northwest Territories, will be accorded observer status, I believe, although the parameters of it are not finally laid out. Others, including the groups of which my honourable friend speaks, have previously been represented at such conferences in the category of observers, and what the future will hold in that respect of course, will be a determination of the Ministers involved, either at the continuing committee or the First Ministers'. But for them to have observer status, would of course not be new.

MR. SPEAKER: The Honourable Member for Wellington with a final supplementary.

MR. CORRIN: Mr. Speaker, can we infer then, from the remarks of the Honourable First Minister, that Manitoba views the native requests for special representative status as being improper and beyond the purview of this particular conference? And I ask

that, Mr. Speaker, for clarification, because I heard the Honourable First Minister indicate to the Assembly that only groups with territorial rights would be allowed to participate, and he regarded this group as being a potential viewer group, not a potential participating group. So I would ask then, whether Manitoba has taken the position that aboriginal rights with respect to land are such as would not allow and enable the native organization of this country to participate in this constitutional conference.

MR. LYON: Mr. Speaker, I don't know from whence my honourable friend draws his conclusions or his implications at all, but I indicated to the House, Mr. Speaker, in response to the question of the honourable member, was that the Yukon and the Northwest Territories have a special position in that they are territorial. They are territories in Canada, and as such will be accorded some status, whether observer or whatever, at some subsequent conference. Going on memory, I'm not sure whether they've been at previous conferences as observers or not. I do recall however, that members of the National Indian Brotherhood, one or two chiefs from Manitoba came as observers to one of the conferences that we held previously, at which they desired to be observers, and so that status, I imagine will be accorded at subsequent conferences if it's requested.

MR. SPEAKER: The Honourable Member for The Pas.

MR. McBRYDE: Mr. Speaker, my question is to the Minister responsible for the Environment. I wonder if the Minister has an answer yet to the question I asked him a number of days ago in regard to the granting of permits to local government authorities for the use of 2,4,5-T. How many of those permits has the Minister granted to date, for which local government areas, and what is the magnitude of the use. Does the permit show exactly how much of the chemical will be used?

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

MR. JORGENSON: Mr. Speaker, the weed control districts in the municipalities that have applied for permission to use 2,4,5-T are the Rural Municipalities of Lawrence, De Salaberry, The Rosedale, Langford and Neepawa Weed Control Districts, the Dauphin, Ochre River Weed Control District and the Department of Highways.

MR. McBRYDE: Mr. Speaker, part of my question was, does the Minister have the information in terms of the amount of the chemical 2,4,5-T to be used? Can he give us some idea of how much would be used in the granting of these permits by his department?

MR. JORGENSON: Mr. Speaker, I don't have that information.

MR. SPEAKER: The Honourable Member for The Pas with a final supplementary.

Monday, June 16, 1980

MR. McBRYDE: Mr. Speaker, I wonder if the Minister could indicate whether the Department of Highways has now completed its spraying of certain highways in northern Manitoba, and whether or not the Minister of the Environment, in light of the federal study which shows some contamination of Manitoba waterways by the chemical 2,4,5-T, or containing the chemical 2,4,5-T, what ongoing monitoring does he intend to have his department do in regard to the use of 2,4,5-T and its spreading into waterways?

MR. JORGENSEN: Mr. Speaker, the Minister of Highways will have to answer the first part of the honourable member's question. Insofar as contamination of waterways is concerned, I doubt very much if any of that spraying took place near waterways.

MR. SPEAKER: The Honourable Member for Ste. Rose.

MR. ADAM: Mr. Speaker, my question is to the Minister of Agriculture. I would ask the Minister if he can advise if there are any wildlife areas that have now been prepared and ready for livestock pasturing?

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, as I indicated some time ago, a lot of the wildlife management areas that had been bought by the administration of which he was a member, removed all the fences from the pastures that were there, and it would take some time to replace those particular fences. There are areas that are being looked at as far as the replacement of those fences at this particular time. I don't believe there have been any done, but they've identified areas that can be used in conjunction with some of the PFRA pastures, and it's a matter of probably using herding or range riders to caretake the livestock. But we have identified certain areas; as far as replacement of fences to this point, I don't believe that any fences have been put in place.

MR. ADAM: Mr. Speaker, I would ask the Minister if he intends to have the electric fences rather than the several strands of wire? I believe with one strand it could be done more quickly. The Minister answered the question last week or the week before in this regard, that they were looking at it, but now the week has gone by and the situation is getting more critical. I believe the community PFRA pastures are getting very, very bare as well. I passed along one this morning, Mr. Speaker, and it looked like they should be moving cattle out of there very shortly. I wonder if the Minister could leave the political arena aside and see if he can't get down to some action in order to provide some of these pastures, as soon as possible, because in two weeks time, it will be too late.

MR. DOWNEY: Mr. Speaker, let me assure you that everything that is possible is being done. If he knows of a specific area that could be made available, and if he could identify that particular

piece of Crown land or range land, I would be pleased if he would bring forward that specific piece of ground, or the legal description, so some action could be taken.

As far as the use of electric wires are concerned, I think the member can well appreciate, that to fence a lot of the bushland or a lot of land that has got scrub associated with it, it would be very difficult to put in place an electric system that would be effective in containing the livestock.

MR. SPEAKER: The Honourable Member for Ste. Rose with a final supplementary.

MR. ADAM: Mr. Speaker, I would ask the Minister if he is able to get in touch with his colleague, the Minister of Mines and Resources, to find out where these wildlife areas are. I'm sure the Minister of Mines and Resources would have more information in regard to wildlife areas in this province. I would ask the Minister if he could use his good office to get in touch with his colleague to find out where these areas are.

MR. SPEAKER: The Honourable Minister of Agriculture.

MR. DOWNEY: Mr. Speaker, I think it's the Member for Ste. Rose who is now trying to play politics with this and he's really not that sincere about helping resolve the problem. I thought, Mr. Speaker, that he had some specific piece of ground that he could refer to. There has been ongoing communication between my department and the Department of Natural Resources to work out areas that may be used for the livestock producer, and I use the example of the Saskeram area in The Pas, where there appears to be a large quantity of hay, which a decision has been made to go and obtain that hay for livestock feed supplies.

MR. SPEAKER: The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Speaker. My question is to the Minister of Health and follows on an answer that the Minister provided to me on Thursday with regard to the hospital beds at Leaf Rapids Centre. On that occasion, he indicated that the hospital beds were operating and as I have had several calls since that time suggesting that such is not the case, can the Minister indicate if he has had an update as to the status of those hospital beds in Leaf Rapids Health Centre and if, in fact, they are not operating at the present time?

MR. SHERMAN: No, Mr. Speaker. I'll have to check on that for the honourable Member. The last report I had was on Friday and that was my information, that the hospital was operating and was staffed, from a nursing point of view, in the manner which I suggested at that time, but the occupancy was 30 to 40 percent, which would be approximately three beds out of the eight. I will have to report further to the honourable member tomorrow.

Monday, June 16, 1980

MR. COWAN: Thank you, Mr. Speaker. I appreciate the Minister's efforts in this regard, as it has been indicated to me by private sources that the eight beds are in fact not operating and there are no bed facilities, although there are other health care facilities available.

At the time of questioning, the Minister of Transportation responsible for Government Air Services, indicated that an Aztec had been placed in Thompson permanently so as to provide fast and quick access to patients needing it in Leaf Rapids. It has come to my attention that while the Aztec is in Thompson, when there was an emergency medivac call from Leaf Rapids over the weekend, the pilot was in Winnipeg and, as a result of that, there was no medivac by the government services and a private airline had to make that medivac. I would ask the Minister of Health if he would check into this situation and ensure that not only the Aztec is available in Thompson, but that also there is a pilot stationed in Thompson so that the Aztec can be flown to where it is needed on an emergency basis.

MR. SPEAKER: The Honourable Minister of Labour.

MR. McMASTER: Mr. Speaker, I might be able to help answer that particular question. I was Minister responsible for the Transportation Division for a period of time. There was, on occasion, Mr. Speaker, through you to the Member for Churchill, there have been occasions when pilots, planes, or whatever, were occupied in a different place. It is not unusual for Government Services, in conjunction with whatever group that's dealing with the emergency, it's not unusual for them to deal as expediently as they can by sometimes employing some other airline. It's sort of a backup for the service that we have in place, and if either plane, pilot or whatever is out, or whatever the case may be.

To the Member for Churchill, that could have been an unusual set of circumstances, but it certainly is not without precedent that they do, in fact, and will, in fact, contact a private carrier if for any reason their planes or the pilots aren't available.

MR. SPEAKER: Order please. The time for question period having expired, the Honourable Member for Gladstone.

COMMITTEE CHANGE

MR. JAMES R. FERGUSON: Yes, Mr. Speaker, I would like to move a change on Private Bills and substitute the name of Mr. Steen for Mr. Gourlay.

MR. SPEAKER: Is that change agreeable? (Agreed)
The Honourable Government House Leader.

MR. MERCIER: Mr. Speaker, the First Minister will, in Room 254, deal with his estimates on Executive Council, Legislation and General Salary Increases, which will leave only Flood Control, plus the Department of Economic Development and Tourism, which will begin in the House.

Mr. Speaker, I move, seconded by the Honourable Minister without Portfolio, that Mr. Speaker do now leave the Chair and the House resolve into a

Committee to consider of the supply to be granted to Her Majesty.

MOTION presented and carried, and the House resolved itself into a Committee to consider of the supply to be granted to Her Majesty, with the Honourable Member for Radisson in the Chair for Department of Economic Development and Tourism, and the Honourable Member for Virden in the Chair for Department of Legislation.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY — LEGISLATION (I)

MR. CHAIRMAN, Morris McGregor (Virden): I call the committee to order. Page 3, Legislation. Are there any comments on the items down to Resolution 1.4)(a) — the Member for Transcona.

MR. PARASIUK: I'm looking at, I guess it's item 3.(b) and I see a very significant increase there from 69,300 to 146,000. All the others seem by statute to be quite — well, that one, and I guess mileage allowance has more than doubled; that's 3.(d). 3.(b) has gone up by two and a half times; not quite two and a half times. Both of them have more than doubled anyway.

MR. CHAIRMAN: The First Minister.

MR. LYON: The living allowance, is that the item that the honourable member is referring to?

MR. PARASIUK: Yes, and also mileage allowance, I guess, is (d).

MR. LYON: The living allowance reflects the increase from 25 to 40 a day for members who do not represent Winnipeg constituencies, and the mileage allowance reflects the fact that the members are now receiving the civil service rates as opposed to 15 cents a mile in last year's estimates.

MR. PARASIUK: What are they now?

MR. LYON: The current rate, Mr. Chairman, I can't tell you off the top of my head, but it's the same as the civil service rate. It relates to the size of the car and the number of miles travelled. That's the way the civil service is adjusted.

MR. PARASIUK: Do you pay more if they're driving a small car and travelling a large number of miles, or if they're driving a large car and travelling a small number of miles? That's just facetious, really.

I want to make one comment on this just so that it's known. I don't have any strong positions one way or the other on it, but I'm not sure people always understand this, that is, that rural members do get a per diem of 25 per day — sorry, per diem of 40 per day now, and that is paid to rural members whether they are Cabinet Ministers or not. That was one of the big changes in last year's legislation, which now allows a Cabinet Minister to claim per diems of 40 per day, and if we sit something in the order of I guess 100 days, that's an increase in salary in a sense to a Cabinet Minister of 4,000, in that one of

the assumptions, I think, behind a pay increase for Cabinet Ministers is that they are full-time and they should be paid accordingly. There is a bit of an anomaly there, I think, and I just raise it for the record. I don't have a hard position on it, I just find it a bit of an anomaly. With part-time members, they are given a per diem and I think that's what the per diem recognizes, but Cabinet Ministers are now being considered full-time salaried people in the government and they are also getting a full-time salary, plus a per diem, and I just say that that's an anomaly.

MR. CHAIRMAN: Are there any other comments to do with the statutory items, 1, 2, and 3? The Member for Ste. Rose.

MR. ADAM: Mr. Chairman, I wonder if the First Minister could comment on the bill before the House — could we discuss that here at all — with regard to an increase in indemnities for all members of the Legislative Assembly? Are we allowed to speak on it at this item?

MR. LYON: Mr. Chairman, I would be the last to want to offend the rule against repetition, so I would prefer to confine my remarks to the bill, which is on its way into the House fairly shortly, and we will be dealing specifically with the items that are contained in that bill. The bill, of course, has been announced, as a matter of policy by the government. It should be in the hands of the House very shortly and we can deal with the specific items in that bill when it's before us.

MR. ADAM: Mr. Chairman, I was asking you, Sir, to advise us whether we can discuss this on this item, the increase in salaries. I'm not sure whether there is any allocation in this estimate, if there are any fiscal requirements, or monetary requirements in this legislation to cover that. That's the information I was asking you, Sir, and if it's not there, then I guess we'll have to wait until . . .

MR. CHAIRMAN: I believe that will come under Supplementary Supply.

MR. ADAM: It comes under Supplementary Supply. Thank you, Mr. Chairman.

MR. CHAIRMAN: 4.(a)—pass; 4.(b)—pass — the Member for Wellington.

MR. CORRIN: Mr. Chairman, I want your guidance. I want to discuss something that I brought up during the Question Period, and that is the position of the First Minister and the Cabinet, and indeed the Government of Manitoba, with respect to Indian Rights. I would like to know where Native Rights might be discussed in the context of the items before us.

MR. LYON: I would suggest, Mr. Speaker, that Executive Council is a pretty general item and that might be the appropriate place for any general discussion of that sort.

MR. CHAIRMAN: 4.(b)—pass; 4.(c) — the Member for Transcona.

MR. PARASIUK: I was in Saskatchewan last week for one day and I was there when Dick Colver was filibustering on a bill to take away the salary for the second opposition party because he had switched allegiance during the course of the term, that is, he did not run as a separatist, as a unionist to the United States in the last election. Indeed, in the last election, he ran as the Leader of the Progressive Conservative Party of Saskatchewan. Since that time, he has quit being Leader of the Progressive Conservative Party in Saskatchewan, he has quit being a member of the Progressive Conservative Party, he is advocating that Saskatchewan, or at least western Canada, separate from Canada and join the United States. And he has converted one other Conservative to this rather strange position, and there is thought that he may be able to convert some other Conservatives in Saskatchewan to that position.

But the point is, he has claimed the legislation endowment for the second opposition party. What is the situation in Manitoba regarding that? How does one qualify for second opposition party? Would that mean you'd have to have four members, and would they be legally entitled to it, if in fact they switched from one party to another and set up another party? I don't imagine that we will have four Conservatives, or even four New Democrats quitting their respective parties in Manitoba and wanting to join a unionist party and join Dick Culver's movement, but he apparently is a fairly persuasive man; he's been able to convert one Conservative in Saskatchewan already, so I'm just asking on a contingency basis what our provisions are for payment of second opposition party leaders indemnity?

MR. LYON: Mr. Chairman, as the member has indicated, the provision for establishment of a second opposition party is contained in The Legislative Assembly Act. It requires that there be four members of a party with an acknowledged leader, and so on. We have no contingency plans against the kind of unique situation that is occurring in the province of Saskatchewan. It's not the first unique situation that's occurred in that province, and we're not free from unique situations although I agree with the estimate of the honourable member that the likelihood of that particular set of circumstances occurring in Manitoba is indeed remote.

MR. CHAIRMAN: 4.(c)—pass; 4.(d)—pass; 4.(e)—pass; Resolved that there be granted to Her Majesty a sum not exceeding 879,200 for Legislation—pass. 5.(a)—pass — the Member for Transcona.

MR. PARASIUK: I think this matter has been discussed in Public Accounts, so I'll let it pass.

MR. CHAIRMAN: 5.(b)—pass; Resolved that there be granted to Her Majesty a sum not exceeding 1,341,500 for Legislation—pass. 6.(a)—pass — the Member for Transcona.

MR. PARASIUK: Thank you. I don't know if this has been discussed elsewhere — I've certainly not had the opportunity to discuss it yet — this concerns the matter of the ombudsman. When does the ombudsman's term expire?

MR. LYON: Mr. Chairman, my recollection is that his statutory term expires in about a year and a half — I can get the exact time on that — even though he is at the present time beyond the normal retirement age.

MR. PARASIUK: I personally consider this to be a very important position, especially since this person and this office really interacts with individuals who are complaining about the administration generally, and that it's very important for the filling of this position to receive careful attention. I would like to ask the First Minister if he intends to follow the practice set when the first and present ombudsman was appointed and provide for in a sense all party consensus on the selection of this particular individual.

MR. LYON: Mr. Chairman, again without having the statue in front of me, my recollection is that there is a statutory requirement along the lines that the member speaks of, and it would certainly be the intention of the government to honour that statute in the selection process, as and when it becomes necessary.

MR. CHAIRMAN: 6.(a)—pass; 6.(b)—pass. Resolved that there be granted to Her Majesty a sum not exceeding 173,200 for Legislation—pass.

SUPPLY — EXECUTIVE COUNCIL (II)

MR. CHAIRMAN, Morris McGregor (Virden): Now committee, we turn to the next page, Executive Council. We go to 1.(b), we'll be returning to the Salary 1.(a), at the tail end. 1.(b)—pass — the Member for Transcona.

MR. PARASIUK: Is this the Member for Brandon West?

MR. LYON: Yes, Mr. Chairman.

MR. CHAIRMAN: 1.(b)—pass; 1.(c)—pass — the Member for Transcona.

MR. PARASIUK: Mr. Chairperson, I see a fairly substantial increase here, almost approaching — well something in the order of over 40 percent, 40-45 percent increase in the staff of the Premier, and I'm wondering if the First Minister can explain why there is this very dramatic increase in staff in his own department when increases in staff in other departments for possibly needier programs has been kept to a minimum?

MR. LYON: There are five positions for approval: One Executive Assistant 1, two AYMs, one PM1, and one contingency, plus salary adjustments, which are being put into the estimates this year. There is a further amount — I'm sorry, that shows up under Other Expenditures. I can give the honourable member, Mr. Chairman, a sheet showing all of the positions, if that could be duplicated for members of the committee, by title, along with the salaries, which amount to 587,700.00.

MR. PARASIUK: Mr. Chairperson, perhaps I could suggest that we get them copied and we just pass

over this item for a minute while it is being copied. We're going to get back to the Minister's Salary probably in about 10 minutes. I don't think I'll have any questions on it, but I would just like to see the paper.

MR. CHAIRMAN: 1.(d)—pass; 1.(e)—pass; 1.(f)—pass — the Member for Transcona.

MR. PARASIUK: Could we just get a brief explanation of what this entails, International Development Program?

MR. LYON: Yes, Mr. Chairman, this is the program that has been undertaken now for a number of years, funded out of this Executive Council Vote, for international programs that are done in conjunction with other CID money that is made available by CIDA, and organized by the Manitoba Council for International Co-operation. They have a number of programs that they fund each year, for which they receive matching grants from CIDA — I shouldn't use the word matching — additional grants from CIDA, as well as from a number of private organizations, for international development projects throughout the world. A list of those current projects is available if the honourable member would like to have it.

MR. PARASIUK: Yes, I would appreciate if the First Minister could send it to me. I don't really want to ask any questions on that.

MR. LYON: Agreed.

MR. PARASIUK: I have one other point, though, and that concerns the International Development Program. There is one particular program that seems to be utilizing the 250,000.00. At the same time, I'm quite certain that Manitoba is involved in a number of other international development efforts, probably through the Department of Agriculture in certain instances, the Department of Resources, and other instances like that. —(Interjection)— Education, sure. So that this is just a specific one but there are a whole bunch of others spread throughout, with their own probably bilateral arrangements with the federal government. I don't have any questions on it.

MR. CHAIRMAN: 1.(f)—pass; 1.(g)—pass — the Member for Logan.

MR. WILLIAM JENKINS: Thank you, Mr. Chairman. I see that there was nothing in this item last year and it seems to be a new item. Could the First Minister explain what it covers?

MR. LYON: Yes, Mr. Chairman, this is a special grant that did not come under Item (e) Government Hospitality and Presentations, a special grant going to the Wartime Pilots and Observers Association, who are holding their international convention in Winnipeg in September of this year.

MR. CHAIRMAN: 1.(g)—pass; 2.—pass. Now we will return to the Minister's Salary. Resolved that there be granted to Her Majesty a sum not exceeding 7,000 for Executive Council—pass.

Monday, June 16, 1980

MR. LYON: I believe the Member for Transcona agreed that we can pass Item 1.(c), Mr. Chairman, and we can deal with that in the Minister's Salary if he has any questions on it.

MR. CHAIRMAN: Now we return to 1.(a) Minister's Compensation.

The Member for Wellington.

MR. CORRIN: Thank you, Mr. Chairman. Recently, and I averred to this during the course of today's question period, Mr. Chairman, recently the denial of access to the Constitutional Conference to representatives of the National Indian Brotherhood has been decried by those representatives as being in violation of their rights. In this regard, Mr. Chairman, I would ask the First Minister whether he can advise why Manitoba has taken the position that the elected leaders of the Treaty Indian population of this country should not be allowed to participate at the Constitutional Conference on an equal basis with the representatives of the other jurisdictions affected by those negotiations and discussions.

Perhaps it may sound a bit strange, Mr. Chairman, but I tell you that it is my belief that Indian rights should be entrenched in the Constitution of Canada and there should be recognition given to Treaty status, as well as their aboriginal rights. I say that, Mr. Chairman, because I recognize them as being the first Canadians, the people who owned this country, quite literally owned all the property of this country prior to the arrival of those who came afterwards.

This conference will be discussing the very important matters of the division of powers, recognition of territorial rights within this country, and it seems to me that if it's to be done in any sort of detailed perspective, it has to be done, Mr. Chairman, in the context of the rights of the native peoples of this country.

This is a critical time for them, Mr. Chairman, because they have for some number of years been trying to determine what those rights might be, trying to establish whether those rights will confer upon them certain territorial prerogatives with respect to the administration of laws, the creation of laws for that matter, on treaty lands, reserve lands. I, for one, Mr. Chairman, would be interested in knowing what position Manitoba will be taking with respect to these rights, and certainly, Mr. Chairman, I would be interested in knowing why Manitoba would preclude the properly elected representatives of that population from participating at the conference.

MR. LYON: Mr. Chairman, I think we're all aware of the continuing discussions that are taking place between the national government and the various provincial governments with the representatives of the various native groups within the provinces, and of course within the jurisdiction of the federal government. The methodology whereby the demands or the requests of these groups with respect to constitutional reform can be heard, has been discussed on previous occasions at conferences and was alluded to very briefly at the meeting that we had in Ottawa a week ago Monday.

I'm not certain where my honourable friend gets the view that Manitoba took any particular or

peculiar position in this regard, in that any determination that is made by the 11 First Ministers on such a topic, as and when it is made, and to the best of my knowledge there has been no final determination made, will be with respect to this particular group, not necessarily in relation to any other groups.

But all I can say to him, as I mentioned in question period, is that there was a special category of consideration for the territorial governments of the Yukon and of the Northwest Territories, and some modus is being worked out whereby they will be accorded observer status, which has previously been accorded to municipal groups, to Indian groups and other native groups. What the final determination will be on that, I do not know at this stage. I would expect however, because there is a precedent for it, at at least one conference that I can recall, where some of the chiefs of bands or their representatives certainly were included in provincial delegations as observers. That was the case with respect to Manitoba, and what further approach will be taken with respect to the National Indian Brotherhood, I can't say at this time. I'm not aware that there has been a final determination made.

MR. CORRIN: Mr. Chairman, in response to the First Minister's ascertainment that he knew not from whence came my opinion that Manitoba had taken a position, I would indicate that I inferred it from his remarks in the Assembly this afternoon. He indicated at that time that he had consigned, or it had been the consensus decision by the Ministers in attendance at last week's meeting, that the native representatives should be assigned observer status, and that, Mr. Chairman, was not what they wanted. They came to that meeting, and as I'm sure the First Minister will remember, they were turned away. — (Interjection)— This is the meeting in Ottawa held with the First Minister on the constitutional talks.

MR. LYON: Last week?

MR. CORRIN: Last week.

MR. LYON: I'm not aware that . . .

MR. CORRIN: I would have thought it was well known, Mr. Chairman — the First Minister says he wasn't aware — there were newspaper reports that indicated that half a dozen of such leaders came to the meeting, were turned away at the door, went across the street to the Governor General's residence where they had discussions with Governor-General Schreyer. I believe they left a brief with one of the security officers at the front door, who delivered it to the Prime Minister, and there was some controversy as to whether or not they should be allowed in to participate in the discussions before the conference.

So on that basis, Mr. Chairman, since they have asked that they be allowed to have representative status at the conference, not only observer status, that I ask these questions. I would like to know whether Manitoba would be willing to confer that full status upon them, and if not, why not? It seems to me that if we are not going to confer these rights upon them, there should be some good reason, and I

Monday, June 16, 1980

would like to know why Manitoba feels they should not have access to the conference as full participants.

MR. LYON: Mr. Chairman, the meeting last Monday was a meeting of the Prime Minister and the 10 Premiers of Canada, period. That was that. At subsequent meetings — and its purpose, as I indicated last Tuesday, and prior to going to the meeting, was essentially to determine a schedule, agenda items, and that purpose was accomplished. The Minister of Urban Affairs, also the Attorney-General, is off to Ottawa tomorrow to attend the first of the meetings of the Continuing Committee of Ministers on the Constitution.

As to what will be done at later meetings with respect to conferring of observer status or any other status on native groups, the territorial governments — I believe municipal governments have also indicated that they would like to have some status at the meetings — that must be finally resolved. But if precedent is any guide to us, one would expect that observer status would be, probably, the result of those determinations. The reason for that of course, is very simple. The honourable member, myself, all honourable members in this Chamber, along with all of the Members of Parliament from Manitoba represent all of the people in Manitoba. We do not have separate nations within the confines of the province, or of the country, and similarly, with respect to the city of Winnipeg, the honourable member represents a portion of the citizens of the city of Winnipeg in his constituency, as do the rest of us who are fortunate enough to be elected to represent parts of the city of Winnipeg or parts of the province of Manitoba, and that includes all of the people in those constituencies. So notwithstanding the legitimacy of claims that separate native groups may have with respect to items of peculiar concern to them, whether they be land rights or other items, the basis and the foundation from which you work of course, is that the elected representatives in the House of Commons and in the various Legislatures across Canada take on as part of their responsibility, that form of representation.

Now, against that kind of background, exceptions have been made in the past with respect to native groups, with respect to certainly urban and municipal groups who have been observers at meetings that I have attended, and I'm sure meetings that were attended by a number of my predecessors, having to do with the constitution and/or the economy, and indeed, I think it was our delegation, I know it was our delegation, that in one of the briefs with respect to the economy, made particular reference to native groups not being discussed under the item of welfare, but rather being discussed as a group with an employment problem to see what consensus might emerge from the conference, that particular conference on the economy with respect to native employment, and so I would doubt at this stage if there would be that kind of enlargement to a full delegate status at the upcoming constitutional conferences for any of the groups that we have talked about, but that would not preclude the First Ministers or the Continuing Committee of Ministers from arriving at some means whereby the briefs and the comments of groups, such as the three I have

identified, could be heard, presumably by the Continuing Committee of Ministers in their preliminary deliberations leading up to whatever consensus they can arrive at with regard to the agenda topics.

MR. CHAIRMAN: The Member for Wellington.

MR. CORRIN: Within the parameters, Mr. Chairman, that the Honourable First Minister sets out for a representative status before the conference, it seems to me that the Indians can make a good claim to be enabled and allowed to participate. They, Mr. Chairman, have some autonomy and some exclusive jurisdiction with respect to physical territories being the reserve territories of this country. They, Mr. Chairman, argue that they should be recognized as being the legitimately and properly elected representatives of those people living within those territories. They make much the same argument as, I suppose, the newly developed territories, being the Northwest Territories and the Yukon might make for status at such a conference.

It seems to me, Mr. Chairman, in fairness to these native representatives, that they are right when they assert that their aboriginal rights are the basis upon which all else must be built. I think that I don't want to make representative statements on their behalf, Mr. Chairman, because that is not my proper place, but I think that they would argue if they were here that their rights essentially precede all others, because essentially they were here first and what has been built in this country by way of territorial jurisdiction is all built on the erosion, the derogation of very fundamental native rights. On that basis, Mr. Chairman, it makes good sense to me to hear what those people think those fundamental and basic rights might be, because then, Mr. Chairman, we are in a position to talk about what rights all the rest might have.

Mr. Chairman, I am not suggesting that there will be harmony in this regard amongst all the members of this House, or indeed all the First Ministers of this country, but I note that at least one other politician, namely, Warren Allmand, the former Liberal Indian Affairs Minister, has taken the position that they should have the right to represent themselves at these conferences and meetings. I believe as a matter of fact, Mr. Chairman, that there is a bill pending before the House of Commons put forward by Mr. Allman, calling on the government to give this sort of special recognition to this problem.

Mr. Chairman, I am asking whether Manitoba wouldn't, given the fact that we have a very large native population and we have many reserves within our boundaries, wouldn't be willing to accede to this sort of initiative in order to enable those people to speak for themselves, because, Mr. Chairman, I recognize that the Premier is indeed the Premier of all Manitobans, and I am sure, Mr. Chairman, that these native leaders would recognize that, except that they see themselves as having certain prerogatives which have been recognized with respect to certain territory in the province, and I think it is true that the Minister can't impose legislation with respect to them, he can't by fiat or regulation impose certain things on them that he could on others, his government could on others.

Having that in mind, Mr. Chairman, I would ask whether Manitoba might, firstly, confer with representatives of the Manitoba native community in order to ascertain their wishes in this regard, and secondly, Mr. Chairman, I would ask whether or not the government will allow special status to native representatives in this province, enabling them to sit on the Constitutional Committee that is to be called into session this summer. This, Mr. Chairman, seems, at the very least, to be appropriate under the circumstances.

So I would ask whether the First Minister can advise me with respect to those two matters?

MR. LYON: Mr. Chairman, on speaking to the second point first, there has been an announcement about the establishment of a Legislative Committee that will have the power to meet between sessions to consider constitutional proposals and to hear briefs, etc. That committee will of necessity, Mr. Chairman, be a committee of this House, and representatives of any groups in Manitoba, including the native groups, are welcome indeed to make whatever submission that they wish to make to that Legislative Committee as and when it undertakes its meetings. I would certainly hope, along with the Member for Wellington, that the individual native groups in Manitoba would take full advantage of that opportunity to reiterate their case. I say reiterate because some of their case is certainly well publicized and well known. It would be difficult, and I think my honourable friend answers his question when he poses it, how does one accord special membership to a Legislative Committee to a group that is not represented — that is, in the Legislature — in the sense of having a group representation in the Manitoba Legislature.

I know that the Member for Wellington, the Member for St. Vital, the Member for Portage, all of the members around this table will endeavour to the best of their ability to represent all of their constituents, be they native or otherwise, at those Legislative Committee meetings as and when they occur.

No. 2, with respect to whether or not I, or members of the government, would be prepared to meet with the members of the MIB in Manitoba or other native groups in Manitoba having regard to their proposal, as voiced by the Member for Wellington, that they be accorded delegate status at future federal-provincial conferences, I would be more than happy to meet with any of the groups with respect to that topic. What I am indicating to the Honourable Member for Wellington, however, Mr. Chairman, is that matter is not yet finally resolved. It will be further discussed, I daresay, by the Continuing Committee of Ministers, and it would be my full expectation that there will be some opportunity, the means for which is not within the control of the province of Manitoba, or the government of Manitoba, for native groups to be heard during the course of the ongoing constitutional discussions this summer and this fall.

It gives me the further opportunity to make the point that is not in response to the Member for Wellington's question, that I, for one, certainly do not expect that the constitutional discussions, federal-provincial, are going to end in September after the

First Minister's meeting. I suspect that there is going to be an ongoing series of meetings and that what we will do in September, essentially, is to meet and to register what progress has been made on the 12 agenda items that have placed before the continuing committee of Ministers, and that after the September meeting a further schedule of meetings will be laid down to discuss matters that are still unresolved; to discuss new matters that may arise as a result of the progress that has been made and we hope that some progress will be made over the summer.

So I would not want the Member for Wellington, in the course of my answering this, to in any way draw any implication that I expect the conferences are going to be over in September. I expect quite the opposite, that they are going to take some considerable amount of time, notwithstanding the understandable statement of the Prime Minister that he would like to see as much achieved in September as possible. I would like to see that, too, but contrary to what the Prime Minister has said, I would not regard it as a national disaster of some sort if we didn't reach consensus in all of the items. In fact I would be highly surprised if we did reach consensus on all of the items in September.

MR. CORRIN: A final point in this regard, Mr. Chairman. I would like to know whether Manitoba then will be supporting the entrenchment of Indian Treaty status and aboriginal rights in any new constitution that is proposed?

MR. LYON: Mr. Chairman, I can only say to the honourable member at the present time that Manitoba traditionally has been one of those provinces that opposes entrenchment, generally speaking, as a device because it then puts beyond the reach of Parliament and the Legislatures the right to legislate in areas that cannot be contemplated in entrenched areas. It's a large topic and I don't expect that that answer, and I don't want that answer to be interpreted as being that we're against all entrenchment, we're not, but in the general discussion of entrenchment I would think that there would be a limited number of areas where entrenched provisions would be found in any new constitution that is worked out.

With respect to the particular items that the Member for Wellington speaks of, entrenchment of Indian rights, we will have to look at the form that is being suggested by the National Indian Brotherhood and by other native groups to give it our best consideration. I would suppose that our own legislative committee, in due course, will be hearing representations in this same respect and I would hope and expect that all members of the Legislature would give it their best consideration when it is heard. But I would not want to prejudice in any way what the eleven First Ministers of the country would finally be deciding on that or on any other topic. It's beyond my ability to make that determination or even to venture a useful opinion, at this stage, as to what would be agreed and what would not be agreed to; what would be entrenched, what would be unentrenched.

MR. CORRIN: On this point, Mr. Chairman, I would only indicate that it seems to me that the only way

Monday, June 16, 1980

an aboriginal right can be protected in perpetuity is by way of entrenchment. I know of no other way that these people can be assured that their fundamental rights, those rights which essentially are recognized as having devolved from time immemorial, the rights to the use of certain lands, certain rights and privileges within the context of their own civilization and culture. The only way that those rights, Mr. Chairman, can be protected is through the auspices of formal recognition in a constitutional document. I suppose I am somewhat bothered, Mr. Chairman, at hearing the First Minister suggest that entrenchment is not the only appropriate mechanism to protect those very basic and very fundamental rights. I don't wish to enjoin debate but I would ask him how else those rights could be protected if they weren't the subject of entrenchment.

MR. LYON: Mr. Chairman, I don't want to get into a legal philosophic discussion with the honourable member because I appreciate his point of view and I am sure that point of view, as it is reiterated before the continuing committee and before the First Ministers at their upcoming meetings, will be reflected upon and reflected upon carefully. But on the general topic of entrenchment, the honourable member is as well aware as I, he being trained in the law, that the so-called fundamental human rights of individual citizens of Canada have been extremely well protected, I would say to the envy of most other jurisdictions in the world, without having an entrenched bill of rights in our constitution.

As I say, I don't want to start a debate on that because that's a rather more esoteric topic, but I merely point that out to him to indicate that under our system of jurisprudence in this country, built and developed after 113 years with, I would say, a great deal of success, that there is not too much that we can learn by way of protection of individual civil and human rights for the citizens of this country from other jurisdictions which have tried the route of the entrenched bill of rights. Now that's a very general comment. My honourable friend has heard me make that statement before and I hope it is not one that will stimulate long debate.

MR. CORRIN: I think that the First Minister has deviated somewhat, though, at a tangent from the substance of our discussion.

Mr. Chairman it was my understanding that we were discussing the entrenchment of native status, treaty status and aboriginal rights in the constitution document, not a special bill of rights. That is a matter for discussion in itself, Mr. Chairman, but what I have been discussing, what I hoped that the Minister would respond to was whether or not Manitoba would support the entrenchment of certain basic native rights — for instance, their treaty rights — in a constitutional document. That, Mr. Chairman, would give them a legal assurance in perpetuity that those treaties would be both recognized and honoured by all the forthcoming generations of Canadians. That, Mr. Chairman, as I understand it, is their wish and I've asked the First Minister whether he visualized any other mechanism as being capable of providing that assurance, other than the entrenchment approach.

We weren't discussing at this point, Mr. Chairman, whether or not a bill of rights should be entrenched in the constitution but rather whether Indian Treaty status and aboriginal rights should be entrenched in the constitution, recognition of the special status of native peoples in our country; that is the question, Mr. Chairman, I put to the First Minister.

MR. LYON: Mr. Chairman, I was merely trying to indicate in a general way, as my honourable friend will appreciate, that the fundamental human and individual rights of all citizens in this country, be they native people or others, which go beyond and, some might say, even transcend a particular item such as treaty rights and so on, have been extremely well protected in Canada over the past 113 years and, as a general proposition, I was indicating to him that the list of items that need to be entrenched, whether by way of a bill of rights, on the one hand, or whether by way of unanimity agreement in specific sections of the constitution, I would expect would be a small number.

MR. CHAIRMAN: 1.(a) — the Member for St. Vital.

MR. WALDING: Mr. Chairman, I did have a couple of questions to ask of the First Minister. From the remarks that have just gone on, I wanted to make just one short statement, to let him know that his views on the entrenchment of a bill of rights are not exclusively on the government side, that there is at least one member of the Opposition who shares his views on that matter. Perhaps more, I cannot speak for the others, Mr. Chairman.

I wanted to know from the First Minister whether the amount of 885,900 was all expended in the 1979-80 year.

MR. LYON: I am attempting to see if I have got a wrap-up answer to that in here. I'll have to take that as notice, Mr. Chairman, but I'll be happy to get the figures for my honourable friend. There have been some salaries that were not paid because of disengagements and so on, and others, additional positions, so how it nets out on the bottom line, I would have to get information on, and I'll get it back to the honourable member.

MR. WALDING: Mr. Chairman, the next question was going to be, if the amount had not all been expended, in which lines was there a shortfall, and by how much?

The other question I had of the First Minister, were there any Special Warrants issued under this department last year?

MR. LYON: I can't recall any, but that is only memory. We would have to check with the Department of Finance, with their list of Special Warrants. I can get that information as well. But I can't recall any offhand.

MR. CHAIRMAN: The Member for Rossmere.

MR. PARASIUK: I'm the Member for Transcona. You're batting a thousand. Just because I called the Chairperson the Member for Morris once, I think he's

Monday, June 16, 1980

using this opportunity to get back at me, and I can appreciate his desire for revenge.

I have a couple of questions I want to raise about the constitution. I wasn't here when the First Minister indicated that there would be a Legislative Committee meeting when the session ended, and I haven't seen any reports on it. I'm wondering if the Minister could take a couple of minutes just to indicate whether he expects the committee to hear any briefs from Manitobans before the September meeting of First Ministers?

MR. LYON: Mr. Chairman, number one, we announced last Tuesday that there would be a resolution to be placed before the House before the conclusion of proceedings, to establish the committee to sit between sessions. Number two, there will have to be, of course, the appropriate discussions between the two House Leaders on the membership, of the committee size, etc. and to ascertain mutual desires about times of sitting and so on. Number three, because of the intensive discussions that will be going on this summer involving principally the Attorney-General, who is a member of the Continuing Committee of Ministers, it may well be impossible to have the advantage of his advice at that legislative table if the committee were meeting at any time prior to the first week in September. Number four, and I'm not saying this as being etched in stone in any way at all, because I think it is a matter for mutual discussion between the government and the opposition, the experience that I have had in the past, at least, indicates that it facilitates the work of the committee if there can be placed before the committee, as I expect there will be, by early September, the concrete proposals upon which debate is taking place at that time, not with the view that the committee would be asked to pass upon something that had already been decided in the sense that it is etched in stone, because my own experience, again, has been over the years, going back to the Fulton-Favreau and so on, that no matter how much agreement you may think you've got, sometimes that agreement falls apart.

The experience I recall more particularly was that of a Legislative Committee of the early Sixties, when we referred the amending formula to a Committee of the House and the committee was then able to deal with that formula as it was being discussed, so that the committee didn't feel that its deliberations were useless in the sense that here was a concrete proposal that was up for discussion. Regrettably, that proposal did not receive the sanction of the province of Quebec back in the early Sixties, so the discussions that we had at that time, while they were helpful, they did not help resolve the impasse that occurred with the province of Quebec.

The committee will be established in such a way as to encourage the receipt of briefs from individuals, groups, associations, all other interested groups in the province of Manitoba, and I think it will have to be discussed by the two House Leaders as to suitable dates for the beginning of those meetings, to solicit briefs, and whether it would then be more productive after the First Ministers' meeting in September to go into an intensive series of the Legislative Committee, or whether there might be some use in having at least preliminary meetings of

the committee before the September meeting takes place.

As I say, there is nothing cast in stone on this at all, and we would be certainly prepared to reflect on any reasonable suggestions that come forward.

MR. PARASIUK: Mr. Chairperson, I would like to suggest to the First Minister that he very seriously consider having some preliminary meetings of this Legislative Committee before the September meeting, not to discuss the mechanics as much, but to get a bit of input from the people of Manitoba as to the values regarding Canada. We will undoubtedly have groups coming forward pushing for entrenchment of certain rights, because they value them strongly. It is important to get a feeling for what people's values are. I think we will have other people coming forward, Indian groups, valuing aboriginal rights, and we should share their expressions of value.

We will have other groups coming forward to express their values as well, and certainly we'll have members of the committee interacting with the population in terms of putting forward certain values about the country as well. I would like to just raise one as an example, that I haven't heard raised as much as I would like in the past year or so regarding Canadian federalism, and that's the concept of equalization. It's a critical determining characteristic of Canada's brand of federalism. It's not done in the States, and it's something that I'm very proud of as a Canadian. It's not something that's entrenched, it's something that exists by way of statute and agreement between provinces and the federal government. I believe it's tremendously important; I believe it should be reinforced, and I put that forward as a value.

If one accepts that value, and if one accepts equalization as a necessity for Canada into the future, as a desirable characteristic of our form of federalism, then in part it becomes partly mechanical, partly symbolic, as to whether equalization is put into the constitution, or whether in fact it is kept possibly in the same form as we have right now, federal/provincial agreement and federal enabling legislation, keeping it at the forefront of our values as part of our continuing political process in Canada.

I guess the one reason why I bring it forward, is I think it will in fact influence us fairly substantially when we start talking about division of powers and when we start talking about issues of centralization versus issues of decentralization. When one thinks of the fair amount of money that goes into equalization, in addition to the shared cost funding by Ottawa, it's something in the order of at least 12 billion, I believe, this last year, then you're talking about a very substantial amount, which I think has a substantial impact on provinces, especially those provinces who, for the time being, may not have that much.

If we're talking about building a country, we're a very young country; we have been in existence for 113 years. There are countries that have been in existence for 1,000 years, for 1,500 years, and for 2,000 years, and just as surely as is time itself, Alberta, which has a lot of wealth now, will undoubtedly years down the line, 500 or 600 years, it may not have the wealth —(Interjection)— or 15.

Monday, June 16, 1980

You know, in 1932, Alberta was bankrupt, Saskatchewan was bankrupt, and Manitoba was on the verge of bankruptcy. Now Alberta is in a pretty good position and Saskatchewan is in a pretty good position. We're not on the verge of bankruptcy; we're in that position that we, in fact, may find that we have a particular burst.

I guess the most graphic illustration of how circumstances may change very quickly concerns Newfoundland. Newfoundland joined Confederation in 1949 and really started off being bankrupt, stayed bankrupt. The thing that I find quite irritable and quite objectionable is the behaviour of the present premier of Newfoundland, who is pumping Newfoundland nationalist politics, and I guess maybe it sells well locally, but frankly it's quite unfair and it's quite inaccurate historically. Peckford is talking about Hibernia; he's talking about some short-term wealth that may exist for 30 or 40 years. It may exist for a shorter period of time than that. Yet he seems to be using this opportunity to grab that wealth and forget about the concept of sharing, which I think has made this country a lot stronger. I don't think we could have survived as a country through the Thirties if there had not been sharing. Newfoundland couldn't have been part of Confederation; they wouldn't have improved their educational system as much as they had; they wouldn't have done a number of things that Newfoundland has done if there hadn't been equalization.

What you tend to hear, out of Premiers especially, is this concern that they have their chance to get all the wealth from their own resources, and that concerns me a bit because equalization payments are made by the federal government to provinces, they are not made from one province to another. Given the circumstances of today and over the next 30 or 40 years, I would suspect that the federal government will have to have some access to resource revenue for purposes of equalization.

Now, I didn't want to get into the mechanics of it that much, but I just point out that if one values equalization a lot, then you are prepared to provide the federal government with some access to resource revenue, especially to provide for equalization. If you don't value equalization very much, then you may not be prepared to do that, and that's why I think it is important for the preliminary hearings to take place, so that people can come forward and express some of their values regarding Canada.

I hope that the preliminary hearings would try, and this would require some good work on the part of the chairperson of the Legislative Committee, would try and focus more on sort of basic principles regarding federalism and values that we have about the type of federalism that we have. It will provide some difficulty for the chairperson and for the committee members, but if we want it to get back out in the open, on a preliminary basis, before the September meeting, I think it would be useful to the government and I think it would be useful to the Legislature. I think that it's really quite important for us, as politicians, to feel that we are, in fact, part of a process of nation building, when in fact our immediate constituents are part of the nation but, at the same time, are our electors at the provincial level. I think the easy thing to do would be to try and

play up provincial nationalistic values and then try and blow those out of proportion, while at the same time, weakening the overall nation, the overall country, and weakening some values that I think we all hold very dearly, and that we possibly don't give as much attention to, as provincial politicians, because we assume that in Ottawa, at the parliamentary level, these values are given attention to.

We do have a division of labour. We tend to concentrate on provincial issues, by and large; parliament and the federal government tends to concentrate on national issues. But at the same time, when you get involved in this type of a process, as I think we are going to undergo over the next two years — and I do think it's going to take longer, and I agree with the First Minister on this — that we must all be conscious of the fact that we are nation building, and that when somebody from outside of Canada asks us what we are when we're travelling outside of Canada, and they ask us who we are, what we are, our first response is not to say that we are Manitobans, our first response, surely, is to say that we are Canadian, and that's what we see ourselves first and foremost as. That's why I would hope that we would have these preliminary meetings of the legislative committee to get at some of these points.

MR. CHAIRMAN: 1.(a)—pass — the Member for Wellington.

MR. CORRIN: Before we leave this item, Mr. Chairman, I, too, would like to take this opportunity to address myself once again to the constitution and the upcoming round of constitutional talks. I would like to explore with the First Minister, Mr. Chairman, what position this government will be taking with respect to the proposal that there be a regional House established within this country. I think I would particularly like to find out whether or not Manitoba will be supportive of the proposal to convert the Senate to such a body, and if so, Mr. Speaker, I would be interested to hear the general terms of reference which this government would accept in this regard.

I believe there were some reports from last week's discussions in Ottawa that Manitoba had aligned itself with certain other provinces in this respect. If not, I stand to be corrected, but it seems to me that Manitoba was cited as one of those provinces that was wishing this matter to have active discussion, and perhaps that describes better what Manitoba's position was. If that is so, Mr. Chairman, what would the context of that active discussion be from Manitoba's point of view?

MR. LYON: Mr. Chairman, the Member for Wellington raises the question of the Senate. There have been, of course, a number of interesting proposals that have been laid before previous meetings of the continuing committee of constitutional Ministers with respect to reform, change, alteration of name and alteration of method of appointment to the senate. Our general position has been, and I stress the word general, that there is room in a federal parliament in a country of this geographic and population size, for a second

Monday, June 16, 1980

Chamber. I think the legitimate concern that attracts the attention of all legislators, provincial and federal, is No. 1, how to make that Chamber more truly reflective of provincial jurisdictions. Some suggestions have been that there should be an equal number of senators; that is the province, for instance, of PEI would get the same number of senators as the province of Quebec, and/or Ontario. That wouldn't necessarily find universal favour, but it would be following the numerical process that has gone in the States: One method of assuring that the membership of the Senate would at least be equal to start with, from all of the provinces of the country.

No. 2, there has been a suggestion from a number of sources, I think more recently a former distinguished Premier of the province, Duff Roblin, now Senator Roblin, made a pretty well thought-out speech in Calgary not too long ago about the desirability of electing the Senate, and electing it on the basis of having the elections for the Senate coincide with each provincial election, so that when the provincial electors were going to the polls to be voting for the membership of the Legislative Assembly, they would also be voting for the membership of the Senate from that province. And that is a suggestion that is not only novel, it would change the present totally appointed nature of the Senate to one that is democratically elected, and perhaps some longtime opponents of the Senate, as it presently exists, some from my honourable friend's party, some from all other parties, might find the Senate in its elected stance as more of a meaningful kind of institution in the parliamentary system.

There have also been suggestions in the past — and I participated in some in the 1968-69 discussions — whereby if the Senate were to remain as an appointed body, that some of the powers of appointment, say for half of the members, would be given over to the provinces, to the governments of the provinces. And so, I mention those as only three examples of some of the wide ranging propositions that, from time to time, have been put forward for changes and reforms in the Senate itself. I am not one who happens to believe that changing the name of an institution is nearly so important as perhaps altering the function and making it more truly reflective of what it's supposed to do.

So we have taken, in the past, although it has not been the subject of intense discussion as yet, a pretty flexible attitude about certain of the suggested reforms that could be made to the Senate, because I do believe that, No. 1, it is worthwhile in maintaining, No. 2, it does not have to be maintained in its present form at all. It could be partially elected, partially appointed by the provinces, or perhaps even a combination of the two, so that there would be some continuity and some greater assurance that the appointees were more truly reflective of the people whom they represent in the Senate Chamber. This is not a matter that was discussed at any length, if at all, at the meeting on Monday, but it certainly is one of the items on the agenda, along with the Supreme Court, that will be up for discussion.

Following along on what the Member for Transcona said, I would hope that delegations that come before our Legislative Committee would deal with that as a principle as well, along with the

principle of equalization and others that easily fall into that category, and I certainly subscribe to his view, as I'm sure every premier of Manitoba has from the days of John Bracken, who was one of the principal architects of the concept of equalization. But equalization is now part and parcel and part of the lifeblood of this nation, in that we made a conscious decision as a country, well over 40 years ago, that there would be some sharing of taxation benefits across the country in order to ensure some kind of more equal opportunity for citizens, regardless of the particular region of the country from which they come. Because what the Member for Transcona said is axiomatic; it's true that there are rhythms in the economic progress of different parts of the country at different times, and he observed what I observed in a brief that we presented to one of the last of the constitutional conferences. Indeed, I think it was at the Energy Conference last November when I made precisely the same observation, I think, as the Member for Transcona, that there was a time which we can recall when the province of Saskatchewan, but more particularly the province of Alberta, reneged on its debt obligations. Manitoba, and here only will I disagree with him, Manitoba has never reneged on any of its debt obligation. Manitoba has never verged on bankruptcy, regardless of what administration was in office. Manitoba has had a very solid record in that regard, down through the years.

But these rhythms of economic development do take place, and you need some governor or regulator within the system to ensure that when a particular region of the country is going through one of the valleys before it gets up to one of the peaks, that in terms of enjoying the quality of life in this country and some approach of equality of opportunity, that there be available some sharing of tax revenues among the different provinces and the different regions. I think that that is a principle that is — I won't say universally accepted because I know that there are some provinces that don't feel the same proprietary air, if I may use that term, that Manitoba and Manitobans feel about equalization, because it was John Bracken who was one of the principal architects of that principle after the Rowell-Sirois Commission Report came out in the late '30s.

So when the Member for Transcona talks about equalization being acknowledged as one of the fundamental principles that provides lubrication for this federal country of ours, I think he is quite right, and it is for that reason of course that the topic of equalization is among the 12 that have been assigned to the continuing committee of Ministers for further discussion.

I think he would also agree with me, as we move into another series of renegotiations on the concept of equalization, that it would be wrong to entrench the formula of equalization because that has to change to reflect the changing social and economic conditions across the country. It's got to be kept elastic. But for the principle to be mentioned in a constitution is not something that would find great disfavour with the present government of Manitoba, nor do I believe with any of our predecessors, if that would do nothing in turn to restrict it, or in any way to prejudice the legitimate negotiations that go on

Monday, June 16, 1980

every five years or so on what should be included in the formula.

So we have, thus far, tried to adopt a position which would take account of a number of very good and very interesting ideas that are offered with respect, first of all, to the Senate, and on equalization I don't see any great divergence of view between what was stated by the Member for Transcona and the position of the government at the present time.

MR. CHAIRMAN: 1.(a) — the Member for Ste. Rose.

MR. ADAM: Thank you, Mr. Chairman. I want to advise the First Minister that I agree with some of his positions on entrenchment of human rights in the Act. It's not very often that I do agree with the First Minister, but this is one point that I do, I agree with him. I want to ask the Minister, I would also recommend that we do have some committee hearings prior to his leaving so he can have the benefit of some of the ideas that may be coming forward. That is one of my concerns that we would have the government of the day, whichever stripe of government that we do have, dealing on such a fundamental issue as the Constitution, committing the province to certain agreements which may not be acceptable to a large number of the population. So I would ask the First Minister what would be the process, if we do have legislative hearings prior to his meeting with the other Ministers in September, and again, I know that legislative committees don't necessarily have to do what information is coming before that Committee. I know that it is not obligatory on the government of the day to accept any recommendation that is put before any committee. So I am wondering whether before we go into a final agreement as to sharing of powers, such as the changes in the Senate, the equalization, whether we will be having a special session to discuss this whole matter, because I know that my experience has been that while you do have some groups that come before a legislative committee, there are a lot of people who do not come forward and will on the other hand get in touch with the individual MLAs, individual representatives, to give them the benefit of their advice during a session on what stands to take. I have been exposed to that in this very session in regards to Bill No. 2, I think it is, *Projet De Loi, en français, en langue française*, traduction, and I have made myself available to some of the people who wish to express their views on this topic, such as the translation of English to French of the statutes and Hansard, and so on.

These are some of the things that I would like to have done before we commit the province to any long-term entrenchment. I want to get the fullest exposure to the views of all the people. I know that just a legislative committee, you can go out to the major places, you will have a few people coming out, many are vested interest groups, but you don't have the rank and file grass roots views. In the main you get views from vested interest groups, and I don't have to mention any names, but I am sure that the First Minister will know many of them right off the top of his head.

On the matter of equalization, I believe that the First Minister has already taken a position, which I view as perhaps opposed to equalization, when he made the statement that he was opposed to — and I am not saying that I am supporting of this — that he was opposed to any taxation of exports of energy. I wish the First Minister would enlighten us a little more on that particular topic.

As far as the Senate reform, in the second Chamber I have never been very enthused about an appointed watch dog over the people, elected democratically. In my opinion, it is a hold-over of the old royalty system, noble system, where the nobles or the royalty wanted to protect their vested interest and did not trust the common people elected to the House of Commons.

I wonder if the First Minister could perhaps elaborate on some of the points that I have raised.

MR. CHAIRMAN: The Honourable First Minister.

MR. LYON: Mr. Chairman, the Member for Ste. Rose dealt first of all with the question of the process by which the legislative committee would govern its affairs. I believe I indicated that, because of the nature of this committee, the logical thing would be for the House Leaders to get together, not only on the personnel of the committee, but to have some general discussion about times of meeting and so on, the House Leader for the government, of course, being Mr. Mercier, who is very actively involved in the process of the Continuing Committee of Ministers' Meetings this summer. We are open to reasonable suggestion about times of committee meetings and so on.

I, for one, just to make the point again, Mr. Chairman, do not expect that the constitutional discussions are going to end in September. I think that it is part of an ongoing process that we are going to be going through, and I think there will be ample opportunity, because I share the view of the Member for Ste. Rose, that if we are to arrive, say in a period of 18 months, 2 years, 3 years, whatever the term may be, at the fundamental amendments to or reforms in the Constitution, then these should be discussed as widely as possible by the people of Manitoba through the instrumentality of the legislative committee, or perhaps even ultimately by a bill or a resolution of the House, that would permit full debate to take place with further discussions to take place if that resolution were to be placed before a committee. But that is crossing a number of bridges before we come to them; we haven't even begun to erect the pilings on some of those bridges yet, so we better not cross them.

I agree that the input of opinion that we can get is important, and have over the years, as the Member for Ste. Rose is aware, given the undertaking that when it was appropriate, that is when the negotiations got into a position where they appeared to be productive of some result, that we should have a committee to monitor those discussions and to hear briefs. It would serve no useful purpose to say if we had had a committee two years ago, we would have been looking at a number of proposals that are now stale, that don't carry the sanction even necessarily of some of the people who proposed them. So that is why I think the time is ripe in the

Monday, June 16, 1980

events of man to have our committee now when there appears to be a genuine desire on the part of all eleven governments in Canada to make some noticeable progress in some of the moot items that are before the committee. That is number one.

Number two, on the principle of equalization, the member thought he detected an attitude on my part when I made mention of Hydro taxes by the federal government as being, I think I used the words casual marauding of the Treasury of Manitoba Hydro, or of the people of Manitoba. I think that is because it is in a special category and that the people of Manitoba are the ones who have made the full and the sole investment in the Hydro resource in Manitoba. That being the case, unless the federal government can demonstrate that these moneys, for instance, that they would propose under the hypothesis that they may be taxing them, unless they can demonstrate that these moneys were to be used for some such purpose, such as equalization, rather than to lessen the federal deficit, which is another use to which they might be put, then I would think that all Manitobans, including the Member for Ste. Rose, would be pretty protective of our Hydro resource in terms of how any federal tax moneys from that resource would be used.

That is not intended to be, nor is it, an all-inclusive answer to his question, but rather to indicate that Quebec, Ontario, and Manitoba, and probably B.C. as well, are four provinces with a surplus of hydro-electric generating capacity, with some potential down the road, which have to watch very carefully that the federal government, under whatever guise, does not move in to take special advantage of the resource base that we have built up here.

Now the third point, his last point — I am sorry I had it in my mind when I started out. Your last point?

MR. CHAIRMAN: The Member for Ste. Rose, your last point.

MR. ADAM: I think I spoke about the Senate, which I was not very enthused with in its present form.

MR. LYON: The Senate, I think I have made it clear in what I said previously, that I think all of us should seek through the legislative committee ideas as to how the Senate can be made more reflective of the provincial interest in Manitoba, and we should have our minds open, I think, to consider provincial appointments, election, a number of items that have been suggested that might conduce to that end.

MR. CHAIRMAN: The Member for Ste. Rose.

MR. ADAM: I thank the Minister for his information. I am pleased that at least we are going to have a legislative committee, I believe the first since the election of this government, that we have had an all-party committee, legislative committee to go out and hear the views of the people, something that we haven't seen. I know there have been appointed committees that went out and heard representations from the people, but I believe there should have been some, perhaps on Education. It seems to me that was a very fundamental issue, and

I thought perhaps there should have been all-party committees set up in order to have . . .

MR. CHAIRMAN: To correct the Member for Ste. Rose, there was a committee sat between sessions made up of all members, to look at Education and the revision of Bill 20 and 21, but it did not go to the rural areas, as maybe that was suggested, it was all down here.

The Member for Ste. Rose.

MR. ADAM: Yes, I am aware that there was a committee set up, but I feel that there certainly were not enough meetings out in the country, because people in the rural areas, by and large, don't motor to Winnipeg.

MR. LYON: If I could just interject, it would be our intention certainly to have the legislative committee on the constitution travel to selected points outside of Winnipeg to make sure that the full access is available to people in our major regional centres to make briefs to the committee.

MR. ADAM: That is the point that I really want to stress, that, sure, there was a committee appointed, but the meetings were held here and I am sure that the input of the people in the rural areas really was not exposed to the committee. I am pleased that at least we will have an all-party committee to go out, and I hope that there will be many meetings in all areas, because people are just not prone to travel, even though there may be very fundamental and important issues at stake, people just do not travel that far.

MR. CHAIRMAN: The Member for Kildonan.

MR. FOX: I just have a brief question, Mr. Chairman, to the First Minister. I wonder if in the discussion of the agenda, there was any consideration given to discussing the parameters in respect to some of our cities, in view of the fact that some of them are larger than some of our provinces, and whether this shouldn't be part of the agenda; in view of the fact that some of them are running into some very great difficulties, and they are at the mercy of the provincial good nature, so to speak. I realize they are a creature of the provinces, but nevertheless time has changed since 1867 and possibly this should be an area, and I wonder if the First Minister has a comment to make in that regard.

MR. LYON: I will try to be as brief, Mr. Chairman, as the Member for Kildonan. Not as a specific item, but I would certainly expect that item would be included in the division of powers, because it has to reflect what he has quite rightly pointed out, that the urbanization of the country that has taken place since 1867 is a socio-economic fact of life in the country today, and while it is not identified by my recollection — I don't have the sheet in front of me with the twelve topics — but my recollection is that urban concentration as such is not identified as such. Certainly it would be a legitimate item to be discussed under at least one of the headings, which would be division of power. In that same context I would expect that the desire of the Canadian urban

association and of the other municipal groups to be accorded observer status would be dealt with as it has been in the past by having some municipal reps appear as observers at some of the meetings.

MR. FOX: One other question — the meeting that will be taking place, was there discussed whether there would be observers from opposition parties, and what would be their status if it was discussed?

MR. LYON: No discussion, Mr. Chairman, on that topic, although it is not a new one, and again there has been precedent in the past for Leaders of the Opposition to be part of provincial delegations as observers. Whether there would be any enlargement in that role if, for instance, there was to be at some stage, two or three years down the road, of the First Ministers confirming what the new constitution would be, and to have in effect a council of Confederation to sanction that, one can visualize that kind of circumstance where it might be appropriate to accord delegate status to the various leaders of the opposition and so on, but I think at the working stage that would have to depend meeting by meeting on the consensus of the Continuing Committee and/or the First Ministers.

MR. CHAIRMAN: 1.(a)—pass. Resolved that there be granted to Her Majesty a sum not exceeding 1,026,700 for Executive Council—pass.
Committee rise.

SUPPLY — ECONOMIC DEVELOPMENT AND TOURISM

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I would direct the honourable members' attention to page 35 of the Main Estimates, Department of Economic Development and Tourism, Resolution No. 47, Item 1. Executive, (a) Minister's Compensation — the Honourable Minister.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Thank you, Mr. Chairman. Mr. Chairman, the programs of this department constitute a determined and concerted application of technology and skill to minimize the negative trends in our economy and to build on its emerging strength. Accordingly, before I deal with the programs we will be mounting in this fiscal year, I intend to sketch briefly our economic situation as we enter the new decade.

First, I would like to review some of what I believe economists refer to as aggregates, statistics reflecting the performance of the economy as a whole. Then I will turn to each of the major sectors in turn.

Turning then to the aggregates, the end of the decade was characterized by soft or poor economic performance compared to the average over the decade for the provinces, including Manitoba, which were not experiencing a resource boom. This is shown in virtually all of the major aggregate indicators. For instance, looking at the GDP, Manitoba's growth rate averaged 3.4 over the 10 years, 1970-1979. This was below the average for Canada, which was 4.3 percent. Our rates exceeded that of Canada, as a whole, only in 1971 and 1975. It

was under 2 percent in only three years however: 1970, 1975, 1979. 1970 and 1975 and 1979 were the poorest years in terms of overall growth. Our economy grew at only 0.6 percent in 1970 and 1.4 percent in 1975 and 1979.

The labour force and employment series are another case in point. Our labour force growth averaged 2.3 over the decade, again below the average for Canada, 4.2. Our rate was below Canada's in every year except 1976. Employment growth averaged 2.1 over the decade compared to Canada's 2.9. We reached the Canadian Canada level in 1974 and exceeded it in 1976. In both 1978 and 1979 employment grew at rates above our 10 year average. While generally our employment rate has been 1.5 points below Canada's and the third lowest of the provinces, the 1978 rates, 6.5 for Manitoba, and 8.4 for Canada were the highest of the decade. 1979 showed a 1.1 point improvement for Manitoba and a 0.9 point improvement for Canada.

The final one of these series is investment, Mr. Chairman. The investment data have been pretty well covered over the various previous occasions. The gist of our record is that we are the only government in Canada that has been able to reduce public investment. Public investment dropped from 40 percent of the total to 28.5, so of course the increase in total are bound to be smaller. Year after year, Mr. Chairman, the investment in Hydro development in the north, public investment, accounted for 25-30 or more of the total investment of the province. That investment out-runs electricity demands and has to be halted. When the investment of the magnitude is halted, the growth in total investment invariably falls. Our private investment growth, however, is near the average for Canada and above the average for the central provinces of Quebec and Ontario for 1978 and 1979.

Turning now to the outlook for 1980, and I refer to the conference board data, Mr. Chairman, and those data are revised every quarter, our growth rate this year — that's the growth domestic product — increased over last year's and, with Saskatchewan, will be the only one of two provinces to show an increase in 1980. While at 1.8 percent, it will still be below our average for the 1970's, ours will exceed those of every province but Saskatchewan and Alberta. The growth rate for the Canadian labour force is forecast to decline for all provinces except for Quebec, Saskatchewan and British Columbia. This decline is expected to be a continuing phenomena reflecting the stabilization and participation rates and the entry of the postwar baby boom into the workforce.

Employment growth is forecast to slow down even though the Conference Board at the same time forecasts the growth rate of output to increase. At any rate, our forecast rate is above the rate forecast for Ontario. I should note that one province boasts a forecast increase — only one — boasts a forecast increase in the employment growth rate. The unemployment rate is forecast to remain the same this year at 5.4.

The 1980 investment intentions were released by Statistics Canada on April 2nd, along with the preliminary 1979 figures and the final ones for 1978. The trend of increasing concentration of private

investment in the three western provinces continued. Mr. Chairman, their share of the total has risen to 39 percent and their share of the private to 42.4. This means that comparisons to so-called Canadian average must be made with caution. Our total investment is forecast to increase by 5 percent, and virtually all of this is made up of 7 percent increase in private investment. This forecast growth rate in private investment is more than double the 2.7 growth rate for 1979. I must note, Mr. Chairman, that these figures were based on the survey taken some months ago before the latest rounds of dramatic hikes in interest rates. The impact of uncertainty surrounding interest and exchange rates may be some qualification in the investment intentions of private business.

To sum up, Mr. Chairman, this review of the major economic indicators points out that 1980 appears to be shaping up to be a continuation of the recovery of at least the last two years.

Now I would like to review each of the major sectors of the economy. The sectors I intend to review, Mr. Chairman, are primary, construction, tertiary, and I will emphasize tourism and manufacturing. The primary sector includes mining, forestry, fishing and trapping but is dominated by agriculture. The primary sector accounted for 11.9 percent of the total employment in Manitoba in 1979. Agriculture employed 46,000, 10.2 percent of the employment in the province in 1979. Farm cash receipts in Manitoba in 1979 were 1.3 billion, representing an increase of 16.2 over the level in 1978. This increase was slightly lower than the increase of 17.2 for Canada as a whole. This year, as we are also painfully aware, Mr. Chairman, our agricultural sector, both livestock and crops, is being very hard hit by drought. While it is not for my department to make predictions in agriculture, some reduction in farm cash receipts is expected.

In 1979, the value of mineral production in Manitoba totalled 600.2 million, which was an increase of 28.3 percent over the 1978 level. The major metals, nickel, copper and zinc account for the bulk of the value of the mineral production. Although zinc and copper production declined somewhat in real terms, the value of total metal production in Manitoba in 1979, marking a recovery in the world metal prices, increased by 36.4 percent over 1978, because of the recovery of the world metal prices.

The construction sector accounted for 5.5 of the total employment in Manitoba in 1979. Employment in the construction sector was at a level of 25,000 in 1979. This was a decline of 1,000 from the level of 1973, but equal to the annual average level of employment in the construction sector for the period of 1970 to 1975.

Activity in the construction sector declined in 1979. Statistics Canada data indicated that the total construction expenditures, capital and repair, in Manitoba at 1.4 billion in 1979, will have declined by 3.3 percent from the 1978 levels. 1980 intentions are for an increase of 4.0 percent from 1979 levels. The slow growth in this sector is largely attributed to the general economic slowdown, both in Canada and U.S. The record high level of interest rates, a decline in housing and construction and deferral of projects related to hydro development as a result of excess production activity.

Like construction in general, housing construction is a sector that experiences sharp, cyclical swings. Performance in this sector should be viewed over a period of time. The sharp decline in estimated housing starts in Manitoba in 1979 is partly a reflection of the exceptionally high level of the housing starts in Manitoba in 1978. Housing starts in Manitoba in 1978 were 12,000 units, significantly above the five-year average of 9,000 units for the period of 1975 to 1979. Housing starts in Manitoba, the two-year period, 1978 and 1979, on the average were above the annual average of the 1975 to 1979 time period.

Turning now to the tertiary sector which includes transportation, communication and other utilities; trade; finance, insurance and real estate; community business and personal services; public administration.

Over the last decade, the tertiary sector has accounted for most of the employment growth, both for Manitoba and Canada as a whole. The tertiary sector accounted for approximately 69 percent of Manitoba's total employment in 1979. Within the tertiary sector the largest subsector is the community, business and personal service sector employing 127,000 persons in 1979. Employment in this sector has been growing at an annual rate of 3.9 for the 1975 to 1979 period, which is above the annual average rate of employment growth for the province as a whole during this period.

The trade sector is the second largest sector, employing 83,000 persons in 1979. This sector declined in terms of employment growth for the period of 1975 to 1977 by 3,000 jobs. Recovery and growth marked the two year period of 1978 to 1979. Employment in the trade sector during this period increased by 6,000. The outlook for the trades sector is reflected by the investment data. Statistics Canada investment data indicated the capital expenditures in Manitoba's trade sector in 1979 increased by approximately 94.5 percent over 1978. 1980 investment intentions indicated a modest additional increase, 2.1, over the dramatic growth during 1979.

Since 1977, employment in the public administration sector in Manitoba has declined by 2,000.

This is the first year which Tourism is being included with the other major development initiatives in the new Department of Economic Development and Tourism. The tourism industry offers great potential for the generation of incomes and employment in Manitoba. It offers special advantages as a development initiative in the areas of the province where industrial and commercial development are often particularly constrained.

The tourism industry in Manitoba experienced a turn-around in the year 1979, with most industry sectors achieving improved performance from the level of 1978. The turn-around is seen in the base statistics measuring the flow of visitors into Manitoba, and in the data of the expenditures of visitors and residents on travel activities in the province. Total non-resident visitors entering Manitoba reached 2.8 million in 1979, a 1.3 increase over 1978, and the first increase seen in total tourists to Manitoba since 1974. Spending by non-resident visitors reached a record level of 127

Monday, June 16, 1980

million. This is 9.1 percent higher than the spending in 1978.

Manitobans increased their travel activities in Manitoba as well in 1979 and spent an estimated 247 million on travel-related goods and services. This represents a 9.6 improvement over 1978.

All markets performed well in 1979, with the exception of our United States automobile traffic, which appears to have been set back by the uncertain gasoline situation that existed in the United States in the spring, the poor weather in the early spring and the flooding experienced throughout the Red River Valley in both Manitoba and North Dakota.

The manufacturing sector, Mr. Chairman, has also performed exceedingly well. In 1979, Manitoba's value of shipments totalled 3.9 billion, with 63,000 persons employed in manufacturing. In 1979, Manitoba's value of manufacturing shipments increased by 20.2 percent over 1978. This compares with a 16.6 percent increase for Canada as a whole. Historically, for the period of 1970 to 1979, Manitoba's manufacturing shipments increased by approximately the same rate, 14 percent, as Canada as a whole. Of the 20 industries defined by Statistics Canada, 10 industries exceeded the growth rate by their industry for Canada as a whole in 1979. They are the food and beverages, leather, textiles, clothing, furniture and fixtures, primary metals, metal fabricating, machinery, transportation equipment and electrical products.

In 1979, manufacturing accounted for 13.9 percent of the employment in Manitoba. The corresponding ratios for the other prairie provinces are 5.5 for Saskatchewan and 8.4 for Alberta. Relative to other prairie provinces, manufacturing in Manitoba makes more significant contribution to the total economy. Our efforts to further increase support to the manufacturing sector is emphasized by the fact that the manufacturing sector accounts for approximately 25 percent of Ontario's total employment in 1979.

The years 1978 and 1979 have been years of recovery and growth in the manufacturing sector. From 1975 to 1977, employment declined by 11,000 persons in the manufacturing sector, whereas for Canada as a whole, employment increased over this two-year period. The average annual rate of employment growth in Manitoba manufacturing sector for the years 1978 and 1979 is 8.1 percent, well above the Canadian rate of 4.7. This growth in manufacturing compares to a 3.7 percent annual growth rate in total employment in Canada for the same year period. One indication of the outlook for Manitoba's manufacturing sector is Statistics Canada investment data. Investment data for 1979 indicated capital expenditures in manufacturing increased by 24.6 over 1978. This increase is approximately six percentage points above the increase in the manufacturing sector for Canada as a whole, and exceeds those of Prince Edward Island, Quebec, Ontario and Alberta. Our increase was approximately double the increase of Ontario.

The 1980 intentions are for further dramatic increases of 27.7 percent. This is some four points above the increase for Canada, and exceeds the increase for the provinces of Prince Edward Island, Nova Scotia, New Brunswick, Quebec, Saskatchewan and Alberta.

Turning now to the specific programs of the department, as a general comment, the overall increase in departmental spending reflects the continued priorities of both the department and the government as a whole. Firstly, administrative and support services have been held to 2.8 increase, attributable mainly to the expanded initiatives on behalf of the Manitoba Bureau of Statistics.

Secondly, the operations side of the department, excluding federal-provincial development agreements, has been increased by 441,000 or 8.8 percent over 1979-80, the increases incurring in initiatives involved tourism, promotion and information, market development and small enterprises.

Thirdly, the major increase of approximately 4.6 million are due to the second and third years forecast and expenditures respectively for the economic and tourism strategies we have identified as Enterprise Manitoba and Destination Manitoba.

Turning now to the specific services of our department, in response to the difficulties of our small businessmen often encounter in developing an effective package of technical and managerial and financial resources, we will continue our counselling service to small business in Winnipeg and rural Manitoba. This counselling is becoming increasingly important in maintaining employment opportunities and our momentum in the face of high, and now floating interest rates.

Our services in this area have been expanded with the significant expansion of the Parklands Enterprise Development Centre — This centre's capacity has been nearly doubled — and the establishment of the Brandon and Winnipeg Economic Development Centres. The Winnipeg Centre shares a site with the Technology Centre, which affords the small manufacturer's access to technical advice and equipment to help solve both material and process difficulties.

As the members no doubt know, Mr. Chairman, the marketplace is a very competitive place, and for the most part, the competitors are quite large by Manitoba's scale. They have planning and marketing resources that only a small percentage of our largest manufacturers can afford. Through the Economic and Operations Research Branch, clients of the department can obtain information in such areas as market size and structure, suppliers and distributors, standards and regulations, and foreign trade.

The business development group will continue to ensure that Manitoba's advantages as a manufacturing centre are considered by firms outside Manitoba who are preparing to expand. In addition, they will work with local firms who have reached that critical stage in their own growth where new markets or new products must be developed. In conjunction with the market development group, these programs will work to increase the sales of our manufacturers outside of Canada.

The market development group has identified target markets in U.S. and Mexico. We have opened an office in Mexico city to improve our access to this important emerging market, and to increase our penetration there. And finally, working with the Manitoba Bureau of Statistics, they will work to increase Manitoba's participation in the large capital projects underway in the provinces to the west.

The Program Development and Technical Services group will continue to assist business with supply difficulties, transportation problems, technical production problems, or labour supply problems.

Turning over to Enterprise Manitoba, Mr. Chairman, I would point out that while these programs are funded jointly by the two senior levels of government, program definition, program development, administration, and evaluation are determined by this department through the consultation process. Mechanisms have been established for ongoing consultation with private sector advisory boards, ensuring prior agreement between all private sectors in government before programs are implemented. Our programs developed under Enterprise Manitoba are in response to several identified areas of weakness in the market mechanism.

In response to the need for consultation, private sector advisory boards have been established to identify and assess opportunities in their manufacturing industries. They are also to identify and co-operate with appropriate public and market situations to reduce constraints — For instance, labour shortages or tariff anomalies — to the full development of opportunities. I would take this opportunity to thank the advisory board members for their voluntary contribution and comment. In the case of the small manufacturers, this assistance can include temporary production space. The Winnipeg Centre shares a site with the Industrial Technology Centre, while the Food Products Development Centre is in Portage la Prairie. To offset, to some extent, the more difficult access to financial support in rural areas, the Rural Small Enterprise Incentive Program has been developed to provide forgivable development loans to small rural enterprise. In recognition that the benefits of industry in rural Manitoba may expand far beyond the tax base of the host community, infrastructure support is available for specific projects.

Finally, Mr. Chairman, in response to the recognition of the importance of the commercial activity to the vitality and growth of rural communities and their surrounding areas, communities are being provided with consumer surveys and consulting expertise to increase the proportion of moneys retained within their economies.

Earlier in my introductory remarks, I referred to the significance of tourism for the economic development of the province and the responsibility of government initiatives in that area being assigned to this department. At this point, I intend to outline the activities of this area of the department, Travel Manitoba, and then review Destination Manitoba, the federal-provincial sub-agreement for the development of this important industry.

With the exception of representatives of large national or international chains, the tourist industry in Manitoba consists of small establishments — resorts, charter services, outfitters, camps, accommodation, restaurants and shops, theatre and other attractions, establishments too small to afford commercial development necessary to realize the potential contribution of this industry to Manitoba's economy.

The careful participation of effective allocation of commercial development for the industry involves Travel Manitoba and the various regional tourist associations, as well as numerous private businessmen. Travel Manitoba mounted an aggressive tourism marketing campaign in May of last year, which increased the advertising and promotion emphasis in our nearby US and Canadian markets, and for the first time placed heavy emphasis on promoting in-province travel in Manitoba.

An additional departure from previous years has been the extension of the travel advertising campaign into the winter months, promoting outdoor recreation and travel activities that can be enjoyed in the province in the November to March period. The response to this campaign as measured by telephone inquiries from Manitobans and by the reports from the major ski hills regarding the visitors to the 1980 season has been very encouraging. The advertising campaign generated over 51,000 enquiries from prospective visitors to Manitoba, and in response each was sent a designed information kit on the province's tourism attractions and facilities.

Direct consumer sales promotions were held in our primary US and Canadian markets, including attendance at major sport and travel shows, and the organization and conduct of special promotional events featuring Manitoba as an attractive travel destination. The creative services section of Travel Manitoba continue to design, prepare, and publish a high standard of tourism publications for Manitoba, including a new winter travel publication and a new attractive angling publication which features all of Manitoba's lodges and resorts that cater to this important and growing travel market.

Two new fishing films will shortly be released, which have been produced in co-operation with a major supplier of fishing hardware. These films will be widely distributed through the Canadian government office of Tourism and the National Film Board in Canada, US and overseas markets.

The tour business is a major component of travel today, and activities directed toward the travel trade, including tour wholesalers, operators, and travel agencies has been continued. Manitoba travel products have been featured at travel trade shows and in consortium sales campaigns operated in co-operation with the Canadian government office of Tourism and major carriers. The influential members of the travel trade are hosted by the province on conduct familiarization tours and at special sales seminars.

Turning now to Destination Manitoba, Mr. Chairman, during the first year of Destination Manitoba Tourism development program was launched with three of the programs under the agreement put into operation. The major tourism development strategy and plan is currently being prepared that will provide the guidelines and the direction required to initiate the three capital development programs during the 1980-81 fiscal year. The programs will be operated with joint industry and government liaison to ensure that the needs of industry are met and that the greatest impact possible for the economy of the province can be achieved.

Monday, June 16, 1980

In the 1980-81 fiscal year, it is our intention to increase our tourism advertising campaign by entering several new market areas. The emphasis on promoting the intra-province travel to Manitobans, which began last year, will be continued. The successful winter campaign will continue and a fall advertising campaign will be initiated. For 1980, increased Provincial-Industry Co-operative Tourism advertising will be undertaken to increase the market's exposure to the fine unique attractions and facilities that the traveller can enjoy in Manitoba.

Additional funds have been provided this year to provide for a long distance collect call telephone enquiry service in our major tourism markets. Experience in Ontario and the Atlantic provinces has shown that such a service can increase the volume of inquiries by 20 percent, and allows our traveller counsellors to directly respond to questions from the prospective visitors and to make a sale in a direct person-to-person manner.

Major new program emphasis is being placed on the promotions directed toward more travel trade. This is the growth market for Manitoba tourism for the future, and requires new expanded initiatives from both the development and marketing programs of the department and from the industry itself. Manitoba's destination areas and travel products must have the capacity and the variety of equal attractions to be packaged for organized tour groups. The new marketing initiatives in the tour market will be highlighted by the Rendez-Vous Canada, 1980, which the province has co-hosted this year. This major travel trade sales meeting provides an unprecedented opportunity for Manitoba's travel facilities and tour products to be brought to the attention and sold to the world's largest and most important travel trade operators.

New and increased promotional activities will be directed to the overseas travel trade. The overseas traveller is the fastest growing market for the Canadian tourism, and it is our objective to ensure that the industry and the province benefits from an increased share of the market.

During the 1980-81 fiscal year the Destination Manitoba Program will become fully operational after the results of the tourism development strategy and plan have been received and approved. The three Capital Development Assistance Programs that provide funding for the development of Manitoba's Tourism Destination areas and incentive assistance to stimulate new private sector investments will become operational.

There is a need and an opportunity for all Manitobans to become more aware of what is involved in the tourism industry in Manitoba. Tourism is an industry that is based on good hospitality; that relies on friendly and equal services that only people interested in and concerned about the industry as a whole can provide. During 1980 we will be launching a new program to make Manitobans more aware of the importance of this industry to our province and of the important role that each and every citizen can play in it. The people of Manitoba provide our single most important and valuable tourist source. It is our intention to provide Manitobans with the tools and the facilities to participate fully in this unique industry that depends so much on them for its continued growth and vitality.

To sum up, Mr. Chairman, Manitoba is starting this new decade on an upswing from a rather general and pervasive softness resulting from major adjustments to the very dramatic realignment in energy prices and relative values of national currencies. In Canada there was as well, a major shift westward in the areas of economic growth. These adjustments seem now to have largely been identified and to be starting to have some encouraging effects. The programs of this department have been adjusted, and indeed new emphasis and delivery strategies have been adopted to ensure that the Manitoba economy not only adjusts to change, but capitalizes on the opportunities which these changes offer.

MR. CHAIRMAN: Item (b) Executive, (1) Salaries — the Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Chairman. We have listened to a very lengthy speech by the Minister of Economic Development. However, I don't know whether we heard very much that was of a different tone, at least, than what we've heard in the past. He's recited many many statistics, trying to make the case, as usual, that under the NDP government of Manitoba, in the period 1970-77 roughly, that the province went to pot, or the provincial economy went to pot, but now that the Tories are in office, as of October 1977, we look at all the figures that he drags out, and we are supposed to have recovered, and we are doing great things, and because the Conservatives are in office, we are booming ahead in Manitoba.

The Minister specifically refers to the recovery of the last two years. Mr. Chairman, that of course is simply a myth; nothing more nor less than a myth that exists on the part of the members opposite, in their minds at least, but perhaps they are deluding themselves that this is the case. They are trying to make out that things have gone so well under their administration. Mr. Chairman, the Minister can bring out all the figures he likes, and use them and manipulate them as he may wish, I can assure you that I can show you another series of figures, also from the same source, Statistics Canada, which shows that Manitoba hasn't done that well in the past two and a half years.

As a matter of fact, just taking one item, one very key statistic which I know my friends opposite are very interested in, namely private investment — I want to say first of all, Mr. Chairman, that private investment is not the only type of investment that's good, public investment can be as productive, in fact in some cases it can be more productive than private investment. It obviously depends on what kind of industry we're talking about; what kind of circumstances. But to say public investment is always bad and no, no, is ridiculous. To say private investment is always superior to public investment is simply not true either.

Mr. Chairman, just looking at private investment — I don't have the numbers with me, but I can get them, and I can assure you of their accuracy. At least they are accurate as far as I have read them in the report, and I'm tempted to use them to be honest with myself and everyone else. The percentage of investment dollars spent in Manitoba,

Monday, June 16, 1980

of the Canadian total, of all the investment dollars spent in Manitoba, as a percentage of the total investment dollars spent in the private sector in Canada, the facts are that if anything, there's slightly less proportion of investment spending occurring in Manitoba in the past three years compared to the period 1970-77.

In the period 1970-77, Manitoba had slightly more of its share of private investment spending than occurred since 1977. I don't have the figures with me; perhaps I'll have them for the evening session, and I can refer to them. But that is a fact, and I ask myself why? Why is it that the private investor hasn't seen fit to put a higher percentage of investment dollars in Manitoba as a percent of the total Canadian pie since the Tories have come to office than under the NDP regime?

Mr. Chairman, I find the Minister is very good at taking credit for all the gains that he perceives, and he reads with great earnestness certain increases in manufacturing, or job creation, or what have you. But if there are losses, or if there is anything that shows up to be a failure, then of course it's beyond their control — Swift's Canadian moves out of the province, or closes down its factory, of course it's not this government's fault. It's beyond the control of the government. Recreation vehicles sales manufacturer, Edson Industries in Rivers — well of course that's beyond the control of the Minister, beyond the control of the government. The market situation is such that they're having tough times. Now today we have the report of Jordan's Winery moving out of the province, folding up, another one. On October 15th, 1980, Jordan's will cease to function in their operation at Selkirk, Manitoba. I hope the Minister can do something about it, but I don't think he can. Maybe he doesn't want to, but the fact is that he likes to take credit for certain good things that he sees happening, but he doesn't want to take any of the blame.

But you can't have it both ways, Mr. Chairman. You can't have it both ways. If you want to take the credit, you've got to take the blame. So the Minister has stood up, and I assume from his remarks that he's taking credit for what he perceives at least to be some gains that he has seen in the past year or two.

Mr. Chairman, we should be honest with ourselves and recognize that we are not an island unto ourselves, that while the provincial government of Manitoba can have some control and does indeed have some influence on what happens to the economy of this good province of ours, we have to be honest with ourselves and recognize that there's some very important measures that can occur at the federal level; there are some very important trends that can occur in the North American economy; there's certain things that can happen to the weather that has a great deal of influence on what occurs in terms of our economic progress.

The Minister referred to the outlook for real growth next year and I want to say more about that in a minute, but so much of that estimate of real growth depends on what happens to the agricultural sector. And if Mother Nature, for one reason or other, doesn't see fit to allow us to have the amount of rain that we need, goodbye that forecast of the Conference Board of Canada, goodbye that forecast

that says we're going to be the third highest in Canada after Alberta and Saskatchewan.

Perhaps while I am on it, maybe I should make the point that I wouldn't want to brag too much about this rate of growth, because it's an abysmally low level of real growth anyway. You know, it's less than 2 percent; I think the outlook is for 1.8. But whatever it is, it's pretty low. And just because Ontario and B.C. and some of the other provinces are suffering a recession right now and have slowed down for the next year, at least they are forecast to slow down, and all of a sudden we look to be great, I wouldn't want to make a comparison on that basis. 1.8, I'd say, it's like operating on less than two cylinders, barely operating on two cylinders down the highway. Just because some of the other cars have had car trouble and have slowed down too, we can now boast that, well, we've got 1.8 percent growth. I say that is nothing to be terribly proud of and to write home about. The fact is that is a very low level of real growth and it is not adequate.

As I said, so much depends on what happens to the farm economy, but also what happens in the international markets for minerals has a great bearing on what happens to this, and that's over and above the control of this Minister, over and above the control of this government. What happens in the American economy, one of our major market areas, export market areas, has a definite impact on what happens to the Manitoba economy.

When you talk about increases in clothing production, I would like to remind the Minister and his colleagues that there is such a thing now as quotas on foreign imports of clothing from overseas, and if you didn't have that additional protection afforded the garment industry in Manitoba, I would suggest, Mr. Chairman, that we wouldn't have the number of jobs in that industry we have today. There is no question that the protection afforded by the federal government has stimulated that particular industry.

Let me also make the point, Mr. Chairman, because I think it's a very very important point and it bears very much on what happens in manufacturing sales, manufacturing output, and that is the phenomenon of devaluation. The Canadian dollar, as we know it now, is down to 85-86 cents American. While it has its rather unpleasant aspects, because it adds to inflation in Canada, it does have the benefit of giving our manufacturers a boost in two ways, because devaluation means in effect that it costs more for Canadian consumers to purchase goods from abroad, because an 85-cent dollar simply doesn't buy what a 100-cent dollar American could buy, and because you've got that natural level of protection put in place, you have in effect given our manufacturers the equivalent of tariff protection. What it has done is almost equivalent to raising the tariff barrier.

At the same time, Mr. Chairman, it makes it possible for our manufacturers to sell more easily in the United States and other foreign markets, because our goods are relatively cheaper. Because the dollar is cheaper, it is cheaper to buy made-in-Manitoba goods.

Mr. Chairman, I would submit that the basic reason, one of the basic reasons for manufacturing

to increase in Canada and in Manitoba is because of this phenomenon of the devaluation of the dollar.

As a matter of fact, while I note the manufacturing output has increased in Manitoba, I also note it has increased across the country. While we note that there are more jobs in Manitoba, I note that there were jobs right across Canada. As a matter of fact, the rate of job creation tends to be higher in other parts of Canada outside of Manitoba. For example, last year, in 1979, the jobs created in Manitoba — now there may be subsequent revisions, but the latest information I have is that our job creation was running at 3 percent, an annual rate of 3 percent, which was less than the Canadian average of 4 percent. In fact, it's the lowest of all the provinces that I have in front of me. Of the 10 provinces in Canada in 1979, the job creation rate in Manitoba was the lowest of any of the 10.

So I say, Mr. Chairman, that there have been jobs created, yes. There have been increases in manufacturing shipments, yes. But looking at it relatively and looking at it to the rest of the country and looking at the factors that have a bearing on that, I would say this Minister can't stand up and take credit, as he would want to do, for what's happening in these areas. The fact is that for some years, we have had a difficult row to hoe in Manitoba. When I was Minister of Industry and Commerce, the government with which I was associated, I would hope, to the best of my recollection, never tried to suggest that we were happy with our rate of economic development and that we had all the answers to a faster rate of growth. We tried, we worked hard and we tried hard, we tried to encourage the private sector and we weren't afraid of using public spending and public investment where and as necessary.

Mr. Chairman, we have to recognize that for some many years, Manitoba has had a very tough row to hoe because of some very basic factors. We have to look at our resource limitations, we have to look at our market limitations, we have to recognize that we have a rather cold climate and we have some very serious limitations that work in a very very real way on our economy.

Mr. Chairman, the debate in the 1977 election was a very major policy debate involving what was to happen to the Manitoba economy and where was it to go, and whether the Conservatives had a better answer than us. I suppose the policy difference was the utilization of government as an instrument. We believe that government can be used as a positive instrument in bringing about economic development. We believe that public investment is and can be very excellent for the Manitoba economy, and we are not afraid to utilize that instrument.

The people opposite, the government side, suggested that government should stand away, step aside, lower taxes, and all of a sudden we would get enormous amounts of private investment occurring and that all these great things would happen. Mr. Chairman, the fact is that the great turnaround has not occurred. Private investment spending is very weak in this province. It's weak in this province and, as I said, we're not getting any more of our share of the private investment spending that occurs in Canada now than we did in 1970 to 1977; in fact, if anything, a shade less.

Looking at the years gone by, certainly there were some bad years, years that we were not very happy with in terms of job creation, in terms of retail sales and so on, but we had some very good years as well. I look back, for example, in terms of retail sales, for example, you can look back at some years, in 1973 we had 17.1 percent retail sales in Canada compared to an increase of 12.4 in Canada. I'm sorry, that's 17.1 in Manitoba compared to 12.4 in Canada. In 1972, we were 13.6 compared to 10.7 in Canada.

But there were other years it was the reverse. I'm saying I recognize that we can have some very good years and we can have some very poor years, but I will not accept the thesis that everything and anything that occurred under the New Democratic administration in the economy was bad and totally unsatisfactory, because that is certainly not the case.

At the moment, Mr. Chairman, the job creation rate is less than what's occurring in Canada. Our retail sales even this year, the first four months of this year, are below the level of inflation. What that means, Mr. Chairman, is that there are fewer goods, physical goods, there's a lower real volume of goods traded over the counter this year so far compared with last year. I think it's 7.-something percent, we're definitely a couple of points below the rate of inflation.

Our investment levels are very weak. I know the Minister likes to talk about increases in manufacturing, but the fact is that manufacturing is still a very small component of total investment in Manitoba. If you look at the total levels of investment spending, you will see that our increases are among the lowest in the country. In fact, this last year, the outlook for 1980 is that private investment will be less; the increase in private investment will be less than the increase in inflation. So again, there will be fewer real investment goods put in place than occurred last year. —(Interjection)— Well, doom and gloom, the member says.

The point is, I don't like to see that occur. I want jobs for our people. I don't like to see our people leave. I want higher incomes for our people, higher wages. I want less inflation. But the fact is that it's your thesis that elect the Tories and all of a sudden we'll have terrific economic prosperity and a better rate of economic growth than we had under the NDP. What I am saying, Mr. Chairman, I don't want to be a prophet of doom and gloom, I'm saying let's be more realistic. And the facts are that we don't have this great economic prosperity, we don't have this fantastic rate of growth that was supposed to come about by electing a Conservative government in Manitoba.

Mr. Chairman, there are all kinds of examples of a serious erosion of our industrial base. I'll only mention two or three: Electro-Knit Fabrics in Selkirk, the Swift's Plant, the Jordan's Plant. But we could list others: Greb Shoes, and there were others as well that one could list as specific examples of an eroding industrial base.

I think perhaps the saddest situation of what has occurred under the Conservative government, because this did not occur under the previous administration, is the drop in our total population level. Our total population level dropped by 5,000 people in the calendar year 1979. Mr. Chairman, I looked back at what happened to the Manitoba

population, right back to 1931. I assumed that we have phenomenal growth up until that time, but in the Dirty Thirties, there is a possibility of some loss in population. But the facts are, from what I see, there was no drop of Manitoba's population in the 1930s. As a matter of fact, the only time you get a significant drop in population, looking back over the years, is during the Second World War. In 1942, we lost 5,700 people; 1943, we lost 1,000 people. I would attribute that, of course, to the fact that many people were transferred out of the province for military service.

You see some drops in other post-war years. The most significant one, there was one in the 60s, but the most significant drop has occurred in this past year. We dropped in 1979 by 5,000; in 1978, the drop was 500 people. The major source, the reason, the major reason for this drop in population is the enormous exodus of people from this province, an exodus of people that in 1979 reached an all-time high in terms of recorded history. In fact, I'm sure it's an all-time high. I'm sure it didn't occur before 1965, which was the first year statistics were recorded. In 1979, we lost 15,457 people, on a net basis; 23,443 came into Manitoba, which was a drop from what happened previously, but also the number leaving had risen from what it had been for some many years. The number leaving rose to 38,900. So as I say, on a net basis you have about 15,500 net loss, which of course supersedes both the amount of immigration that occurred in the province that year and the natural rate of increase. But the bottom line is, as I understand it from looking at the statistics, a drop of 5,000.

Mr. Chairman, we are the only province in Canada to have a declining population, the only province. Every other province last year, although they might have lost some on interprovincial migration, that loss was not nearly as great as the loss suffered in Manitoba, because their natural rate of increase superseded any loss on interprovincial migration, except in Manitoba. The percentages and the numbers were so high that we have the dubious distinction of being the only province with a dropping population.

I have the figures for the first quarter of this year now. They have just been released and it shows the very first quarter now of 1980, that the loss on interprovincial migration is up by 15 percent. In other words, in the first quarter of this year we lost, on a net basis, 15 percent higher, our loss was 15.5 percent higher than it was in the same period last year. So there is no evidence of a discontinuation of this declining population, there is no evidence. As a matter of fact, Mr. Chairman, if it wasn't for the fact that last year we had 5,840 immigrants arriving in Manitoba, our population would be even that much worse, our population situation would even be lower. We had 5,840 immigrants, while 1,620 people left for other countries. So on a net basis we gained 4,220 people on international migration.

I think, Mr. Chairman, it is this type of information that really tells the tale. I know there are opportunities outside of the province, but, Mr. Chairman, those opportunities were there in 1977, in 1976, in 1975. Saskatchewan was booming, Alberta was booming. I had many a meeting with the Alberta Ministers on different matters, western Minister of Industry and so

on, there was no question, Alberta was doing very well at that time, but we didn't lose people until we get to the year 1978. In the calendar year 1978, our population begins to drop, in 1979 it drops even more so, and the reason is, as I said, we have got people flooding out of the province.

Mr. Chairman, the main reason is because, in my opinion, there are inadequate, relatively inadequate, job opportunities here. Of course, if it wasn't for this exodus, you might say well, there is a good side to this, and that is, if it wasn't for this exodus our unemployment rates would be higher. We say we have the third lowest unemployment rate in Canada, well, we have, that is indeed true, but we have always had the third. We have never been higher than third lowest, never, never in recorded history. In fact, many years when I was government, we were the lowest unemployment rate in Canada; some years we were second lowest, some third, but some years the lowest, absolutely the lowest, some months we were the lowest. We had more people here; well, we didn't have a dropping population at least. Mr. Chairman, the fact is that if we didn't have this population loss our unemployment level would be a lot worse than it is today.

I think that is a telling statistic, a telling feature of our economy. How can we say that this province is making progress when our very society is deteriorating, when the fabric of our communities is disappearing? How can we say that we had a turnaround, how can we say that? We have had a turnaround all right, our turnaround is that we have turned around on the slippery slope to oblivion, because at the rate we are going we will assuredly have the reputation, obtain the reputation, of Newfoundland . . .

MR. CHAIRMAN: The honourable member has five minutes.

MR. EVANS: Thank you, Mr. Chairman. . . . the reputation of Newfoundland, the poor cousin of the western provinces.

I say, Mr. Chairman, there is no outstanding evidence that we are doing well under the Tories. As a matter of fact, I was rather amused by the Minister's speech and the subsequent newspaper report on his speech that he gave to the — I think it was at the Convention Centre — outlining the industrial strategy for Manitoba. The Minister apparently recited, well, I have it here, this is on April 30th, an address given by the Honourable J. Frank Johnston, and the Minister outlined ten items, ten ideas that were being turned into Manitoba business success stories. The interesting thing is, Mr. Chairman, apart from those that were supposed to have been evolved out of the province, what interested me more was that all but three were introduced before the Minister became government. Seven out of ten, according to the newspaper report, of the ten all but three were introduced well before the Conservative Government took power in 1977. Mr. Chairman, will all respect, you know, certain things were happening when we were in government.

Mr. Chairman, I don't want to, and we can argue back and forth with statistics and maybe we will as we go through these estimates, but I repeat there has been no great turnaround. The Manitoba

Monday, June 16, 1980

economy shows serious signs of stagnation and there is no question that we have a very very serious situation with regard to the loss of people.

Mr. Chairman, the government policies have been failing, the department has not been able to do anything in a vital manner to bring about job creation; there is no evidence of that, and there is no evidence that this Minister has succeeded, if anything, what we are seeing is failing. I say, Mr. Chairman, if he thinks that his department has turned the economy around, either he is deluding himself or he is naive, because that is not the fact. I say that the people of Manitoba will judge the performance of this government, as they have been judging, and I think they will find them very wanting.

Thank you.

MR. CHAIRMAN: The Honourable Minister.

MR. JOHNSTON: Mr. Speaker, we will be getting into the estimates very shortly, but I just would have a couple of comments to make on what the honourable member says. When he speaks about my speech on the 30th, I wasn't taking the credit, neither was the government, in fact it was presented to the people of Manitoba as what Manitobans have accomplished, and I am very proud. I think that we in this House should be all very proud of Manitoba accomplishments, and if he reads the speech very carefully he will find that it was the promotions of Make It In Manitoba — If You Want It Done Well, It Is Done In Manitoba, and it was a day that we presented the accomplishment, as I said, of the people of Manitoba, and we are very proud of them. We believe that a lot of Manitobans don't really realize what they have been doing, and I didn't take the credit as a government. I don't think the honourable member should take any credit himself for when they were government. It is the people that do the job with the direction from government, and if the honourable member doesn't agree with that, he should maybe get up and tell the people that.

On the out-migration, Mr. Chairman, in 1978 the honourable member, he keeps talking about population figures and babies in the same breath, makes it sound as if people never left Quebec. The population figures of Quebec, I will agree went up, but in 1978 Quebec had an out-migration of 8,306 people, that is people in an out, that isn't the population figures. In Ontario they had an out-migration of 3,088, Prince Edward Island had a small decrease, but the rest of the provinces in 1978 did have an increase; but Quebec certainly didn't, Ontario certainly didn't, and neither did Northwest Territories, and neither did PEI. The figures of out-migration for 1979: Newfoundland had a deficit of 1,406; Nova Scotia had a deficit of 104; New Brunswick had 67; Quebec had 10,000 in 1979, Mr. Chairman, of out-migration, in and out deficit; Ontario had 3,000; Manitoba had 5,000. The increases in 1979 were Alberta 8,000; B.C. 12,000; Saskatchewan 55; Yukon had a minus; and Northwest Territories had a minus. Mr. Chairman, the very interesting figure that is very up-to-date, in the fourth quarter of 1980, every province in Canada has a decrease in in-and-out migration, except B.C. and Alberta. So in the first quarter of 1980, we had Newfoundland with a loss of 869; Prince Edward

Island 85; Nova Scotia 679; New Brunswick 348; Quebec 4,786 in the first quarter of 1980; Manitoba is 2,002; Ontario is 6,000; Saskatchewan is 208; Yukon is 485; and Northwest Territories is 483; and the only two provinces with an increase in 1980, first quarter, Mr. Chairman, are Alberta and B.C.

Mr. Chairman, the situation in Alberta is not unlike a gold rush, only it happens to be oil in this respect. People are moving out there to a booming economy, Manitoba happens to be closer to it than other provinces, and we know, and it is a concern to us, Mr. Chairman. The out-migration, of course, as I said is a concern to all of us, but I would point out, Mr. Chairman, that our record on job creation is to increase from less than 1 percent in 1977 to 2.5 percent in 1978, and to 3 percent in 1979. The decline in private sector employment in 1977 was reversed in 1978. Mr. Chairman, I have never said in my speech, I didn't even mention the honourable member's party, I gave facts and reversed in 1978 with a 4.6 increase, and the increase in 1979 was 5.6. So, you know, we are saying that Manitoba, as far as jobs are concerned, is doing well, and it is doing well in the manufacturing sector. When he speaks about the total investment the honourable member well knows that the Hydro investment that was going on before was a tremendous percentage and the Minister of Public Works can show you the amount of public spending that is being done in the province of Manitoba and it is up, when you take off Hydro, it is up.

The member keeps mentioning Canada Packers, but he didn't obviously read the press release that Continental Packers are moving into Manitoba with a new plant with 60 to 70 employees in their plant. It is a modern plant that will be processing meat in the modern way, and there is a big change in the packing industry today. He keeps mentioning it, and in the House I answered him. I don't know what happens, if we have got an energy crisis, gasoline is tougher. You know, the recreational vehicle is at the present time not selling, they have an overstock. Does the honourable member think we should buy them? I mean I don't know what the honourable member wants us to do, when somebody has an overstock they have to stop production until they move it. The Electro-Knit Plant in Selkirk, the honourable member ought to take a look at the efforts we have been trying to do in Selkirk at the present time. He obviously doesn't read the DREE press releases that are coming in of the number of companies that are applying for DREE grants to be in Manitoba, and he may say we use DREE, but DREE is our incentive program, Mr. Chairman. Ontario has theirs, other provinces have theirs, we use DREE, and we would be very wrong to if the dollars are available to us, but when you apply for DREE, Mr. Chairman, you must state the city or the town or even the street where you want to go. So, Mr. Chairman, if somebody makes an application to DREE to come to Manitoba I think it is a compliment to the province of Manitoba. We have had a tremendous amount of DREE applications. We did in 1979, it was something like 79 million of DREE grants in Manitoba, and I could be corrected there, but I can assure you that the total, that the grants for 1979, and they range around 15 percent, the total investment is certainly much higher.

Mr. Chairman, the honourable member talks about four or five companies, but I can assure you that the records are kept very clearly by the department. This is announced capital expenditures in the province of Manitoba since late 1978 to April 2, 1980. And, Mr. Chairman, those are the pages of announced capital expenditure that are carrying on in the province of Manitoba. They are kept record of in our department.

The honourable member wants to know Manitoba investment projects that have been since October, December, 1979, that have gone ahead. They are all listed here, and the honourable member can get this information very quickly by getting a copy of Building Reports, or going down to the Exchange, or to where the building permits are issued. It's all available there and it's all listed very clearly. As a matter of fact, Mr. Chairman, I invite the honourable member to have discussions with people in my department, as far as the research department is concerned, or the Manitoba Bureau of Statistics, it's available to all members of the House for information, to sit down anytime he pleases — anytime he pleases — and go over some of the figures that we present. I have no problem with that whatsoever, Mr. Chairman. I think all honourable members should have the privilege of finding that out.

Mr. Chairman, the member talks about manufacturing, and in the Conference Board Report of March 27, 1980, there is on page 5 a note about the whole of Canada, where the Conference Board states, "The major point of strength is once again going to be the business investment, which is expected to grow by 6.3 percent in real terms, not quite as strong as last year. Indeed, given the expected weakness in other components, consumption, housing and government spending, the economy would be in a sorry shape were it not for business investment," Mr. Chairman.

Mr. Chairman, the honourable member speaks about the price index. The index for Winnipeg in May showed a 1.2 increase over the April index of 9.1, for an increase over May 1979. The comparable figures for Canada are 1.2 and 9.4. Of the 15 cities for which the consumer price index is published, Saskatoon, Montreal, Charlottetown, Summerside and St. Johns showed monthly increases equal to or greater than Winnipeg's; while Regina, Saskatoon, Calgary, Edmonton, Toronto, Montreal, St. John's, Newfoundland, and Charlottetown, all of these, Mr. Chairman, were higher than Winnipeg. Vancouver and Ottawa showed annual increases less than Winnipeg's.

Mr. Chairman, the actual figures that are kept by the department and worked on, and I'm very proud of the work that they do, and worked on very continuously, are presented to us. The last report that was brought out, I still have trouble trying to figure out how the honourable member mentioned 14.5 percent in the House the other day, unless he took Winnipeg, all items, with the change from last month, which was 1.2, and if he multiplied that change of 1.2, he might have gotten 14.5, I don't know. But to suggest or assume that that's what it is is wrong because it was 9.1. It was 9.1 and there are the figures, Mr. Chairman.

To just mention the construction industry, Mr. Chairman, we are well aware of the fact that the

construction industry has been down, but we have an oversupply of houses; we have an oversupply of apartment blocks; we have an oversupply of office space; and we have an oversupply of retail floor space, Mr. Chairman. The floor space jumped in Manitoba, I think, from 5.2 to 7.3 or something in a two-year period, which is a tremendous amount per square footage per person to have that kind of an increase. But we are starting to move out of the housing crisis. I had a meeting with the Honourable Paul Cosgrove today and the manager of CMHC in Winnipeg. I have met with the president of the Manitoba Real Estate Association, Winnipeg Real Estate Board. I have had conversations with contractors, and it is starting to make some improvement or some dents on that inventory out there, and until it does, I don't know of anybody, with the interest rates the way they were, that was going to go out and invest that much money in a market where there was an over-inventory, Mr. Chairman. We are aware of that.

Mr. Chairman, what is the reason for the emphasis on manufacturing? Maybe the honourable members opposite, during the time of my estimates, could give us the answer. Mr. Chairman, manufacturing, farming, fishing and forestry are base products, your resource products. All of those are the reasons for jobs. All of those are the reasons for processing your resources. Then you have manufacturing and trying to attract companies who export all over the country, or North American Continent, or the world, and we have been successful in having, as I showed the honourable member, some of these companies come here and be interested in the province of Manitoba. There will be an announcement next week on a small company called Stirlac that makes aluminum forgings, which is going to be a tremendous benefit to the province.

I would suggest, Mr. Chairman, that I could match the honourable member's list of people who have closed up with a list that is greater, of people who have expanded in the province of Manitoba or have come to Manitoba. If he wants to play that game, again, he's quite welcome to sit down with our research people. He is quite welcome to go to the Winnipeg construction office, the Builders Exchange; he is quite welcome to check it all out.

Mr. Chairman, what is the reason for the service industry? What is the reason for any salesman, any storekeeper, any insurance salesman, or anybody, but that is to service the people who are there basically because the manufacturing industry is there. The only place that you will see or you will have progress is by working to have more of it. The only other way, which is what the honourable members seem to keep suggesting on the other side, Mr. Chairman, is that government should start building. The report, or the suggestions that were made by the Member for Brandon East in his recommendations to build the economy really related very closely to nothing more than the government getting in and building some more houses, the government starting a hydro project, the government doing this and doing that. You know, we have enough houses, as I told you; we have enough empty buildings and we have all kinds of reasons for us to put our direction to manufacturing. We have done so and we have worked on specific sectors of the

Monday, June 16, 1980

Manitoba economy to try and advance them. The department is a hard-working department and I'm very proud of them. We are moving in that direction and we are making some success. The success is in the figures that show you that manufacturing investment is growing in Manitoba.

MR. EVANS: Mr. Chairman, again, the Minister is getting up and taking credit for all the good things that he sees happening and wanting to wash his hands of all the closures and the failures. He wants to ignore those but he wants to bask in the glory of new developments, forging companies or whatever, or food processing or whatever. I guess maybe that's the nature of the office, I don't know.

If you look at the bottom line, Mr. Chairman, I repeat that if you look at the bottom line, there is no evidence that there has been an upsurge. If you take total private investment — forget about public investment — if you take total private investment in Manitoba in the last three years as a percentage of the amount of investment spending in Canada, you will find that we even had a shade less occurring at that time than we did in the period 1970-77. We have not had an increased share of total private investment spending in the province of Manitoba. There has been no upsurge in private investment spending.

I'm glad that there is some manufacturing development, but I repeat, Mr. Chairman, that the basic reason isn't because of the programs that the Minister has in place. The reason for some development is, (a) the devaluation of the dollar, which gives protection and has stimulated manufacturing investment across Canada, and (b) hopefully, incomes generated in the prairie region from oil and the possibility of selling some to the oil companies.

If you look at our manufacturing investment in Manitoba, Mr. Chairman, again, the figure I have is for the last year available, 1979, investment in manufacturing was estimated to be — this is perhaps a preliminary figure and it may change by a couple of bucks, but it still gives you the situation — investment in manufacturing in 1979 was only 36.7 percent of the Canadian per capita investment in manufacturing. On a per capita basis, we had 168.00 spent for every person in Manitoba, whereas in Canada as a whole, 457.00 were spent. In other words, we've got a shade, a bit over a third of the Canadian average. So I say, Mr. Chairman, where is any great turn, where is any great upsurge in manufacturing on a relative basis. Sure there are some developments, but there are developments in Ontario, there are developments in B.C., Alberta, Saskatchewan, Quebec, Nova Scotia; there are developments all across Canada. On a relative basis, I say the amount of manufacturing investment occurring here is still only 36.7 percent — at least these are the figures I have for 1979 — of the Canadian average.

So I say, Mr. Chairman, that's not good enough, that is simply not good enough. Furthermore, of the developments that have occurred, there is no evidence that they have occurred because of this Minister, because of his department. We are talking about this Minister, we're talking about his

departmental estimates, and there's no evidence that they can take the credit for what has happened.

Mr. Chairman, he said, well, I should be proud of what Manitobans have done and that he didn't want to take the credit for those 10 products that he referred to. Well, I am not taking credit either, but if one reads the speech and gets the gist of the speech and it's supposed to be the new industrial strategy of the government, and so on, one would eventually come around to the point that indeed these were things that were a direct result of the Minister and his government.

I would like to take a minute on the population figures. I don't know the point the Minister is making by reaming off figures of losses on interprovincial migration for the other provinces; he mentioned many of them. He has made no point. Can he name one other province where there is an absolute drop in population? He can't. There is no other province in Canada whose population level is dropping; there is no other province in Canada, only Manitoba. That was in 1978 and in 1979. It became very serious in 1979. Yes, many provinces are losing on net on interprovincial migration, but he refers to 8,300 for Quebec in 1978, 10,000 in 1979. Mr. Chairman, please remember, Quebec's population is what, six times, seven, eight times the size of Manitoba. We've got one million people, plus another 20,000, 25,000 or what have you, just a bit over a million of people. Let's put it into perspective, with a million people we're losing roughly, we did lose 15,500 on interprovincial migration last year, whereas Quebec — I don't have these figures, but I wrote down 10,000 that the Minister mentioned for the province of Quebec — and yet Quebec, as I said, is many many times larger than the province of Manitoba, so please put it into perspective. And likewise with Ontario, many many times bigger than Manitoba. Unfortunately, Mr. Chairman, there is no evidence of any drop off in the net loss in the first quarter of this year. If we look at the first quarter of this year our net loss is increased by 15.5 percent. Sure in absolute numbers they may not be as big as Quebec, but relatively speaking, I believe they're as serious and certainly for last year they were the most serious of any of the Canadian provinces.

Mr. Chairman, the fact is that there has got to be something missing in our economy. There has got to be some reason for people wanting to leave, apart from job opportunities outside of the province, because as I said before, those job opportunities were very well evolving in Saskatchewan and Alberta before October 1977, and yet we did not see this absolute drop in population. I suggest, Mr. Chairman, that there just has not been the job creation rate in this province at a satisfactory enough level to want to keep our people here. Mr. Chairman the exodus has become so great that hardly any one of us, I would suggest hardly Manitoban, would not have a friend, a relative, a neighbour, or someone they know who has left the province in the past year. I know of many people, some are neighbours, some are friends, some are strangers that you run across or hear about, and the fact is that is a very serious situation from my point of view, and it is something that no matter what the Minister might say in rattling off some other statistics, no way can he wash this away.

As a matter of fact, Mr. Chairman, we've often for years talked about Saskatchewan's relatively poor situation, and from my estimates — again this is just a straight line projection — the rate Saskatchewan is growing now, and the rate Manitoba is declining, even if it didn't decline any further, even if it just remained static, by the year 1985 Saskatchewan will supercede the province of Manitoba in population. Within four or five years their population will be larger than ours. If our population decline continues, we can expect them to surpass us some time in 1984.

Mr. Chairman, I don't know what the Honourable Minister was talking about with regard to inflation. I don't recall asking any questions about inflation and none of us like to see the serious amount of inflation that we have had. But let's all recognize, on both sides of the House, while from time to time there may be reasons for inflation to be higher in Manitoba than elsewhere because of some local phenomenon, I would suggest, Mr. Chairman, with all respect, that inflation generally is a national, if not an international phenomenon, and I don't know what the government of Canada can do about it, let alone the province of Manitoba. So I wouldn't want to stand up and take the blame or take the credit for what's happening in terms of inflation because it is certainly a phenomenon that even Ottawa has little, if any, control over. There's such a thing called OPEC, there's such an institution known as the large corporation, and the large union who are able to keep prices and wages up and not allow them to drop, and I would say that the pressures of inflation are very very serious and go beyond the ability of the province of Manitoba, or any province, particularly when you consider that we do not control the Bank of Canada, and even if we did, I suspect that has very little bearing on it as well.

I say that while we welcome developments and while we're proud of Manitobans and Manitoba businessmen making forward strides, at the same time we say, when we look at the relative situation in terms of manufacturing investment, when you look at the relative situation in terms of total private investment spending, we see that perhaps we have less of the Canadian total than we had a few years ago, and certainly when we see the loss of people we can't be very complacent and sit back and pat ourselves on the back and say what wonderful policies we have here; what wonderful economic development is occurring.

MR. CHAIRMAN: Order please. If I could just kind of set the standards on the manner in which we should be proceeding. This time has been allocated to Minister's opening remarks and response to Minister's opening remarks and I wouldn't want to get into a debate, particularly when we can get into a debate when we get into the line by line. The Honourable Minister.

MR. JOHNSTON: Thank you, Mr. Chairman. I'll be very brief because I certainly agree with you and you've been very good with the scope that you've allowed and we thank you. The only thing I would say that I have trouble understanding the honourable member. He says it must be another reason other than jobs that people are leaving Manitoba. Maybe

he can outline those reasons. I think this province has a lot to offer people. We have a tremendous amount of people working in the province, more than we ever had before. We have got more manufacturing investment. I don't care how the member puts it, in 1975-77 there was very little increase in jobs compared to 1978-79, and there was a decrease in manufacturing employment in 1975-77, and there's an increase in manufacturing employment in 1978-79; our total private investment is going to run about 5, that's an increase over the previous years, and I don't know why the honourable members on the other side of the House do not want to see increases.

Let's take the example of considering. The honourable member keeps coming back to the fact — he says Quebec is bigger. Yes, it's bigger. It has more population but the fact of the matter is all provinces except two, are losing as far as in and out migration is concerned, and that's exactly what is happening. It is being experienced and they're going to the western provinces, and they're looking for that gold rush out there, and I'm not going to make predictions but I would suggest that situation will start to turn around in the not too distant future.

MR. CHAIRMAN: Item (b) — the Honourable Member for Wolseley.

MR. ROBERT G. WILSON: Mr. Chairman, I was listening to the economic debate. I wanted to speak on tourism but I understand this part is set aside to speak on the Minister's opening address and address yourself to whatever he has put on the record. I wanted to congratulate the Minister and certainly the increase in his Budget is an indication that the government recognizes the importance . . .

MR. CHAIRMAN: The hour is 4:30. I am interrupting the proceedings for Private Members' Hour and committee will resume at 8:00 o'clock this evening.

PRIVATE MEMBERS' HOUR

MR. SPEAKER: Order please. We are now under Private Members' Hour. Mondays the first item of business is Resolutions. The first resolution for consideration today is Resolution No 26, which was introduced by the Honourable Member for Wellington dealing with the Creation of Food Prices Review Board. The Honourable Member for Ste. Rose has 20 minutes.

RESOLUTION NO. 26 — CREATION OF FOOD PRICES REVIEW BOARD

MR. ADAM: Thank you, Mr. Speaker, it's a pleasure to rise today and talk on this particular resolution which I would support on principle of having a food prices review. However, I would like to say that I would prefer that we would have a national price review board with some authority to roll back excessive profits, Mr. Speaker. I have to speak from the point of view of the primary producer, because I represent an agricultural constituency and we find, by and large, Mr. Speaker, that the primary producers are many times the ones who mainly have to accept the blame. They don't accept it but they

Monday, June 16, 1980

are often accused of being the result of high prices which is not the case, Mr. Speaker. We have, over many years, found that producers have been left on the lower end of the income scale in comparison to other occupations and other industries. I would say, Mr. Speaker, that there are other things in our society that causes high food costs, not necessarily the result of the prices that the consumer receives.

I would hope that we would have a review board that would also look at the costs related to the cost of production, not just simply the cost of food, because there are other things that come into the picture that would cause food prices to rise.

I would say, Mr. Speaker, that one of the major contributors today that we have seen in the past few years in the cost of food rising is, for instance, the cost of energy. I speak primarily of the price of conventional fuels and that, and I believe that is one of the major contributors of high cost in transportation and it translates itself throughout the system, regardless of what industry is involved — the cost of heating, manufacturing, industry, the cost of transportation, the cost of trucking, the cost of heating homes, and the cost of producing wheat, the cost of producing eggs and poultry, and the whole area of food production. And we find, Mr. Speaker, that the producer is usually on the short end of the stick, he is on the lower end of the consumer dollar. I would say that we could probably go, for instance, to the price of a loaf of bread, I would dare say that the producer, the primary producer, receives probably the least amount of the price that is paid by the consumer for a loaf of bread.

I wouldn't be surprised that the, I am not sure just how much the livestock producers receive for a pound of beef that the consumer spend, but I would say that it is probably below the 50 percent mark. I am not exactly sure on just how much a primary producer of beef would receive, but at the present time I know that we have lost many many producers over the last few years that have gone out of livestock production. The fact that we are having a drought this year would probably escalate this now. What the ramifications are of a drought, where producers have to unload their livestock — I got a call this morning from a rancher up in my area, and I did ask a few questions in this regard during the question period, but the rancher told me that he would have to start to liquidate his cattle within two weeks if he could not obtain sufficient pasture.

Mr. Speaker, what is happening at this present time is that the prices are going down for livestock, and have been going down, not because of some fault of the government, or the fault of processors, or whose fault it is, the fact is that we have a drought and it is the unfortunate position of the private producers that they have to accept whatever is offered to them, despite the fact that we have never been to supply the beef requirements for all of Canada. They have never been able to produce sufficient beef to supply the total needs of Canadian consumers, but they will have to accept a lower price if these numerous numbers of livestock have to come to the market.

The problem as I see in what this resolution tries to achieve is to see that if the producer is receiving a lower price for his production, that that price is passed on to the consumer. I don't see that

happening, Mr. Speaker. I see many times, when prices are dropping, that it takes a considerable length of time before any reduction in primary production is reflected at the retail end of the whole distribution system that we have. I think that this is what this resolution attempts to correct is to have a body that would look into where there are complaints, or where there are excessive profits being made, and there have in the past been such excess profits being made. I would say, Mr. Speaker, that it is high time that we have such a body, however I would like to see something at the national level as well and the provincial body would perhaps compliment the national body. Of course, agriculture is not restricted to one province, the production is national, and problems are national. I would like to see a national body that would work with the provincial group to make sure that there were no abuses in the market system.

I think the Member for Wellington has to be congratulated in trying to come to grips with the problems that have arisen in the past in regard to prices and to costs. Mr. Speaker, we have had in the past, there seems to be a tendency on the part of, whether it is the media, or whether it is the processors, or the industry, to try and separate the consumer and the producers. Whenever there is a price hike, it is well publicized, Mr. Speaker, and receives front page news coverage, such as the price of milk I believe increasing today. It gets immediate publicity, Mr. Speaker. When a case of beer goes up, Mr. Speaker, or an automobile goes up, or a television set, Mr. Speaker, you hear nothing, nothing is mentioned about this, it is accepted, nobody complains.

And I think that food is fundamental, you can't blame the consumer, because that is fundamental, it is something that everybody needs. I think a lot of times there are countries where people do spend more of their dollars, their income on food. But by and large when we do compare the prices in Canada with other countries, we might find ourselves fortunate, but I don't think that this is what this resolution — the intent of this resolution is not whether to compare prices in Canada with other areas, or how much a consumer in another country spends for food, the dollar income for food as compared to Canada, but I think what the intent of this resolution is is to see that there are no abuses in the system, and that is the intent of this resolution. I think we do need such a body.

We did have a national group during the war time, which was called a National War Time Prices and Trade Board, which worked very effectively. This is what I would — I am not sure whether we would have to have it exactly the way it was then, but I think we should have some group to overview and to look into what is happening when there appears to be excessive increases in prices, unjustifiably high prices for commodities, and I believe this primarily covers the food and they want to look into practices, processing, transportation, refrigeration, packaging, wholesaling and retailing of any food, and where the price increase is about to occur, to inspect and examine any and all books.

Mr. Speaker, I would support this resolution. I would be very happy to hear what some other members have to say in this particular regard, but I

Monday, June 16, 1980

do know, Mr. Speaker, that it is time that we have something to look at prices, because as I mentioned earlier, we have quite a disparity between what the producers receive and what the consumer has to spend at the retail level. There are many times I wonder, for instance, the price of wheat has gone down over the past two or three months or so when the boycott by the Americans on the export of wheat to the Soviet Union, you would automatically expect, Mr. Speaker, that flour would go down. Flour should drop, Mr. Speaker. I think that the producers are probably receiving about 80 cents a bushel less than they did receive. You would automatically think that the price of a bag of flour should go down, and I would ask, Mr. Speaker, has flour gone down? Has it gone down? I am not saying that it is — you know, what has happened? Has this reduction, when farmers are losing about a million dollars a week over this boycott, is this million dollars being passed over to the consumers? I suggest to you, Sir, that it is not being passed over to the consumers. What is happening, Mr. Speaker, the flour has been going up. I am not saying it is too high, but when on the other hand prices go down for the producer, the primary producer, why are prices going up at the retail level?

Mr. Speaker, this is what the Member for Wellington is trying to achieve with his resolution. He wants a board that would be able to investigate this very situation. There is one good example on what has happened over the past few weeks or months since the boycott on delivery of wheat to the Soviet Union. Why hasn't the price of flour and the price of a loaf of bread gone down in comparison to the price that the producer receives.

Another thing I would like to point out, Mr. Speaker, is we have been told over the years that the law of supply and demand determines the price that one has to pay for anything. Mr. Speaker, it does happen in some cases. But, Mr. Speaker, we saw recently when the price of gold had gone up to almost 800 an ounce, and when it started to drop, Mr. Speaker, and the price of silver as well went down, Mr. Speaker, the wheat went down with it; grain went down as well, about 35 cents a bushel in the United States on the fact that gold was going down. I wonder, I question then where does the law of supply and demand come in when you have the price of gold going down drastically from about close to 800 an ounce to 525, 550.00. I don't remember exactly how much it dropped, Mr. Speaker, but that doesn't matter, that is irrelevant as far as the price is concerned, but the fact that the gold went down, the wheat was following. So, you know, the law of supply and demand did not apply any more, so we wonder why as I say the law of supply and demand does not always apply.

We also had the situation a few years ago, I guess somebody, Mr. Speaker, in the industry cornered the market on antifreeze a few years ago, and suddenly there was no antifreeze. Mr. Speaker, there was antifreeze in Winnipeg in warehouses, there was antifreeze stored in Regina, there was antifreeze stored in every major city in Canada, but there was no antifreeze because it had all been bought up. Mr. Speaker, overnight almost, in less than a week I would say, antifreeze had gone up 8.00. It was 2.00, if I recall, it's a few years ago that this happened, I think it was 2.00 and something a gallon and all of a

sudden overnight, within a week, it was about 8.00 a gallon. And it has gone up since then.

Mr. Speaker, this was something like what happened to the silver market when the Hunt brothers down in Texas decided they were going to corner the market, and this has happened time and time again, Mr. Speaker. I recall that we used to be, in the National Farmers Union — and I'm sure some of the members there have belonged to the Farmers Union, maybe some still do — we used to bargain collectively, Mr. Speaker, to try and obtain a better price for what we required for production of food. I, Mr. Speaker, was the first charter president of the National Farmers Union for Local 508, or 509, the Ste. Rose area, McCreary area, and we had about 300 farmers, Mr. Speaker, as members during that period of time, and we would pool our resources together. In order to keep prices down we would go to our members and ask them how much food they needed; how much material they needed for their production; how much twine they needed; how much chemicals they needed for their farm operations to produce the food that the people required.

Mr. Speaker, we were very successful, and this little group of 300 farmers used to maybe get two carloads of twine and we'd get a very, very good price. We would get a very good price on chemicals, Mr. Speaker. And the thing was, Mr. Speaker, for the first time, by using that method, we were making industry compete with one another. We would go to four or five companies and say, this is how much we need. What price can you give us? Mr. Speaker, it only worked for a couple of years. I think where we made the mistake is that we should not have given the bills out, or the tenders to any companies, we should have just gone to one and made a deal with one, instead of making them compete with one another. When they saw they had to compete to get the business, right away the coalesced together, they started speaking together, and they said, no more, that's the end. So it only lasted a couple of years, Mr. Speaker, but it was very successful until the companies felt that they would not want to compete with one another. They like to share the market, Mr. Speaker, and hold the prices up. You go down to Polo Park, you'll see a Dominion Store and you'll see a Loblaw's Store. —(Interjection)— One minute, the Speaker says, and I just want to read the headlines of this news item. I'm not going to read it all because I don't have time but they say here, "Food Manufacturers Overcharging by Billions", Mr. Speaker. Not millions, but billions. So I would say that the resolution that's proposed by the Member for Wellington should be supported. Let's have a look and see what's going on in the food industry, see whether the consumers are being abused or ripped off and see if the producers are being sufficiently paid for what they produce.

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

MR. JORGENSEN: Mr. Speaker, when this resolution first appeared on the Order Paper I was somewhat intrigued by the blind faith that appears to envelop honourable gentlemen opposite in the government being able to resolve difficulties that they, to a large extent, have created for themselves.

Monday, June 16, 1980

The sponsor of this resolution is suggesting that a Food Prices Review Board could, by some magical means, solve the question of inflation in food prices. The interesting part of that theory is that for the past 80 years at least, or something of that nature, governments have been setting up boards and commissions and studies and enquiries dealing with inflation in food prices. Since 1901, which I believe was when the first one was set up, there have been a total of some 24 such boards and commissions set up on the federal level to investigate various aspects of food prices. The first one, in 1901 was to investigate the question of the weighing of dairy products at the Port of Montreal or elsewhere in the Dominion; then there was a Royal Commission inquiry into the alleged complaint relating to the weighing of butter and cheese in Montreal in 1913; then a Royal Commission on the cost of living in 1915; then in 1916, there was a Royal Commission to inquire into the price of food, clothing and fuel in the coal mining districts of Fernie, Alberta and Calgary; then there was a Royal Commission in 1917 on the high cost of living; another one in 1917 inquiring into the wholesale and retail cost of necessities of life for use by miners in District 18 in British Columbia and Alberta; in 1919, there was another such inquiry in Vancouver; and then in 1934 there was a Royal Commission on price spreads; in 1940, there was another inquiry into the cost of living; in 1941, another such inquiry; in 1948, another such inquiry; in 1957, there was a Royal Commission to inquire into the extent and causes of the price spreads of fish and farm products between producers and consumers; in 1966, there was one into the cost of farm machinery, which is not a food price inquiry, but it's a related one; in 1966 again, there was a joint Committee of the Senate in the House of Commons on consumer credit; and in 1969, a Royal Commission to inquire into the causes and consequences of inflation and suggested measures for stabilizing prices; then, in 1972, the Prices and Incomes Commission was set up; and in 1973, the House of Commons Special Committee on Trends in Food Prices; and then in 1973, Food Prices Review Board; in 1974, the Ministerial Inflation Consultation Secretariat was set up; in 1974, an ad hoc committee of senior officials on inflation was set up; and then a Royal Commission inquiry into the marketing of beef in 1976; an Anti-Inflation Commission again in 1976, the Anti-Inflation Board was set up in 1975, and then the centre for the study for inflation and productivity in 1978, and all of these inquiries and all of these boards and commissions, Mr. Speaker, resulted in what? They were unable to pinpoint any specific costs. I know my honourable friends had very simple answers. Their answer, almost invariably is the same one, you can just predict what they're going to say. And the answer, as far as they are concerned is, profits. And yet, when the Member for St. George spoke the other day, his entire remarks were directed, not towards the resolution that's before us, but his remarks were directed towards — and I wasn't quite able to make out whether or not he was in favour or opposed to marketing boards, because on the one hand, he was suggesting that there should be more marketing boards, and yet, the tenure of his remarks seemed to support the question of marketing boards because

they were giving higher prices to the producers. You can't have it both ways. And there's no question, in the minds of anybody that has been dealing with this subject knows that the setting up of marketing boards have resulted in higher prices. And that was their intention, to set up higher prices. So they can't squawk on the one hand because prices are going up and then advocate a mechanism whereby prices will be forced up. Even to the extent, in a couple of instances, where they had to destroy millions of dozens of eggs in order to make sure that they could maintain prices, and on the other hand, they incinerated a few million chicks to make sure that there wouldn't be an oversupply of chicks. I suppose if you're going to maintain prices that's one way to do it. But then don't come in this House and complain that prices are going up. You can't have it both ways.

In the question of food prices, let's take a look at all of those products now that are controlled in one way or another by marketing boards. I'm not making an argument against marketing boards, I'm just suggesting to my honourable friends, if they want marketing boards then they've got to live with the consequences of marketing boards. The only product today that is grown in this country that does not come under a jurisdiction of a marketing board is beef, and my honourable friends are trying desperately to get that under marketing boards as well. It's unfortunate, from their point of view, that the producers of beef themselves object to being supervised and controlled by a marketing board. But you can't buy milk, it's controlled by a marketing board; butter is controlled by a marketing board; pork, poultry, eggs, turkeys, name the commodities that are produced in this province, and vegetables, that are not controlled one way or another, by a marketing board. And the purpose, the express purpose of the setting up of marketing boards for these products, was to enable the farmers to get a decent and consistent price. Well, if that is the objective, then my honourable friends must learn to live with the results.

They can't, on the one hand, suggest that marketing boards are a good thing in order to keep prices high to the producers, and then on the other hand, complain that the prices are high. And then try, in some obscure way, to suggest that it is excessive profits that is the cause of high food prices. That has never been demonstrated in any of the Royal Commissions that have been set up to study this whole question. And there have been many. I only recited a few of those commissions that were set up, there are many more.

There were a number of provincial commissions that were set up, 10 of them, to be exact, from the period from 1908 to 1978, investigating various aspects of food production. And then there were a number of enquiries that were set up to do the same thing during that same period. There were several federal commissions that were caused to be set up to investigate various topics related to inflation in food prices, and there were 13 provincial Royal Commissions set up to do the same thing.

It's not that the subject needs any more studying, it's been studied to death. But there must be some realization on the part of honourable friends opposite as to the reasons why these things happen. The

Member for Ste. Rose mentioned the cost of energy, and he's quite right. There should be no doubt in anyone's mind that the cost of energy has had a fairly substantial impact on the increase in prices, not only of food, but prices of everything because transportation is involved, heating is involved, and the energy required for processing and manufacturing is involved.

But who caused the price of energy to go up? It wasn't the free market, as my honourable friend would love to suggest. It was the OPEC countries, the governments of those countries, that got together and decided that they would set a price for oil. And they have continued to raise the price of oil, at their whim, so today it reaches something like 35.00 a barrel and it rose up from about 2.00 a barrel when the OPEC countries first started to set prices.

Well, we have to live with the results of that as we have become so dependent on that kind of energy. I happen to be one of those who think that modern technology and the ingenuity of people in the western world will find a substitute for that kind of energy sooner or later. I suppose that we must do that, not only because the price of oil is going up, petroleum products is going up, but because of the finite reserves that are available to us. If we insist, as we in the western civilization seem to insist, on using the amounts of energy that we do use, then alternate sources will have to be found or our standards of living will have to be reduced.

There seems to be no desire on the part of people living in the western world to have their standards of living reduced. In order to maintain those standards, then energy is a necessity.

The Member for Ste. Rose, in his remarks, I seemed to get the impression that, while he was speaking, he was under the impression that we in the province of Manitoba could become an island unto ourselves, that we could hold prices down in this province by this very setting up of such a board as suggested in the resolution, without any consideration to the fact that much of the food that we consume in this country is not produced within this province. I don't know how my honourable friend would expect that he can control prices that are set outside the province, rather than within the province. —(Interjection)— By exposing them, my honourable friend says.

There isn't a better way of exposing prices than the free market itself. Everyday you can get those prices, everyday you know what the prices are, simply because of the free market. My honourable friend is making what I consider to be the rather inane suggestion that a group of government-appointed people can sit around a table and do a better job of setting those prices than the free market can. But he is wrong. It has never been proven and never will be proven, despite the number of boards, despite the number of commissions, despite the number of bodies that have been set up in Ottawa for that very purpose. Never have they been able to convey to the public any impression of wrongdoing on anybody's part, or any feeling that they are being protected by the very fact that that board is there. What is there to cheat? Just another board, a group of people drawing salaries paid for by the taxpayers, and what are they proving, what are

they demonstrating, and what prices are they holding down? All you have to do is to look at the prices and the consumer price index from month to month. The prices in Ontario are not being held down any more than they are any place else, notwithstanding . . .

MR. SPEAKER: The Honourable Minister has five minutes.

MR. JORGENSEN: . . . notwithstanding the comments that were made by my honourable friend when he introduced this resolution.

The crowning thing, Mr. Speaker, is the suggestion in this resolution that this is going to create something that does not already exist. The enquiries that my honourable friend is suggesting would take place under this Food Prices Review Board, he must have read The Trade Practice Enquiry Act, and there isn't a suggestion that he makes in this resolution that is not contained in The Trade Practice Enquiry Act. Why does he want to duplicate that? —(Interjection)— My honourable friend makes the inane suggestion that I have rejected it. I reject nothing. What happens under The Trade Practice Enquiry Act is that anybody can send a letter to the Minister suggesting that something be investigated. We then carry on a preliminary investigation and if the suggestion is warranted, if it appears as though an investigation of that particular subject is warranted, then it will be carried on.

My honourable friends had the opportunity of doing that when they were in power. As a matter of fact, they are the ones that brought in amendments to that particular Act in order to facilitate that sort of thing, but they never used it. Notwithstanding anything that was suggested by the Member for Transcona, they never used it; it was never used by my honourable friends. There was a good reason why it was never used, because they could never justify using it. If that shouldn't point out the futility of these sort of enquiries into subjects that are pretty well documented, then I don't know what it is going to take to convince honourable gentlemen opposite that they should stop trying to posture into making people believe that this, somehow or other, is going to solve any problems.

Of course, that's what they want. That is inherent in their kind of philosophy, to get people to depend on government for everything and to depend less upon themselves. My suggestion to my honourable friends is that the people of this country will not be taken in by that kind of nonsense. The people of this country would much prefer to have the opportunity of solving their own problems, rather than having some bureaucrat do it for them or some legislator do it for them.

Mr. Speaker, my honourable friends will trot out this sort of tactic from time to time in an effort to attempt to convince the people — they are not going to — I don't think they are convinced themselves, because if they were convinced themselves, they would have used the available mechanism in The Trade Practice Enquiry Act. They failed to do that; it wouldn't attract enough attention. So they come up with a gimmick like this in order to try and convince the people that they are striving desperately on their behalf to keep prices down, when the very suggestions that they make in this House day after

day of increased spending — spend more for this, give the unions a blank cheque on the hospital board, or those people who work for the hospital, give them a blank cheque. As if they, by some magic, can believe that those increases in costs which are reflected on the taxpayer do not have some impact on the increase in cost of everything. Every nickel that the government takes in in taxes represents an increase in the cost of something. Every nickel. If they haven't been able to understand that up to this point then, Mr. Speaker, the chances are that they never will be able to understand that.

It's not a question, as far as I am concerned, of whether or not they understand it — they do — they choose to disregard that which they must understand.

MR. SPEAKER: The Honourable Member for Churchill.

MR. COWAN: Mr. Speaker, when the Honourable Minister for Consumer Affairs was making his remarks, he indicated at one time that our response on this side was predictable and that we were going to, of course, blame the cost inflation situation in the food industry on profits. Well, if there was ever a predictable response in this House, it was the Minister of Consumer Affairs' response. It is a story that we have heard him tell from time to time, whenever the occasion presented itself, and he has not in fact altered — we have to give him credit for consistency, if nothing else — altered from that position for quite some time. It is actually a do-nothing position in regard to governmental activities. That is why the Minister finds himself opposed to this particular resolution, because of the attitude, because of the philosophy, because of the perception that they bring to government, that the least government, of course, is the best government.

The Minister will have to agree that I am not putting words in his mouth. When we talked about environmental regulations and legislation, the Minister told us guidelines and objectives were the proper course of action. In other words, the least involvement is the best involvement. The least that government involves itself in the economy and in the society, the better off for that society and that economy. Well, I don't agree, Mr. Speaker. I don't agree and I think that the Minister is coming to the sad realization that in this day and age — and we're not in the 1800s, we're not in the early 1900s — (Interjection)— but we are in the 1980s and in this day and age there is a role for government to play. There is a very positive and vital role for government to play in the events of our society and in the events of our civilization and that government has consistently refused to play that role. That is why we find ourselves in the position of this being a Private Members' Resolution rather than a government bill, because they have refused to live up to their responsibility.

The Minister talked in some great length against the marketing boards. It is a tirade that we have heard from him from time to time and we are not surprised about it. But if he wants to point the finger at the marketing boards and say that the marketing boards are the reason for the increase in inflation, then he has to at the same time examine other

areas. He examined energy and we agree that energy is going to have an impact on the inflationary spiral in which we find ourselves as a modern industrial society that relies heavily on gas and oil, but the fact is that there are other reasons also and you cannot take just one particular area and suggest that that is the only cause behind high prices of food, you have to look at all the areas and that's what this resolution suggests that we do.

This resolution suggests that we investigate costs, prices, profits and the practices of any person or corporation engaged in the storage, transportation processing, refrigeration, packaging, wholesaling, retailing of any food where a price increase is about to occur. We don't single out profits, Mr. Speaker. We don't say only investigate profits because that is the only reason for those prices to increase. We say investigate the whole situation. Don't make up your mind, as the Minister has made up his mind, previous to that investigation. Don't close the doors on the problem and say that this is the reason why such a problem exists and therefore we cannot do anything about it, but review the situation with an open mind and review the situation with the intention of doing something positive about it. Because the Minister took the opportunity to read off a long list of commissions and enquiries and Royal commissions and studies into food pricing practices, into the pricing of farm implement practices, into a whole host of related areas, but he missed the point of this resolution.

This resolution doesn't call for a Royal Commission, at least not the way I read it. This resolution doesn't call for another study, a general study that comes up with recommendations that are general in nature. This resolution calls for some very positive, some very specific and very explicit action on the part of government. What it does is, it says investigate the situation and."Where, after making an investigation" — and I'm reading from the WHEREAS in the resolution itself — "the board is of the opinion that a price increase is unjustified or unfair or excessive, the board should have the power to make recommendations to the government on any appropriate action that might lessen the degree of inflation in the price of food. The board should report on its activities to the Legislative Assembly." And that is what the Minister is afraid of. It does not give the board the powers to roll back prices; it does not give the board the powers to make the necessary alterations that would keep the prices down, but it gives the board the power to recommend to the Minister that he take those actions. The Minister would find himself between the proverbial rock in the hard place when those recommendations came across his desk because he does not believe in playing an activist role; he does not believe in interfacing in a positive way in society; he is a sit-on-your-hands, do-nothing anarchic government and that's what he is, pure and simple.

So he is afraid that if we did, in fact, implement such a board, that he would be forced into action and he doesn't want to have to make that action. So the fact is that yes, there has been a long list of commissions and inquiries and I believe our government were party to some of those commissions and inquiries. But the time now is for action, action by the government, action on behalf of

the people that the government is supposed to represent.

I would like to talk very briefly about the situations that faced my constituents in regard to food prices, and that is, if you think the prices are high here in Winnipeg, you should shop in Cross Lake or Lynn Lake or Leaf Rapids or Garden Hill or Churchill or any one of a number of communities where the prices are so out of line as to boggle the mind. How do these individuals deal with those sorts of prices — and the Member for Wellington says that's a free market system, and indeed it is a free market system. I don't throw this problem out because there is no answer and I just wanted to put it on the record. There is an answer. Saskatchewan is dealing with this problem by way of subsidy, transportation subsidy, because where the cost increase supposedly comes from for northern Manitoba is the transportation costs. I say supposedly because I know there are instances where the differential between the cost in Winnipeg and the cost in a northern Manitoba community is much higher than one would imagine or one would expect in looking at the difference in transportation costs.

If in fact, as merchants are telling us, transportation costs do increase the costs substantially, then the government should be able to play a role in subsidizing those transportation costs, and that is something that this government could be looking into. Other jurisdictions are doing it, other enlightened jurisdictions are doing it, jurisdictions who are not afraid to provide support to their constituents and leadership to the economic community.

I would like to see — and I know I would see if this board came about, that sort of a recommendation from this board, because that is a logical conclusion to which a board of this nature would come to. It would say, well, if transportation costs are indeed the problem, then let us subsidize those transportation costs in some way.

There are other avenues to deal with that, Mr. Speaker, but I feel at this point that is probably the least expensive and the most expedient avenue, and there are longer terms ways to deal with that we can discuss at different times than now, but I would believe that would be one of the recommendations of this board. So on behalf of my constituents I want very much to see this board become a reality, to see this board be put in place, because northerners pay substantially higher food costs and they are not making substantially more money, that is a fallacy. They are in fact in many instances living with a decreased standard of living, a different standard of living that southerners, because of those increased food costs. So I speak in favour of this particular resolution, if for that reason alone, I speak very strongly in favour of this resolution.

I would also like to talk a bit about how this resolution fits in with our federal party's position on this, because we are a party that has very close connections with our federal counterparts and wish to deal in a co-operative fashion and deal in a fashion which we intermesh with the policies of our federal government. The NDP on the federal level has suggested that a fair prices commission be instituted that would have the power to roll back unfair price increase and I think that is in keeping

with the intent of the resolution that has been brought forward in Manitoba on behalf of the Manitoba NDP by the Member for Wellington.

But why does the federal party wish to see such a commission put in place? Well, because in 1978, according the release I'm reading from, food prices rose 21.7 percent — 21.7 percent, a substantial increase in the cost of food. And at the same time I've heard, although to the credit of the Minister of Consumer Affairs, I didn't hear it from him today, I've heard that many times the workers are blamed for inflation and it's the wage increases that are in fact creating that sort of high level of inflation, where in fact workers involved in the food industry last year, their wages are not increasing anywhere near the increases in the cost. As a matter of fact, overall last year workers' wages only increased 7.4 percent, which is not an extremely high level when compared with the food price increases, and I have to point out that in Manitoba they increased less than the national average in regard to overall increases for the year 1978.

So we can't blame the workers on this one and again, to the credit of the Minister, he didn't try to blame the workers. He tried to blame OPEC mind you, and he tried to blame the marketing boards. He didn't blame profits, but let's look at profits for just one moment, if we can. I'm reading from an article in the Manitoba Co-operator, May 22 this year and it says "food manufacturers overcharging by billions" and I'd like to put a couple of comments from this article in the record, if I can. "Food manufacturers will overcharge customers by an estimated 13 to 21 billion this year because they have a monopoly hold on processed food, the United States Department of Agriculture said. They attribute that monopoly hold to the fact that since 1950 manufacturing of processed food has come under control of a few very large conglomerate firms. Profits of food manufacturers and index of monopoly pricing climbed more than 50 percent in a 25-year period 1950—75, it was said. This could easily result in overcharges to customers in excess of 110 million per year. Panel chairman Neil Smith criticized the department's investigation of concentration in the beef industry and said he doubted they'd use their full authority to reverse a trend."

Well that's exactly what we have here, a government that refuses to use its full authority to deal with some very significant problems that are facing Manitobans as a whole and I believe that is typical of this government, that it refuses to protect them from food costs, it refuses to protect them from 2,4,5-T, it refuses to protect them from abuses of the workplace. It is a do-nothing government that believes that anarchy in fact is the best system of government, and I'm not putting words in any gentleman or gentleperson's mouth when I make statements to that regard.

As far as food prices themselves in the two moments that are left me, I'd like to point out that the cost increases in food prices have been by and large outpacing the increases in other consumer items. In June 1979, just to use one particular example, the food cost increased by 11.7 percent in the consumer price index that particular segment of it. All items during the same period had increased by 8.9 percent; housing 7.2; clothing 9.7; transportation

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Monday, June 16, 1980

9.6; health and personal care 9.2; recreation and reading 7.8; tobacco and alcohol 6.9. So that food was by and large the largest increase in regard to consumer price increases and that is why we have singled out food for action on the part of this government, because it is a staple that we all need, it is a necessity and there is no way that a person who can't afford food cannot live without it. They must in fact find some way to obtain that food for themselves, so if the food prices increase as they have been increasing, it will in fact mean a lower standard of living and it will in fact mean a lower nutritional level for residents of Manitoba and for residents of Canada, because it is a problem that is not peculiar to Manitoba. But it is a problem in which Manitoba can play a leading role in dealing with significant problems of this nature and that is what we are asking the government to do. To provide the example, to play that leading role, to be an activist government.

MR. SPEAKER: The hour being 5:30, when this subject matter next comes up, the honourable member will have seven minutes.

The Honourable Acting Government House Leader.

MR. MCGILL: Mr. Speaker, I move, seconded by the Minister of Consumer Affairs, that the House do now adjourn and resume in Committee of Supply at 8:00 o'clock.

MOTION presented and carried, and the House adjourned until 2:00 p.m. tomorrow afternoon. (Tuesday)