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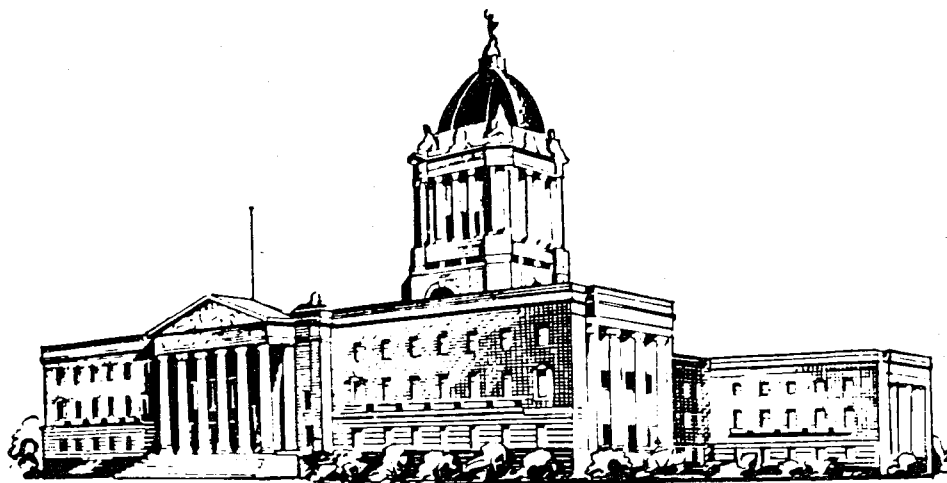


Legislative Assembly of Manitoba

**DEBATES**  
and  
**PROCEEDINGS**

Speaker

The Honourable Peter Fox



Vol. XVIII No. 49 10:00 a.m., Friday, May 21st, 1971. Third Session, 29th Legislature.

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CRESCENTWOOD	Cy Gonick	115 Kingsway, Winnipeg 9
DAUPHIN	Hon. Peter Burtniak	Legislative Bldg., Winnipeg 1
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GIMLI	John C. Gottfried	44 - 3rd Ave., Gimli, Man.
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INKSTER	Hon. Sidney Green, Q.C.	Legislative Bldg., Winnipeg 1
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LAC DU BONNET	Hon. Sam Uskiw	Legislative Bldg., Winnipeg 1
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MINNEDOSA	Walter Weir	Room 250, Legislative Bldg., Winnipeg 1
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OSBORNE	Ian Turnbull	284 Wildwood Park, Winnipeg 19
PEMBINA	George Henderson	Manitou, Manitoba
POINT DOUGLAS	Donald Malinowski	361 Burrows Ave., Winnipeg 4
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RADISSON	Harry Shafransky	4 Maplehurst Rd., St. Boniface 6
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ROBLIN	J. Wally McKenzie	Inglis, Manitoba
ROCK LAKE	Henry J. Einarson	Glenboro, Manitoba
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STE. ROSE	A. R. (Pete) Adam	Ste. Rose du Lac, Manitoba
SELKIRK	Hon. Howard Pawley	Legislative Bldg., Winnipeg 1
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SOURIS-KILLARNEY	Earl McKellar	Nesbitt, Manitoba
SPRINGFIELD	Hon. Rene E. Toupin	Legislative Bldg., Winnipeg 1
STURGEON CREEK	Frank Johnston	310 Overdale St., Winnipeg 12
SWAN RIVER	James H. Bilton	Swan River, Manitoba
THE PAS	Ron McBryde	Box 1295, The Pas, Manitoba
THOMPSON	Hon. Joseph P. Borowski	Legislative Bldg., Winnipeg 1
TRANSCONA	Hon. Russell Paulley	Legislative Bldg., Winnipeg 1
VIRDEN	Morris McGregor	Kenton, Manitoba
WELLINGTON	Philip M. Petursson	681 Banning St., Winnipeg 10
WINNIPEG CENTRE	J. R. (Bud) Boyce	777 Winnipeg Ave., Winnipeg 3
WOLSELEY	Leonard H. Claydon	116½ Sherbrook St., Winnipeg 1

## THE LEGISLATIVE ASSEMBLY OF MANITOBA

10:00 o'clock, Friday, May 21, 1971

Opening Prayer by Mr. Speaker.

MR. SPEAKER: Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed, I should like to direct the attention of the Honourable Members to the gallery where we have 15 students from Special Education. They are hosted by Gordon Bell and their guests are the Duncan School from Swan River. These students are under the direction of Mr. Yenning and Mrs. Alexander. This school is located in the constituency of the Honourable Member for Wolseley and the Honourable Member for Swan River.

We also have 12 students Grade 11 and 12 standing of the Vincent Massey School. These students are under the direction of Mr. Ashton. This school is located in the constituency of the Honourable Member for Fort Garry.

We also have 34 students Grade 5, 7 and 8 standing of the White River School from Ontario. These students are under the direction of Mr. Rahaman.

There are also 50 students Grade 5 standing of the Faraday School. These students are under the direction of Mrs. E. Goszer and Mrs. Dashefsky. This school is located in the constituency of the Honourable Minister of Consumer and Corporate Affairs.

There are also 15 students of Stark Weather, North Dakota. These students are under the direction of Mr. Kukla. There are also 41 students of Moorhead State College, Moorhead, Minnesota. These students are under the direction of Mr. D. Lane and Mr. LaChappelle.

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

MR. SPEAKER: On the proposed motion of the Honourable Member for The Pas. The Honourable Member for St. Matthews. (Stand)

Notices of Motion.

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Member for Winnipeg Centre.

MR. J.R.(Bud) BOYCE (Winnipeg Centre) introduced Bill No. 31, The Architects Act; and Bill No. 44, The Communal Colony Property Act.

MR. HARRY SHAFRANSKY (Radisson) introduced Bill No. 55, The St. John's Cathedral Chapter Act; and Bill No. 56, An Act to provide for the Merger of Credit Union League of Manitoba 1967 Limited and Co-operative Credit Society of Manitoba Limited.

MR. SPEAKER: The Honourable Minister of Finance.

STATEMENT

HON. SAUL CHERNIACK, Q.C. (Minister of Finance) (St. Johns): Mr. Speaker, I'd like the opportunity to make a brief statement, to announce that we have now received confirmation formally from the Prime Minister of Canada to the effect that he has made it possible for Mr. T. Jaffray Wilkins, Director of the government's Pay Research Bureau to head a provincial urban affairs task force on local government personnel in the Greater Winnipeg area. The task force will be known as the Greater Winnipeg Personnel Resources Inventory Task Force. I might say I have a very lengthy curriculum vitae of Mr. Wilkins but I'll just abbreviate it by stating that he is the Director of the Pay Research Bureau, Public Service Staff Relations Board of the Federal Government and has been since 1967, having joined the Bureau in 1966. Mr. Wilkins joined the national research council in 1948 and has held various positions entailing preparation and planning of personnel policy, recruiting of officers and their subsequent training and promotion, attendance at international conferences and preparation of numerous planning or policy papers and specialized research activities. His appointment since 1957 have entailed participation in branch personnel policy, particularly the recruiting of officers and their subsequent training and promotion; liaison and correspondence with collaborating American and British organizations, as well as DND directorates; direction of branch or group response to international developments; attendance as a delegate at several international conferences and preparation of numerous planning or policy papers. Then there's a lengthy list of

(MR. CHERNIACK cont'd.) . . . . . his particular positions in government from 1948 until the present.

The task force, other members of the force will be James R. McInnes who is the former treasurer of the City of Winnipeg and former executive director of the Metropolitan Corporation; Mr. Arthur Vincent who is Secretary Treasurer of the Town of Tuxedo and is a member of the Civic Service Board; Mr. Leslie H. Butterworth, who is with the Canadian Union of Public Employees from 1956 to 1970; and Miss Shirley Bradshaw who is Director of Personnel Administration for the Manitoba government as Director of Research of the task force.

The first job of the task force will be to do an inventory of all existing personnel resources in the 13 local government jurisdictions of Greater Winnipeg. It will be studying classifications, functions, rates of pay, employee benefits and collective agreements. This information will then be analyzed with a view to identifying anomalies and problems and finding solutions. The information gathered in the study will of course be available to existing councils and to the new central council when it's constituted, to give all a clear picture of all the personnel resources available within the Greater Winnipeg local government system; and of course it will also be made available to all interested employee groups. It's not planned that it will hold public meetings but interviews will be conducted with persons or groups that have an interest in the work.

The task force is now in the process of assembling a research team composed of the most competent professionals available from federal, provincial and local government services and academic circles. This team will of course conduct most of the research interviews. The inventory is planned to cover all levels of local government employees from professional and senior civic service personnel, to casual labour in all 13 local government jurisdictions; and, of course, all jurisdictions and employees and unions and associations will be asked to assist in the analysis and evaluation of the collected data.

I might say that a thorough and impartial and fully professional study of Greater Winnipeg local government personnel with regard to classification and rates of pay, employment practices, etc., is really long overdue and should have been done time and again in the past as being a valuable contribution to the local government as they exist today and have existed. I believe the study would be valuable both to local governments and employee groups, not only in the Greater Winnipeg area but in other towns and cities because there will be information received and research made which would be of great value. Of course with the expectation that there will be a new central regional council, then this information becomes not only valuable but essential.

I just conclude by saying that I'm happy that the Prime Minister has seen fit to release Mr. Wilkins whose experience and knowledge is highly recognized, and to make him available for this very worthwhile project. Thank you, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Riel.

MR. DONALD W. CRAIK (Riel): Mr. Speaker, I just wanted to acknowledge the announcement made by the Minister of Finance regarding Mr. Wilkins. I think perhaps the announcement was really to tell us about the task force to look into personnel. I think Mr. Wilkins' appointment is probably very important, but quite secondary to the design, intentions and the terms of reference of the task force which we're all very interested in.

It is to be hoped, Mr. Speaker, that this isn't - when the Minister says that they'll be launched on a program of research that is started, they will not ignore that that has already been done by the Boundaries Commission in their very extensive and costly studies that carried on over a period of years. I think the Minister is very aware that the Boundaries Commission has produced information on the amalgamation of the various municipalities and their organized groups within those municipalities. I think he's probably worked out the costs on these things. For instance, I think he's probably aware that one cost analysis on fire alone has shown that the cost change is going to be an upward cost to bring them all to a likely level of \$4 1/2 million from a standing start. What I'm saying, Mr. Speaker, is that much of the information that the Minister of Finance is looking for is already available, and has been presented through the Boundaries Commission Report.

Now I don't question that there is an awful lot of work to be done ameliorating the differences of opinions that exist in the municipalities and an awful lot of very good public relations work to be done to make sure that there is satisfaction between the different organizations that now exist in the municipalities; and if this is the intent of the task force that is fine. I would say that their work would have been very much eased and the task would have been a very much

(MR. CRAIK cont'd.) . . . . . easier one if the preparatory work done by the Minister in his relations with the municipalities had been better than it is now. I suspect that if he has brought in a group which he has simply appointed that he may be repeating mistakes that have been done, carried out or executed before, where somehow we feel that we can solve the personnel difference and problems and biases that have built up between the municipalities and the Provincial Government, and perhaps that rather than bringing in one of the Prime Minister's experts from Ottawa, the Minister of Finance may well have considered going to the cities themselves, bringing them together, the mayors of the municipalities and asking them - this is going to be a fait accompli by the fall of '71, how do we now resolve the differences. They're reasonable men and I think they would have given him the answer.

MR. SPEAKER: The Honourable the Attorney-General.

HON. A.H. MACKLING, Q.C. (Attorney-General) (St. James): Mr. Speaker, I would like to file an Order for Return No. 18.

#### ORAL QUESTION PERIOD

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS (Lakeside): Mr. Speaker, I direct a question to the Honourable Minister of Transportation. I wonder whether or not he could inform me and particularly the other rural members as to when the Dust Control program that the Highway Department usually carries out at or about this time is due to commence?

HON. JOSEPH P. BOROWSKI (Minister of Public Works and Highways) (Thompson): Mr. Speaker, we intend to follow the same policy that we followed last year which I would think would depend on weather conditions.

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

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I wish to reply to a question that was asked by the Honourable Member for Lakeside Friday last. I had hoped to be able to give him an answer to the question on Wednesday, but I was hoping that there would be more definitive information by that time and there wasn't. I'm afraid that I'm still not as definite as I would like to be but in the interests of giving some information to the House, I'll make a partial answer at this time.

The Provincial Government proposed to the Federal Government at the end of April of this year a program involving \$2,225,000 in order to provide income support for fishermen who were affected by the mercury closure of commercial lakes. This program was in five parts including the following elements: First, early retirement, \$248,000; compensation for fishermen who were too old to be involved in any other type of work, 65 and over, \$190,000; a Whitefish Fishery on the north part of Lake Winnipeg which would involve 130 fishermen and no government subsidy - by the way the early retirement would involve 207 fishermen; the compensation program, 100 fishermen; a fisheries development program involving a coarse fishery, an agriculture program, a research and monetary program, would involve 123 fishermen at a cost of \$363,000; and (e) miscellaneous projects which would involve 478 fishermen at a total cost of \$1,424,800 and which would have as its element a resource extension program in terms of trying to involve fishermen in other occupations such as pulpwood cutting, wild rice development, things of that nature, and make-work projects as an extension of the winter works program that was offered in the winter of 1971 which would involve 478 fishermen. The total of the program would involve 1,038 fishermen at a total cost of \$2,225,000.00.

We have received what we regard as a definite commitment from the Federal Government that they would finance the total 100 percent of the cost of the Fisheries Development Program of \$363,000.00. We have also received what we consider a fairly definite commitment again. I underline fairly definite that the Department of Indian Affairs will finance 50 percent of the cost of make-work projects involving Treaty Indians which would be a \$600,000 portion of the 1.4 million that I mentioned before - that they would finance 50 percent of that which would be \$300,000, the Province financing the balance.

They have given us no encouragement on the early retirement program or the compensation program; however we do have some leeway in that connection because that type of program does not involve a big administrative machinery to put into effect and could commence after June 1st if necessary. So we still have some hopes for that part of it. And we have been bounced from department to department on the balance of the make-work program. We still feel that there is good hope of getting 50 percent recovery or better from the Federal

(MR. GREEN cont'd.) . . . . Government on the balance of the 1.4 million. Our intention is and our staff has been advised that they are to proceed with implementation of the Fisheries Development Program involving 123 fishermen; the White Fishery Program which was announced before of 130 fishermen and the miscellaneous projects program involving 478 fishermen. However, with regard to the miscellaneous projects, we are not able to say at this time that \$1,424,000 will be spent. That will depend, still, on conclusion of federal sharing, and I'm not therefore able to give a definite figure of that amount. If the program proceeded 100 per cent, it would be 1.4 million. At this point we don't know exactly how far it will go. We would like to think it will go the whole way; we don't discount that. We are not able to proceed with the early retirement or compensation program.

The staff has been advised to start putting these programs into effect and my hope is that the Province and the Federal Government jointly, will do what they have done in the past and that is see that the income maintenance figures for fishermen who were on the mercury closed lakes will be available to them to recover.

MR. SPEAKER: The Member for Lakeside.

MR. ENNS: Mr. Speaker, there are several questions that come to mind with respect to the answer the Minister has just given, but insofar as that I believe the Honourable Minister's estimates are up very shortly, I will reserve any further questions on this subject until that time.

MR. SPEAKER: The Honourable Member for Rock Lake.

MR. HARRY J. EINARSON (Rock Lake): Mr. Speaker, I'd like to direct this question to the Minister of Transportation. As the policy in the past has been to spray weeds along all P.R. roads and provincial highways in the province, is it the intention of the Minister to carry out this policy for this coming summer?

MR. SPEAKER: The Honourable Minister of Transportation.

MR. BOROWSKI: Mr. Speaker, the decision has been made by Cabinet this week that 2,4D will be allowed to be sprayed and I believe 2,4,5D which has been found to cause deformities the same as Thalidomide; however, the Cabinet has made a decision that they will allow the use of 2,4D and 2,4,5D: I don't agree with it but that is a Cabinet decision.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN (Morris): I wonder if the Minister now would answer the question that was put to him by the Member for Rock Lake, and that is, is it going to be the policy of the government to carry on . . .

MR. SPEAKER: Order, please. The Honourable First Minister, on a point of order?

HON. EDWARD SCHREYER (Premier) (Rossmere): Yes, Mr. Speaker. I'm not aware that anything in the rules permits one member to rise and insist that someone answer the question of another member.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSEN: . . . rules that prevent me from asking a question that I know of. That's what I was about to do before . . . unwarranted interruption.

MR. SPEAKER: Order, please. The point made by the Honourable First Minister is well taken. No Minister has to answer a question and it's true that the honourable member was stating more than he was questioning. The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, still on the point of order. The Honourable Member from Morris can rise and ask whatever question he likes if it's properly put, but I say again, Sir, that it is not permitted by the rules, as I understand them, for one member to rise and insist that another member's question be answered.

MR. JORGENSEN: I should like to ask the Minister of Highways if he's going to continue the policy of spraying along P.R. and provincial roads this year?

MR. SPEAKER: The Honourable Minister of Municipal Affairs.

HON. HOWARD R. PAWLEY (Minister of Municipal Affairs) (Selkirk): Mr. Speaker, I would like to file the Annual Report of the Manitoba Housing and Renewal Corporation 1969 - 1970.

MR. SPEAKER: Order. Order, please. The Honourable Member for Morris.

MR. JORGENSEN: I'd like to direct a question to the Minister of Agriculture. Is it his intention to bring any amendments to the Noxious Weeds Act during the current session?

MR. SPEAKER: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture) (Lac du Bonnet): That's a matter of policy, Mr. Speaker.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: A day or two ago, the Honourable Leader of the Opposition asked whether or not it was the intention of the government to take along to the Victoria Dominion-Provincial Conference in Victoria next month, someone representative of the recognized Opposition parties. I undertook to do the necessary consultation and do find that there will in fact be perhaps two or three provinces that will be making such an arrangement and I think it will be possible for the Government of Manitoba to extend the same courtesy. However, what complicates the matter is that the Agenda of the Conference, the opening phase of it will be open to the public, will be open to the Press, and it will be possible to have observers from Opposition parties present. However, the greater part of the Agenda will be dealt with in camera, according to the decision of the Federal Government with the concurrence of the provinces at the last meeting, at which time it will not be possible for Opposition party observers to remain at the meeting, so I'm advised; and therefore it will be up to the Honourable the Leader of the Opposition to decide whether or not in those circumstances it is worth making that trip.

#### ORDERS OF THE DAY - BUDGET DEBATE

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

MR. J.R. FERGUSON (Gladstone): Thank you, Mr. Speaker. I am not going to be too lengthy with my little speech on the Budget. Many of the points have been covered that affect our side of the fence. However, in looking at the picture of where the tax dollar goes in the Province of Manitoba, we find that 67 percent of it is going into Youth and Education, Health and Social Development. Now I don't altogether quarrel with this disposition of the dollar but I think that the province is run as a business and 33 percent in my opinion doesn't leave very much to build roads, supply the flood control, the rest of the things that are required for the province. Education I think is one of the things that basically is getting out of sight in our elementary system, it still seems to be carrying on in a reasonable manner. However, when we hit the university level, we find that costs are going out of sight. As I mentioned before, I feel that we should have a deterrent fee at the university level, because I find in looking around there are a certain percentage of students who seem to feel that education is a right rather than a privilege; they're not accepting the responsibility. We're spending about 16 years of high-cost education. They're not taking advantage of it in many cases. We had hundreds of young people last summer out here on Memorial Boulevard. I would like to know the tax bill that was attached to each one of them. I would like to know what they are contributing back to society and what their views were, if they . . . ever intended to. I feel that this is a very small percentage and I feel that not everyone should be penalized for the fact that a few will not pick up their responsibilities. However, the ones that do stay, do apply themselves, I think a refund could be given to them and this I think would take care to a great degree of some of our expanding costs of education. Welfare is actually as far as economic development goes to a province is a complete write-off. One-third of our income . . . -- more or less a complete write-off.

Certainly there are people that are entitled to welfare but I feel the thing is getting too slack, it's got to be tightened up a little bit. We are told about the high unemployment rate and no doubt this is all over Canada. But it seems awfully funny that while we were out at the Headingley Jail (we weren't out to stay for long, fortunately) but in interviewing the people that were in charge out there that there's a waiting list for employers. So I can't see that this isn't going to take care of a great deal of the unemployment situation but it certainly would go a long way to possibly some of our people that are on welfare being just a little bit too choosy on some of the kind of jobs that they could pick up too.

Now looking at the Budget, we find that estimated corporation tax is down 5.5 million. This can only reflect back in policies of the government that they're losing the confidence of the investment community. It's fallen back to the fact that risk capital is being heavily punished in the Province of Manitoba, with the highest income tax, the highest corporation tax, and possibly 5.5 million might be a little bit optimistic at that as a drop. Now there's projection of 12 million rise in income tax and I can't in any way see that the income of Manitoba is going to go up this much. If our corporation tax is dropping, certainly our employment is going to have

(MR. FERGUSON cont'd.) . . . . to go up and our income tax is going to have to come down on projected revenue. We're faced with the fact that our spending is going to go up \$69 million, which apparently is about a 15 percent raise, and I don't know where and when government are going to face up to the responsibility that spending has got to be curtailed. In 1951 our Budget was \$43 million; 1961 it was \$104 million, in 1971 it's \$517 million. At the present rate of increase by 1981 it could be over two billion. I don't know where the money is going to come from.

Another thing that is bothering me in particular is the increasing number of civil servants bureaucrats, and the experience that we as individuals have in dealing with bureaucratic government. I've had a little experience in the past couple of years with the Department of Income Tax just as an example. I imagine most of us here have, but it was a matter of somewhere between \$100 - \$150 that was involved. I sent them a cheque, I received a very nasty letter. At the time there was a mail strike on, so I phoned my accountant; he said well send them another cheque and we'll straighten it out and get them back. In the meantime, before the second cheque arrived, my bank account was garnisheed and this amount of money was taken for the third time. Now it took me at least - I think it was between six and eight months to get my money back. My accountant spent a considerable amount of time going through my books again to find that I didn't owe the money in the first place. This is a kind of continuing style of bureaucracy, and I think that we're becoming overloaded with it -- (Interjection) -- Yes, it's like government insurance.

I'd like to know who is going to be the - as the Member for Souris-Lansdowne has stressed several times, who is going to be the agent for the public. I know that the government are spending a considerable amount of money through their Autopac advertising trying to impress on the people the group insurance they belong to and etc., but I wonder, Mr. Speaker, how many people are going to take the time to read this, take the time to study it and arrive at the categories they're going to be in. It's going to be quite a transitional period. It will take a few years to get the public educated into the fact of what it means to have no insurance agent to handle their business.

Now in Bill C-176 which is a federal measure, it's proposed by the Federal Government, we have yet to hear from our Minister of Agriculture what his stand is. Bill C-176 is strictly a matter of supply-management brought on by whom, we don't seem to be able to put our finger on it, but in my own particular case, I have no time for supply-management. I think that farming is one of the few places left that the individual has an opportunity to be himself, advance his own undertaking if you will and do what he can. I feel that money that we are spending through federal funds and actually through the provincial funds is being wasted through the LIFT Program, which is strictly money that is being circulated by government back through, back to government again, and I think that if we propose, if we built some out of the country storage, it would put us in a position whereby supposing we had grain storage in Japan, or we had grain storage in Rotterdam, that regardless of the fact of whether we were faced with a strike situation, we would have our grain in position and we would be able to supply our markets. As an example, to Japan, we have seen our exports of wheat to Japan drop from 98 million down to 27 in a very short period, and it was caused primarily I believe through the fact that we were just unable to deliver through the west coast ports because of the strike situation.

Now, getting on to Hydro, we find that - I wasn't in the House during the debates on South Indian Lake, but we find that one of the prime members I would say that has been responsible for Hydro in the Province of Manitoba, Mr. Campbell, in resigning yesterday has probably opened up a brand new field in this. There is only one thing I would like to know, is what we have lost in power sales through not going ahead with the high level diversion or whatever the case might be. How much time has been lost, what this cost the Province of Manitoba.

I don't feel that I have a great deal more to say on this, Mr. Speaker, I've brought forth education and -- the high cost of education and social development were the two big things on the budget that were bothering me, so I will close now. Thank you.

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

MR. PETER ADAM (Ste. Rose): Thank you, Mr. Speaker. It's not my intention to speak too long on the budget at this time because I think there has been quite a lot said with regard to the budget. A lot of areas have been covered by some of my colleagues and the



(MR. ADAM cont'd.) . . . . Opposition as well. However, I find that there is one area in particular that is of quite a great concern to me and I would like to perhaps go into it a little. As you all know, my constituency is primarily agriculture in nature, however, my constituency as you know is surrounded by four lakes and I will name these lakes - Lake Manitoba, Lake Dauphin, Lake Winnipegosis, Lake Waterhen, and also Lake Ebb and Flow is completely - we encompass that lake entirely, so the fishing, commercial fishing as well as sport fishing is of great concern to the people in my area.

Now because of this abundance of water that we have, I think that tourism, the tourist trade could be expanded greatly in my area to provide income for the people in my constituency and for Manitoba as a whole, and I think that perhaps the Department of Tourism is doing an excellent job in this respect. However, there is much more that can be done. Now there are signs however, ominous signs on the horizon that may interfere greatly with our lakes, our fishing, our recreation and our tourist trade, and I of course refer to the problem of pollution and what is happening to our environment. As you know, this is becoming one of the most serious problems facing the people of this country, not only in this country but I believe all over the world are faced with this problem.

Now two of our lakes, Lake Dauphin and Lake Winnipegosis, at the present time are in grave danger of completely deteriorating to a point where at the present time it's no longer profitable for fishermen to have -- it's no longer profitable for a venture on these lakes. The fishing has dropped to a level where our people can't catch enough fish to make it worth their while and I would hope that our Minister would make this a very high priority. The Minister of Mines and Natural Resources is - I believe the environmental control is under his department, and I would hope that we would do everything in our power to try and rehabilitate our lakes and preserve them in their natural state and their beauty for the enjoyment of all Manitobans and all people.

I would certainly hope that we would all accept the seriousness before it is too late, before we reach a point of no return. I think we could probably take a lesson from what has happened in the United States where their lakes have completely -- the lakes there, many of them have completely deteriorated. Perhaps it does help us in some ways - we don't wish this on anyone, this misfortune of the dying of their lakes - because we find now that many people from the United States are coming to Canada because they find that our natural resources have not deteriorated to the stage where they have in the United States.

Mr. Speaker, I read an article in the Free Press yesterday -- (Interjection) -- well sometimes, Mr. Minister, they do print some things of interest and this one is of quite importance. It is a warning on fish voiced, and anglers have been advised by Mr. Lange of the Parks Board, Riding Mountain National Park, that they should no longer consume any fish caught in Clear Lake, Audy Lake and Long Lake. So, Mr. Speaker, here again you have evidence of further deterioration of our natural resources. I am sure this is going to have a very bad effect on the tourist trade to that area, because when people go to a place like Clear Lake, to Riding Mountain, they want to go there and do some fishing, and if the fish is no longer suitable for human consumption, of course this will certainly have the deterrent effect on people travelling there and I'm sure that the Minister of Tourism will certainly realize that what I am saying is quite correct. -- (Interjection) -- Mr. Minister of Highways says that the lakes down at Thompson are all unpolluted as yet. Now I think perhaps he'd better go back and have a look at them because I'm sure that many of our lakes are having the same misfortune as do our lakes around here and I'm quite concerned, I'm not up here talking just to hear myself talk. I want to say to you gentlemen, and you people across on the opposite side of the House, better take note of this too because I think you fellows like to fish too.

Now I also picked up another article here where the Chairman of the National Nipon Steel Corporation from Japan addressed a meeting in Vancouver, and he also says that the problems of pollution have cast ominous shadows on the future of mankind. I want to say seriously, gentlemen, that I think that there is room here for grave concern. We are here in this House talking about, we are bickering about acreage payments and Bill C-176, Marketing Boards and Budgets and Law Amendments, and perhaps before it is too late we should start talking about our environment. Perhaps in twenty years time we will not be talking about these subjects, we will be perhaps trying to see how we can survive in our country. I am very happy that the member, my colleague from Osborne has been doing something in respect to pollution, but gentlemen, and, Mr. Speaker, I can't impress upon you too highly that it is my opinion, and I

(MR. ADAM cont'd.) . . . . am quite sincere when I say this, let's take a look at this and let's not wait until it's too late; let's do it now, because this is very very important. Our survival may depend upon our actions now.

This problem is not only a problem in our country here but it seems to be a problem in other parts of the world as well. In one area, even in Russia, there was a case there where an industrial plant was built along a waterway and they found that the effluent from the plant was destroying all the fish and that plant was closed down. They felt that it was more important to close the plant than allow the pollution of the lakes, and I think perhaps we may have to look in this direction as well here, because what we have been doing is we are creating our own destruction. I'm almost certain that perhaps if we looked around and asked -- find a biologist that would give us more than about 20 years, we'd perhaps have a hard time at the rate we are going now.

Mr. Speaker, I am wondering when we are going to give some thought about the air that we have to breathe, we have to inhale, and when are we going to start talking about pure foods? Practically everything we grow is produced with one form of chemical or another. We use chemical nutrients for plants and for livestock; we feed our beef Stilbestrol, another chemical that is found to be harmful and is banned in some areas. -- (Interjection) -- My colleague says the meat is tender. But it is also poison, so I think, Mr. Speaker, that we should perhaps give more thought to this. We put fertilizer in the ground, we spray for noxious weeds, we spray for insects, and this eventually finds its way down into our rivers and streams and then into our lakes and this is how we are destroying our environment.

I would hope that we would all take note and see if we can't find a solution for this problem. In my opinion, I would prefer to retain our resources in a natural state, in its natural beauty rather than have an industrial society, because this industrial society is going to destroy us eventually unless we can curb, just for the sake of profit. I think that we should perhaps take another look at that because nobody will be around to enjoy this profit.

Another area of concern in my constituency is we have -- nearly 30 percent of the population in my constituency is of Metis descent. There are three reservations and I am pleased to note that after 100 years there has been some progress in these people breaking out from the segregation that they have been compelled to endure for the last 100 years. There are signs that perhaps at least the Indian population is starting to make a breakthrough in our society. As you know, 100 years ago the government in Ottawa decided that they should be banished to a reservation in return for a guaranteed annual income -- (Interjection) -- Pardon? Yes, \$5.00 a year if I'm correct. I remember when the Sergeant-at-Arms used to come down to Crane River with his little satchel of money once a year to dole it out to the Indians at Crane River, and this was the guaranteed annual income that they were talking about 100 years ago. I had a chance to reminisce with our Sergeant-at-Arms in regard to this particular situation because he came many many times to Crane River when I was a young chap.

However, we find also that on the doorstep of every Reserve, Mr. Speaker, there is a population of men and women who are unable to get onto the Reserve and neither are they able to integrate in our society. They are truly Manitoba's forgotten people. I don't want to imply here that they want to get on the Reserves, I'm not saying that at all, I'm just saying that they are there and they are Manitoba's only squatters so far as I know. These people are living in very inadequate housing. These people are living on land that they do not own. I say there is no incentive for these people as the situation now exists and I want to say that I am ashamed, I am ashamed, Mr. Speaker, to be part of a system that would allow such human conditions to continue. We must find opportunities for these people. We must give these people dignity, we must give these citizens a chance to be part of our province and our country. I would like to see them own their own property at least, to give them some sense of ownership so that they can look after these. Even if it's just a lot, something should be done.

Now I was very very happy to hear that the Federal Government had been doing something with regard to training the Indian population at Rivers and are utilizing the base there, which in my opinion is a lot more important than what it was used for before. At last they have found something worthwhile to do with that base and that is to train our people into trades and into manufacturing of goods. I would have hoped that the Metis population would have had the same opportunity. Perhaps I could be wrong on this, but I understand that at the present time it is only the Indians that will have the opportunity to use the base there for improving their lot and accepting trades.

(MR. ADAM cont'd.)

The Federal Government did give a grant in the amount of \$106,000 to the Manitoba Indian Brotherhood and I am very pleased to hear this. However, only \$26,000 was given to the Manitoba Metis Federation, and I think that this isn't sufficient because these people are in very very dire straits, Mr. Speaker. I want to say that I left my boyhood area of Crane River 46 years ago, and last fall during my campaign I had the opportunity of going back there to that area and I found, Mr. Speaker, that there were people living in the same log huts that were there 46 years ago, the same logs with perhaps the same mud-chinked walls and the lime whitewash, and I was truly ashamed, Mr. Speaker. These people have not come one step forward in the last 46 years. We go about our daily business, we go home every night to our little palaces and we don't see what's happening around us. Neither do we look at our people who are more unfortunate than we are, neither do we look at our environment. We do not look around us, we are so preoccupied in our own little worlds. I would say that we had better start looking around us. Not only the native population are starting to talk of militancy, as well as our farmers - they are also starting to talk of militancy - and I say we had better start looking around to find out what's going on.

Another item that I came across that I found very interesting was an article that came out from Russia, where a Canadian had been down there, had lived in the Northwest Territories for many many years in Canada and found that there was a tribe of Eskimos that had completely disappeared because of lack of -- at one time they used to provide their food by killing caribou. They used to kill them with spears, arrows, as they crossed rivers or lakes, and eventually when the advent of the firearms came into being these people, and others as well, they destroyed the large herds of caribou that they owed their survival on. As a matter of fact, the last member of this tribe I believe died in Winnipeg last year. This Canadian went into Russia and he went into the Northern Siberia area of Russia and he found there that the Eskimos are a very very viable group of people. They have large herds of caribou and reindeer and they are completely self-sufficient. These caribou provide most of their needs and they are apparently able to provide a substantial amount of meat for other areas of Russia. They are paid approximately \$700 per month for their contribution to the country, and perhaps we might be able to look into this area for our own people in the north of our country. As a matter of fact, our Prime Minister is now in Russia and perhaps he may look into this. Perhaps he may be taking lessons himself firsthand. -- (Interjection) -- He is going to Siberia, I understand he is going to Siberia and I hope he takes a lesson firsthand. Up there these Eskimos have got these animals domesticated and they ride them just like horses, they herd their other deer with them. They are very viable and I can't see why we can't do that in our own northern areas.

Mr. Speaker, it's not my intention to go too far in Agriculture because I have already covered that a couple of times and so have some of my colleagues. The Member from Crescentwood spoke on agriculture; he had some good points. I wouldn't condemn them all as the opposition did, I think that we have to listen to everyone and perhaps we can come out with some solutions. But I want to say, Mr. Speaker, there are 121 marketing boards in Canada, or approximately thereabouts, and I want to say that practically 100 percent of these marketing boards have been established by Liberal and Conservative administrations. We reject, we reject any arguments that we are the people who set up marketing boards. There is 121 marketing boards in Canada now, Sir, and we have never had any NDP governments. Perhaps the Saskatchewan government may have put in a marketing board or two, I won't dispute that, Sir, but the marketing boards that are in existence today in Canada have been established by Liberal and Conservative administrations, so we don't accept this point.

Mr. Speaker, one of the recommendations in the Task Force on Agriculture is that Canada should increase its livestock production to supply the U.S. market with 500,000 steers per year. I would say, Mr. Speaker, that here again it's being suggested that we export raw materials to a foreign country, and when we export raw materials we are exporting jobs, we also lose the sale of our grain, and it's the same as what's happening to our northern resources. I would say that if the Americans want to eat our beef we should fatten them ourselves and we should process them here and ship them to the United States.

Mr. Speaker, when I was in Ottawa recently, I was surprised to see that I could purchase the most choice cut of steak, Coeur de Filet Mignon for \$3.95. This is our beef and it's probably our grain, and comparable prices here in Winnipeg in a comparable restaurant

(MR. ADAM cont'd) . . . . is \$6.60 to \$7.00 a plate. I am wondering why we have to pay this kind of money here for our own beef and we can go down in Ottawa and eat it for half the price. There's got to be something wrong. We are subsidizing the east. There seems to be something wrong, Mr. Speaker, with the way we are handling our affairs.

This is about all I have to say. I thank you very much.

MR. SPEAKER: The Honourable Member for Roblin.

MR. J. Wally McKENZIE (Roblin): Mr. Speaker, could I ask the honourable member a question? Does the member support Bill C-176 in principle?

MR. ADAM: No, not the way it is set up now. It would have to be changed quite a bit, Sir.

MR. SPEAKER: The Honourable Member from Fort Garry.

MR. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, I have some concerns about the economic policies of this government that probably doesn't surprise my friends opposite on the Treasury benches. I am happy to have an opportunity to cite some of them in this budget debate at this time.

I say at the outset that I underscore the sentiments expressed in part of his remarks yesterday afternoon in this Chamber by my colleague the Honourable Member for Lakeside when he talked about economic planning and he talked about the lack of some central core or some central theme to the economic posture of this government, if in fact the government can be said to have a specific posture of an economic nature at all. This is our fundamental difficulty with the budget, our fundamental opposition to the budget, our fundamental argument with the Minister of Finance, with the First Minister and with the administration of the day in general, the fact, Mr. Speaker, that there is no discernible theme, no discernible order to the government's economic thinking. There is no program at the present time.

In presenting the budget that he brought down in this House seven or eight days ago, the Minister of Finance has brought down a document calling for what is unarguably the most massive increase in government spending in the history of Manitoba, yet it is a balanced budget, Sir, a budget that is based on the assumption that there will be increases in government revenues sufficient to match the increase in spending and no increase in taxes. It is, I suggest, Mr. Speaker, on the basis of the government's economic performance thus far, a document from a never-never land, a beautiful dream conceived by a beautiful dreamer. I am going to wait, Mr. Speaker, until I have the attention of the Minister of Finance for a moment or two if I can. He indicates that I have his attention. It's a document I suggested, Mr. Speaker, that really amounts to a beautiful dream conceived by a dreamer. "Don't worry, folks," we are told by the beautiful dreamer, the Minister of Finance, "we are going to be spending \$69 million more this year, that's \$300 more for every family in Manitoba and we don't have anything concrete that we can point to, we don't have anything firm that we can fix on and show you where it's coming from, but it will turn up. Everything will turn out all right. After all, what's an increase of \$69 million?"

Well, it would be nice to be that self-assured, Mr. Speaker. It's doubtful that many other Manitobans share that assurance and confidence and optimism, that dreamer's attitude displayed by the Minister of Finance, and the question that won't go away for anyone who approaches our current economic position and this current budget from any frame of mind other than that of a dreamer, is where is the revenue going to come from, where is the additional money to fuel the economy, to fuel the government programs, going to reveal itself.

The Minister talks about an expanding economy; in fact, he stakes his very budget on it. Perhaps he even stakes the ultimate life of this government on it, Sir, but the fact can't be avoided, the challenge can't be evaded, the question remains, where is this expansion going to come from, where is the expansion in the economy that's going to provide the looked-for, dreamed-of expansion and increase in revenues that the government, through the Minister, is counting on in the budget brought down in this Chamber approximately a week ago. The question, Mr. Speaker, is what is this government doing to guarantee that necessary expansion. That is what we are concerned about, that is our argument with the Minister of Finance, it's our argument with the First Minister, it's our argument with the Minister of Industry and Commerce. That is our prime concern in 1971 in Manitoba. What is the government doing to guarantee that necessary economic expansion? It's all well and good to formulate programs geared to human equity, geared to improvement of the quality of life in this province, geared to a streamlining of the operation of the people's business, but when it's pegged to a hypothetical,

(MR. SHERMAN cont'd) . . . . theoretical expansion that so far has not been shown to have any basis in fact, to have any basis in fact, to have any basis other than a basis in ambition, it becomes a serious problem for the people of Manitoba and a serious state of affairs for this Opposition to live with, Mr. Speaker.

After all, it's possible, is it not, that the Minister of Finance may be wrong. He gears his budget, his plans, his hopes, his dreams, to an expanding economy, but other Ministers of Finance in this country have been wrong; other Ministers of Finance in this country, in not distant memory, have geared plans and programs and formulae to expected results, to anticipated developments that never materialized, or that materialized in monstrous form such as were not conceived of by the Ministers in question. It's possible that this Minister may be wrong. I assume that it's hard for his colleagues on the Treasury benches to appreciate that point. I would expect that they think it's highly unlikely if not totally impossible for him to be wrong, and certainly from his own point of view I would think that that would be the attitude held. I am sure he doesn't consider that he can be wrong about this. He says the economy will expand because we will it to expand; we say it will expand; we order it to expand and therefore we'll have the revenues necessary to pay for these programs we've put before this Legislature and before the people of the province.

But as I said, Mr. Speaker, there's been some evidence in the very near future -- there's been some evidence in the very near past, I should say, that Ministers of Finance in this country, whether federal or provincial, can be desperately and critically and crucially wrong, and if this Minister is wrong and if this turns out to be nothing more than a dream, and if in fact it turns out to be worse than a dream, then the people of Manitoba are the people who will pay the consequences in the kind of burdens, financial and fiscal, that they will have to carry for unforeseen and unpredictable years ahead; and unless this government can show us firmly and clearly where the economy is going to be fueled, where the economy is going to be made demonstrably to improve strongly enough, widely enough to support this kind of a budget, then I say, as I said a moment ago, it's a document conceived by a dreamer for a never-never land of administration. The challenge to the colleagues of the Minister of Finance is clear. They, in concert with him, must produce the kind of economic development, and in the very immediate future, to support the fiscal programs that he's drafted for us, or like other Finance Ministers in Canada at the present time our Minister of Finance, deeply appreciated though he may be, may well find himself with his own job at stake - certainly with his reputation and his stature at stake.

What is the economic policy of this government, Mr. Speaker. What are the plans of this government to build an economy that will sustain this kind of a program and what are the goals beyond the rather abstract social goals that have been defined and which certainly have much to recommend them. But beyond those abstractions, beyond those dreams, what are the hard goals in economic terms that this government can show us are being developed and being cultivated that will give this province its chance to sustain and support the kinds of social programs that this government would like to promote and will give this province a chance to share rightfully in the Canadian economic sun.

Well, there are two or three directions that I would propose to the First Minister and the Minister of Finance that might be taken to help to construct an economic program, a program of economic growth and development that could sustain this kind of administration and sustain these kinds of measures that the government wants to introduce for the people of Manitoba, and in this respect I'm attempting to be constructive, Mr. Speaker, I'm attempting to reason together with the Minister of Finance and to suggest to him that there are two or three directions, which to my knowledge have not been pursued, which might on one level appear as abstract and unrealistic as I've suggested his budget is, but which, Mr. Speaker, I suggest to you are neither abstract nor unrealistic when one considers the competitive economic position in North America that this province of ours must maintain for survival and for success of this government's admirable social programs.

There are three things, three courses of action that I would like to see the Minister of Finance and the First Minister and their colleagues and the Minister of Industry and Commerce pursue, Mr. Speaker, with a view to expanding and enlarging and enriching the Manitoba economy.

One goal, one target that I suggest we must have is a primary steel industry in western Canada, not necessarily located in Manitoba but certainly located somewhere in the prairie

(MR. SHERMAN cont'd) . . . . complex, a primary steel industry that would permit our province and our sister prairie provinces to achieve the kind of economic sovereignty, the kind of economic independence in Canada and in North America in general that is absolutely vital if we're ever to move in this part of the continent beyond the stage of being hewers of wood and drawers of water for the central governments of Canada and the United States.

I don't intend to go into details on this specific proposal at this point because there are two or three other things I want to talk about, but I want to lay that before the Minister of Finance and his colleagues as a suggestion that I think deserves thorough examination and pursuit. I think that a research force, an advisory force, a task force if you like, struck off by this government involving people in the trade union movement, in the business world, and indeed in the academic world, to investigate, to research and investigate and explore the difficulties, the pitfalls and the challenges that have got to be met in order to establish a primary steel industry in western Canada would be a very worthwhile step and a very worthwhile unit for this government to originate. And I think the First Minister can take initiative and take the lead, as he should do on a question such as this, when he's meeting with his own colleagues, the Premiers of Saskatchewan and Alberta at meetings of the Prairie Economic Council. So I suggest that as one line of thought, as one line of study that is past due for Manitobans as for Saskatchewan and Albertans is this goal, this dream if you like but this necessity if it's a dream it's a necessary dream, that of the establishment of the kind of industry, the kind of basic industry in this part of Canada that alone can make us economically masters in our own house.

The second possibility that I would like to see the Minister of Finance pursue, and in this case his closest working colleague I presume would be the Minister of Industry and Commerce, is the possible role that this province might play in the supersonic transport age that we're now in in the field of aviation, Mr. Speaker. I note that many, many metropolitan centres in the United States, many states in fact in the United States have announced that they will not accept the SST, whether it be American, whether it be French, English, whether it be Russian, they're not prepared to allow the SST, whether it's a Concord or what it is, to land in their territory, to land at their airports.

The argument has been advanced that this has political nuances to it and I dare say there are some political nuances to it. I expect that in a decision of that kind where there are literally hundreds of millions of dollars involved, in fact billions of dollars involved, that there would be some political overtones and undertones to that kind of a decision. I've heard it suggested that one of the main reasons that position, intransigent position has been taken, is that there are forces and elements in the United States which would like to see the Concord fail. However, that kind of argument really doesn't stand up to scrutiny in my view when you consider the competition that's coming from the Soviet Union in this field, for even if the Concord does fail, it doesn't take the United States off the hook in the SST field, they still face the very clear and now very definite competition of the Soviet Union's SST.

So the age is here, the age of supersonic transport, and it seems to me that, located where we are in Manitoba, it seems to me with the kind of facilities that we have at a base like Gimli for example that is being phased out of an active role in our Canadian Armed Forces establishment, it seems to me with the kind of transfer point like Winnipeg which would be a central kind of staging point for regular commercial air travel for all of North America, that we in Manitoba have a chance to jump in first, take the initiative and grab an opportunity to carve out a major role for ourselves in this field of air transportation. We're on the great circle route, or certainly we can be on the great circle route geographically speaking, and we have, as I've suggested, 50 miles from here a base at Gimli which with only relatively minor modifications could be considered as an SST landing point. From there, of course, you have the various different alternatives of transfer into Winnipeg, whether by land or air by conventional aircraft, then from Winnipeg you have the potential hub and centre point for the whole of North America, and the supersonic transport travel that would shuttle into Winnipeg by way of Gimli would then be fanned out across the continent, in my conception of the possibility, by regular jet transport.

But somebody is going to jump in. The supersonic transport is here, and whether the United States Congress and Senate has voted for it or not, they can't stop the Russians and the British and the French from producing them. And whether the Americans are ever forced into the field in terms of face-saving competitive posture is beside the point, those SSTs are flying,

(MR. SHERMAN cont'd) . . . . they've got to land somewhere in North America unless all of North America is going to be off limits to them, and I think we have a possibility to develop for ourselves an opportunity as one of those primary reception points. That's line No. 2 that I would like to recommend to the ministry as an economic possibility for the future.

And line No. 3 which concerns me more than either of the two I've talked about, line No. 3 is a really evident and definite development of trade, investment, manufacturing and commercial possibilities with the countries of Asia and southeast Asia and particularly with Japan. I know that the Minister of Finance has close personal interests and concern in this particular subject himself. I think in a casual way I probably have discussed it on one or two occasions with him. I know that he has first-hand knowledge of Japanese and the Japanese people and the Japanese commercial complex. I know that in 1969 he and the First Minister and others from the government and others from the community here in Greater Winnipeg spent some time in Tokyo and Osaka and other points in Japan and then moved on to Hong Kong and other points in the Far East, so I know I'm not speaking to somebody who is not receptive to this kind of an idea. For me, it represents the possibility of the future for western Canada. Once again I think primarily of Manitoba, but I don't feel that we can or that we wish to dissociate ourselves or independentize ourselves as Manitobans from the western Canadian picture, the prairie posture and the prairie future in concert with Alberta and Saskatchewan, and I think that the future in commercial terms for western Canada, and therefore certainly for Manitoba, lies that way across the Pacific, and the potential for development of commercial opportunities, particularly in Japan, is vivid and unlimited.

There are other areas of possibility, commercial possibility that we should be pursuing in southeast Asia. I don't think for one moment that all our attention should be focused on Japan and that we should be blind to the possibilities that exist in the Republic of Korea, in Taiwan, in Hong Kong, in Thailand and Malaysia, and even in the Phillipines and even further south into the Australasian sphere, but basically the great manufacturing muscular giant on the Pacific rim at this point in time is unarguably Japan, and although she has had import restrictions covering a wide range of commodity goods for many years, ever since the rebuilding of the country after World War II, some of those restrictions now have been lifted, a great many of commodity products have been removed from that list and the market opportunities for Canadian manufactured goods, processed goods, not just raw materials but manufactured and processed goods, in Japan are expanding every day.

The fact of the matter is, Mr. Speaker, that Japan at this moment is Canada's third largest trading partner after the United States and Britain, and within two years the Canada-Japan Trade Council has predicted - and I don't think it can be disputed on the basis of statistics - that within two years Japan will be our second largest trading partner. Now it's true that at this point in time, I think three percent at the most or maybe slightly less than three percent of our exports to Japan are manufactured goods. We are unfortunately struck, if not temporarily stuck in the kind of a role of being hewers of wood for some of the Japanese manufacturing empire, but there are a great many myths and a great many distortions about this relationship that have been allowed to creep into general discussion of it, and I think that some of the things that have been said about the Japanese posture on this question have been somewhat unfair. My own research of the subject and evidence that I have on hand in the form of direct reports and briefs from agencies like the Canada-Japan Trade Council testify very clearly that the mix of the trade relationship between Canada and Japan as it is today is not the result of any deliberate or sinister kind of intent on the part of the Japanese to keep us in the role of the hewers of wood. The mix is as much our fault in Canada as it is the fault of the Japanese.

Mr. Speaker, the fact is that the bulk of our exports, the bulk of the kinds of materials in which we've been able to interest the Japanese up to this point have been certainly raw materials and not manufactured goods. But what have we done in the way of marketing opportunities? What have we done in the way of research, investment research, market studies, development of market possibilities for ourselves where manufactured goods are concerned? Very very little. Ontario has done some, British Columbia has done some but Manitoba has done very very little, I suggest, and in this connection I'd be interested in knowing what the results are, or were if any, of the visit in October, 1969 to Japan and the Far East by the First Minister, the Finance Minister, the Attorney-General and others.

At that time there was a crowd in hopeful kind of promise that great developments would

(MR. SHERMAN cont'd) . . . . . come out of that mission, that there would be announcements forthcoming in the not too distant future as to what Manitoba might expect in the way of new trading relationships and commercial opportunities with Japan. — (Interjection) — Well, I'd be interested in hearing details on that from the First Minister because I think that a great many Manitobans are not aware of any tangible developments and I think that they've expected some tangible developments.

In this respect I'm heartened to learn from the Minister of Industry and Commerce and others that there will be a high level Mission here early in June of Japanese commercial and government people to investigate opportunities in this province. I'm not thinking just in terms of investment opportunities though, because I think when we get into that area we get into the area once again of the bugaboo of foreign ownership, and as I've suggested, there are many myths concerning that subject where Canadian-Japanese trade relations are involved, many myths that reflect unfairly and untruthfully on the Japanese.

For example, I have a report or a precis of a report from the Canada-Japan Trade Council here which points out, Mr. Speaker, that the truth of the matter is that a large proportion of the raw material exports — this is a reference to the kind of bulk product which Canada is exporting to Japan — a large proportion of the raw material exports is not attributable to Japanese direct investment. To Japanese purchases, yes; to Japanese financial control, no. For example — this is the Canada-Japan Trade Council, a brief presented to the Senate Committee on Foreign Affairs a few weeks ago — for example, Mr. Speaker, the brief says, "of 16 Canadian copper producing companies dealing with Japan, in only six do Japanese firms hold equity. Of these, in only two do they have a controlling interest." That kind of situation repeats itself over and over again in Canadian industry where this commercial relationship with Japan is concerned. And I cite it merely to debunk the popular misconception that the Japanese have invested in Canadian resource industries as a means of fueling their own economy and creating manufacturing jobs for themselves. They're interested in creating manufacturing jobs for themselves and in fueling their economy, but they're doing it for the most part through purchase of our raw materials and not through the adaptation or adoption of equity positions in our resource areas.

So when the First Minister says to me that the Japan Mission coming here early in June is going to be looking into investment opportunities, I say that's a good thing relatively speaking. That's a good thing relatively speaking, but I hope they're not just going to be looking into investment opportunities, because every time they get into that area of investment all of us get into this area of misconception and myth and distortion of the relationship, and the truth of the matter is that what we really are interested in where the Japanese are concerned is purchase of our raw materials and our manufactured goods without having to go too far in terms of Japan's assuming equity positions in our resource areas and in our industry.

The Japanese point out, and so does the Canada-Japan Trade Council point out, that in fact even though the vast majority of our exports to Japan are in the raw material form and only three percent are manufactured goods, this does not mean, and is not a fair reflection of the kind of relative benefits to the two countries. It's true that our raw materials going to Japan provide them with job opportunities in manufacturing industry, but our raw materials going to Japan also provide us with job opportunities here in Canada, and a case in point is the situation involving the Alberta coal fields, Mr. Speaker.

The fact of the matter is that as a consequence of purchasing arrangements between the Japanese steel industry and the Alberta coal interests, 1,000 jobs or more have been created in Alberta at the present time, and by 1977 this figure is expected to reach 7,500 in the mines alone. So it's a distortion to say that when we enter into this kind of arrangement we're getting the bad end of the deal. We're getting job creation, in addition to the market for our raw materials, we're getting job creation which, if I may say so, is very impressive. By 1977, 7,500 new jobs in the mines of Alberta alone will have been created as a consequence of the arrangements between the Alberta coal interests and the Japanese steel industry. This is not to suggest that this is as far as we need to go, and to get back to the point I was trying to make a moment or two ago, Mr. Speaker, I think we should be looking at the possibilities of exporting manufactured goods to Japan. This is the great door that's now opening because of their removal of many of the restrictions on foreign manufactured products by the Japanese, and this is the market and the field that must be extensively and energetically explored by western Canadians now.



(MR. SHERMAN cont'd) . . . . .

Now it was interesting to me to learn from the Canada-Japan Trade Council that there are a great many commercial undertakings between Ontario and Japan, Ontario as a sovereign provincial entity; between British Columbia and Japan; and, in fact, between Alberta and Japan possibly even exceeding the kind of undertakings that exist on a national or federal level between Canada as a federal state and Japan. There is pressure being exerted by the Federal Government through the Canada-Japan Trade Council to try to co-ordinate this kind of relationship and not have all these individual provincial spinoffs and not have all these apparently conflicting activities with Ontario dealing on one level with the Japanese and Alberta on another and British Columbia on another.

But I suggest that as long as that situation exists, we should say to heck with the efforts by the Federal Government to co-ordinate. We may wait 20 years for co-ordination. In the meantime, we're missing out as Manitobans on opportunities in that market, and if Ontario is going to be doing something like-- well, Ontario is doing business with Japan that resulted in terms of trade balance in a \$150 million deficit for Ontario last year. At the same time, British Columbia ran a surplus of about \$330 million with Japan, and if provinces like that are doing business like that with Japan then Manitoba should be doing in relative terms the same kind of thing and not waiting for the Federal Government to co-ordinate and combine and unite these provincial efforts. I know it's a worry and a concern to Canadian trade officials, to Canadian government officials, that there are these independent activities, as I say, but why should we stand back and wait for everybody to work together if nobody else is doing that.

In the meantime, other people are obtaining and exploiting the market opportunities over there that could be and should be rightfully ours. We have both raw materials and manufactured produce here in Manitoba that could be marketable now in Japan in competitive terms, and we don't need to wait for guidance and leadership from the Federal Government to follow through on that kind of an opportunity. In fact if we do, we'll never enjoy the opportunity, because certainly on the basis of the record in terms of what we've enjoyed in the Canadian economic picture in the 100 years of our history, I think the evidence suggests that we'll be in a highly discriminatory position. We will not be one of those favoured parts of the nation that will be given an equal and equitable treatment under any such arrangement. The way to get it is to go out and get it on our own.

MR. SPEAKER: The Honourable Member has five minutes.

MR. SHERMAN: Thank you, Mr. Speaker. Mr. Speaker, two things should be remembered when we get into that argument about the trade mix with southeast Asia, and Asia in general and Japan in particular. One is that production and sale of natural resource products produces a great deal in the way of new jobs and certainly production and sale of manufactured products produces more, and if there's anything we are looking for in terms of our expanding economy and our hopefully improving society in Manitoba, it is reasonable and responsible job opportunities.

The second thing to remember is that the very exercise of market research, of social contact and of study of trading practices, involves the creation of jobs. That very exercise itself, perhaps a limited number of jobs but jobs nonetheless. And in that vein, Mr. Speaker, I'd like to suggest to the Minister of Finance and the First Minister that they should seriously consider an exchange of business administration and commerce students from our universities, particularly graduates, new and recent graduates from our universities, with Japan, and I would like to propose that the government consider creation of a professional study team to study the whole field of economic possibilities for Manitoba, not only in Japan but in southeast Asia, in Hong Kong, Taiwan and the rest of southeast Asia.

I would like to suggest that that study team should be a team of paid researchers. In other words, it should be something that provides jobs and worthwhile jobs for people. It should not only employ qualified students from the business administration and commerce courses of our universities and community colleges in this province but it should employ people with something to offer and with a motivation in that field from a whole range of related fields and disciplines including the labour movement, business, agriculture and the professions. Those people working as a team under the leadership and direction of the Ministry and of this government could, I suggest, make tremendous strides in the next twelve months in terms of exploring and - I hesitate to use the word "exploiting" but I use it in a best sense - exploring and exploiting the possibilities that exist in that part of the world for this province's economic

(MR. SHERMAN cont'd) . . . . machine, for this province's economic possibilities and future, and I would urgently request that the First Minister give consideration to that kind of a mission.

So those are the three lines, Mr. Speaker, that I would recommend the government think about now as it attempts to justify its budget and pay for its programs and build the economy in the way it's going to have to be built. Pursue a basic primary steel industry for western Canada; pursue the possibilities for this province in the role of supersonic transport aviation; and three and most important, pursue that open door in Japan and throughout southeast Asia.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I begin by inviting the Honourable Leader of the Opposition to take his rightful and proper place in the Assembly so that he can better listen to some of my comments that I will have relative to his remarks of the Throne Speech debate of Monday last. -- (Interjection) -- Well, I understand of course, but one thing about the Honourable the Leader of the Opposition is that he is not rude, so I'm quite satisfied that if he's leaving early it's because of prior engagements. I say, Sir, that one thing about the Honourable Leader of the Opposition is that he is not usually rude - inaccurate, almost always; but rude, not too often.

I listened with interest to the honourable member when he delivered his Budget Speech address on Monday last and also I read with interest the speech made by the Honourable Member for Portage la Prairie who I think was really delivering the speech on behalf of the Leader of the Party, which is understandable. -- (Interjection) -- No, the fact that he should be delivering the speech really on behalf of his Leader who for reasons of his own choice is not able to be here. In any case, Mr. Speaker, the point that is to be made is that both speeches are, I think, ample proof of the fact that both honourable gentlemen are poor economic analysts and very poor economic advisors, and I'm very thankful for the fact that this government relies on neither of them for advice on economic management.

The Honourable Leader of the Opposition, of course, opens up by saying that we have grave economic problems in this province and, of course, it is to be conceded that we have economic problems. What nation or jurisdiction in this world doesn't have economic problems? But in relative terms, what are our economic problems? In relative terms, in 1970 and 1971, the economic problems that we face in Manitoba are less severe than in quite a number of other provinces in this country and certainly no worse, in many ways less severe than they were here in Manitoba in the early part of the 1960's and through the mid-1950's, late 1950's.

A very great concern about unemployment, which we share, but when you look at the national average of unemployment, the level of unemployment in the other provinces, unless one wants to be simply inaccurate in the extreme, one has to admit that the level of unemployment in Manitoba is the lowest of any province in the country except one, and that is the only province that lost population. But of all the provinces in Canada that did not lose population, of all those nine provinces that did not lose population, Manitoba's level of unemployment was the lowest of them all, and that is a simple, stark fact that cannot be ignored and cannot simply be slipped under the rug.

Now the members of the Liberal Party, watching one of them perform on television just a few days ago, a sad performance I thought in terms of the grotesque way in which Liberal members of this House are trying to interpret the economic reality that exists today. We have a situation where just about every province in this country where a Liberal administration is in office, those are precisely the provinces that have the most severe economic problems and those are precisely the provinces that have the highest levels of unemployment and yet they would counsel us and argue that we are somehow guilty of doing a bad job in economic fiscal management for this province.

The Leader of the Opposition seemed to find great fault with the Honourable Minister of Finance because of the fact the Minister of Finance made repeated reference to the importance to Manitoba of federal government moves and initiatives with respect to fiscal and tax reform and changes. Mr. Speaker, this is almost too much to be believed. The fact of the matter is that the provincial treasurer of Ontario, if you want to see repeated reference to the federal government's failure in fiscal matters simply read the speech of the provincial treasurer of Ontario. If you want to see criticism of the Federal Government's tax policies, and cost-sharing programs, read the speech of the provincial treasurer of British Columbia. It's not as though Manitoba is leading the field in being critical of the Federal Government. In fact,

(MR. SCHREYER cont'd) . . . . at times I think we are accused of being not critical enough of the federal government. I can recall a few months ago the Leader of the Liberal Party in this province suggesting that we were not being aggressive and critical enough relative to the Government of Canada. But then we have the Leader of the Opposition here and one or two Liberal spokesmen, provincially here saying that we are overly critical of Ottawa, that we are crying the blues and trying to lay all the blame at the doorstep of the Federal Government. So I ask them to make up their mind.

I see that the Honourable Member for Portage is in his seat and it gives me an opportunity to express my sympathy for him, for the fact that he is put in this awkward position of having to speak in the House on behalf of a Leader who is not here, on behalf of a Leader who can best be described as a Don Quixote tilting at the windmills, and that leaves my honourable friend the Member for Portage in the position of Sancho Panza, I believe that's the position he is in, and it's not a very nice position to be in, because if one has to carry the ball or carry the suit of armour actually, for one who has become completely out of date, out of step, completely irrelevant really, as Don Quixote was irrelevant in the face of the changing scene in Europe of a few hundred years ago, the Liberal Party in Manitoba has become irrelevant particularly in its economic analyses of our problems. Their leader purports to be a tax expert, I believe he is a tax expert, but let it be understood, Mr. Speaker, that one can be a tax expert and still be an ignoramus in economics. There is no necessary connection in being a tax expert and being an expert in economic affairs. And frankly, Sir, the more I read of the economic analyses of the Liberal Party of Manitoba, made by the Liberal Party spokesman in Manitoba, the more incredulous I become of the value of their contribution to discussion of economic affairs.

They seem to be unaware of the fact, and I repeat it again, because it bears repetition, that unemployment in this province is the lowest of all provinces in this country that haven't lost population. Manitoba hasn't lost population although some opposite would like to continue to say that, even though they know that that is simply not the fact. They would like to be able to say that income in Manitoba is declining, that the gross provincial product that is being generated is declining and that personal income per head of household is declining, and the fact is that in percentage terms, in relative terms, and that is the only proper way in which to really appreciate how Manitoba's economic performance is relative to the rest of the country, in relative terms Manitoba's personal income per head of household has increased from 94% of the national average four years ago to 97% where it is today, and that's an improvement, Mr. Speaker, no matter how you twist and turn, it's an improvement, no matter how much you try to touch up the facts and just move them and just distort them a little, that remains irrefutable, it's an improvement. So that if the average personal income per head in Manitoba five years ago was 94% of the national average of personal income per head and is now 97.7, then that is an improvement. Let that fact become more widely known.

What is another good indicator, Mr. Speaker, a good yardstick of measure - the value of retail trade? I think that is perhaps as good an indicator of economic performance and conditions as any, and the value of retail trade in Manitoba went up by 2 percent last year, actually slightly higher than the national average, higher than the national average, not lower. So despite the attempts of honourable members opposite to suggest that the coming to office of a Social Democratic Government has somehow put our economic climate in this province into a very deleterious, a very negative situation, is simply disproved by the facts, and the more froth and foam they try to generate it just blows back into their face, because when you look at the entire national economic scene and you look at all the major indicators, and you compare the performance of Manitoba's economy in the early 1960's, mid 1960's, with that of the national economic performance and you compare it last year, you will see that there has been no, there has been no worsening - in fact, there has been improvement in relative terms in our provincial economy, in many important respects.

One could go on with statistical arguments, Mr. Speaker, but I want to leave that aside now and go on to challenge the Honourable the Leader of the Opposition to try, to try at least a little bit to be a little more accurate when he talks about the civil service size in this province. It's not as though he wasn't told, because I believe, Sir, that when I spoke in the Throne Speech debate, that I did explain the composition and breakdown of the increase in the civil service, how much of it was discretionary and how much of it was fixed and predetermined, as a result of actions taken by the previous government I might add, because the transfer

(MR. SCHREYER cont'd) . . . . of personnel from the Manitoba Medical Service in the non-government sector to the Manitoba Health Services Corporation in the public sector, and the civil service sector, was a matter that came automatically as the result of previous government action back in 1968 and early 1969.

Let me really go into some very precise detail on this, Mr. Speaker, so that there can no longer be any excuse for the kind of distortion we have heard with respect to the civil service increase in this province and as carried through the news media. In some news media with careful enough and precise enough a description as to actually what was happening and in other news media just carried as a bald assertion, unqualified, etc. Anyway, Mr. Speaker, the facts are that the Civil Service in Manitoba - let's make this distinction first - in comparing it with all other provinces, the civil service, one can speak in terms of the departmental civil service only or one can take into account, as well, Crown Corporations, Universities and Institutions of Higher Learning, and Workmen's Compensation Board separately, too. For some reason the Dominion Bureau of Statistics has this kind of breakdown.

Now dealing with the major component first, the departmental or civil service proper, and we see that the increase in Manitoba was in the order of 430 over last year, not 1,100, 430. We see that the increase in Saskatchewan, since honourable friends are sometimes interested in Saskatchewan, that the increase in the departmental civil service was, yes, 600 not 430. I'm not going to ask honourable friends to accept my word for it as I am no longer prepared to accept their word for it, we are using Dominion Bureau of Statistics figures, photostated, and I think that it would help honourable gentlemen to get a better perspective of this problem. I know there are so many allegations bandied back and forth about the size of the civil service, and frankly I say with all candor that I don't really think that there is anyone in this Chamber who can generate as much concern about size in the civil service than I personally, because I feel that there has been - perhaps, perhaps some honourable gentlemen opposite, and on this side, share an equal level of concern - but my concern is deep enough with respect to the problem of escalation in the numbers of civil servants. But when you are discussing increases in the civil service, two things surely should be kept very much uppermost in mind. First of all, is there any increase in the number of worthwhile programs and things being done, and if there is, then an increase in the numbers of public servants is understandable and easily acceptable. And the second point is, I think a valid one, how is the size of the public service in our province compared to our sister provinces and in comparison to total population. I've taken the time to have some calculations made and I would like to put these on the record, Mr. Speaker, so that they can serve as a handy reference for honourable members who are interested in civil service matters.

As an example, starting from east and going right across our great country to the Pacific, we see that in Newfoundland, Newfoundland has approximately 50% of the population of Manitoba but it has 90% of the public of the civil service size; Prince Edward Island has 10% of the population of Manitoba, approximately. It has 25% in civil service numbers. Nova Scotia has 80% of the population of Manitoba but it has 150% in civil service numbers. New Brunswick has 65% of the population of Manitoba; it has 85% in civil service numbers. So you can see that thus far every comparison shows that in proportionate terms Manitoba has less civil servants so far. We go on. Quebec, population approximately 600% that of Manitoba's and a civil service size about 600% of Manitoba's numbers. In Ontario 700% of our population, 700% in civil service numbers. In Saskatchewan, 94% of Manitoba's population, 99% in civil service numbers. Alberta, and I'd like my honourable friend - and, Mr. Speaker, I'm not sure whether it pains me or whether it pleases me - but in any case I would like my honourable friend the Member for Rhineland to listen, since he has always such a great pre-occupation with proliferating bureaucracy, as he calls it, and creeping Socialism and all the red dangers, and in Alberta, the province with 160% of Manitoba's population, 220% in civil service numbers. For a government that is presumably motivated by the philosophy that the less government the better, keep out of the affairs of private entrepreneurs, it is inexplicable why there should be such a relationship in terms of population comparisons in civil service numbers.

But these comparisons alone, Mr. Speaker, are themselves insufficient. I think what is necessary to set the record straight internally, simply with respect to Manitoba alone, this reference that was made by some honourable gentlemen opposite, I'm not sure if it was

(MR. SCHREYER cont'd) . . . . the Leader of the Opposition or exactly who it was, but then from there taken and simply quoted in the news media. some of them without much qualification, that there was an increase of 1,100, is you know very misleading, Mr. Speaker, very misleading, inexcusably so, because in terms of the departmental civil service, the civil service proper, there was an increase of 430, not 1,100. One takes into account the fact that of the so-called 1,100 increase some of that increase was in our institutions of higher learning, the universities and community colleges. There was a disproportionate increase in Manitoba last year I admit in respect to all other provinces, a disproportionate increase in the numbers hired on into our provincial institutions of higher learning, but I don't feel this is a matter to apologize for in that it simply demonstrates, can easily demonstrate and I suggest very likely does demonstrate that programming in Manitoba's institutions of higher learning and post secondary institutions, community colleges, was quite expansionary last year. The enrollment, as I recall being told by the Minister of Education, the enrollment in our community colleges last year underwent a very, very significant increase; 40% increase in enrollment in our community colleges in one term. So that accounts for that.

Then I note that under non-departmental government enterprises there was an increase in Manitoba's numbers of public servants of 200 non-departmental public servants and government enterprises, and of that increase 200, which is a significant increase, part of that relates to Moose Lake logging. Moose Lake logging is a venture, an undertaking that while it's fraught with many difficulties and problems, nevertheless is the kind of exercise, the kind of undertaking that we simply must have the courage to try, and I believe my honourable friends opposite had something to do with initiating it. So that when you look very closely instead of carelessly at the increase in the civil service, in the public service as a whole, you will see that really in meaningful terms the increase was more in the order of 400, and as the DBS figure itself, I think I gave it already, 430, and that anything over and above that can be explained in a very specific and direct way: An increase of almost 200 because of the transfer of personnel from MMS to the Health Services Corporation. Don't say that that is a discretionary increase in the civil service brought about because of this government's philosophy and inability to watch costs. Don't say that because it's wrong.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MRS. INEZ TRUEMAN (Fort Rouge): Would the Minister entertain a question?

MR. SCHREYER: Yes.

MRS. TRUEMAN: The civil service numbers that you're quoting seem to be only a partial, they only partially represent the hiring that's been done. Can the Minister give us the numbers of people who have been hired outside the Civil Service Act who are not civil servants, who may be under contract or various other things?

MR. SCHREYER: Well, Mr. Speaker, the number would be very small, very small indeed. I know that honourable members opposite probably think that we shouldn't have hired any in that fashion but I think that every government has to reserve the right to hire certain numbers of special advisors and consultants and so we have; but in proportionate terms relating to the civil service increase we're talking about is very small, very small indeed.

Now, what was the one non-discretionary increase factor that I think I mentioned -- almost 200 transferred from MMS into the government service, Health Services Corporation. Another 103 or so transferred from casual to term and permanent. Now you see, Mr. Speaker, little games can be played when calculating civil service numbers. Apparently the practice of the previous administration was not to include casuals in the counting of numbers of civil servants -- permanent, yes; term, yes and certain countings, yes, and others they were not included, but anyway let's say they were included -- but casuals were not included and what this government did was to transfer those who had been on casual lists for year after year but kept on casual, so that 103 figure is thereby accounted for.

Another 103, Mr. Speaker, is accounted for because of the increase in the community colleges, so that when you add that together you come to a figure of just a little more than 400, which leaves a net discretionary increase in the order of 400, and as the DBS figures are, 430. Those figures I'll accept, but now no figures conjured up by my honourable friends opposite. It's not because they don't know how to account or calculate but they are as the Minister of Labour put it on television the other day, in their great desire to purvey a sense of gloom and doom, they're willing to twist and distort at every opportunity in certain issues. -- (Interjection) -- Yes, distort, I say. Certainly this is a classic example of it. Certainly the

(MR. SCHREYER cont'd) . . . . attempt to leave the impression that the economy of Manitoba is in serious difficulties when the fact is that it is with respect to major indicators like unemployment, retail sales, about the healthiest in the country, is trying to leave the impression that we're in difficulty.

Another good example is with respect to welfare. -- (Interjection) -- Mr. Speaker, I readily accept the fact that the farmers in Manitoba are in worse shape. The Member for Arthur is quite correct, so we don't have to get into arguments about things that we agree about, and I say the honourable member is quite correct. But is he suggesting that it's only the farmers in Manitoba, the farmers in Saskatchewan and Alberta are in better shape, is that what he's suggesting? Because he'd be quite wrong. -- (Interjection) -- Right. But as long as it's understood, Mr. Speaker, that we do not live as an island unto ourselves, that we have to, when we're looking at our problems we have to be able to look at them in perspective, and looking at our problems in perspective means to be able to relate the magnitude and gravity of our problems relative to that of other jurisdictions in our country. And I admit that the problem, the conditions that our farmers are in are serious, just as serious but not more serious than those of the farmers in Saskatchewan and Alberta. The only difference is that this government tried at least to do something.

Now you may say that, you know, four million bucks isn't very much, or \$3.6 million isn't very much, but it is, you know, it is that amount of money which has a multiplier effect. When a farmer gets \$100.00 or \$500.00 he doesn't put it in a sock as some people think, as he may have done in years gone by. He pays his fuel bill, he pays his municipal taxes and that money circulates so fast it almost burns up. Now there's no disagreement from my honourable friend so, you know, don't pretend - I say to the Honourable Member for Arthur, don't pretend that this government is unaware of how serious the problem is in our agricultural industry. We have taken the unprecedented step, the unprecedented step, Mr. Speaker, of pumping \$4 million into the farm economy which as a province no provincial government has done to date in this way. -- (Interjection) -- You see, Mr. Speaker, I'm glad that the Honourable the Member for Lakeside interjected, it shows that mixed with his easygoing and at times vaudevillian temperament he has a very pronounced streak of cynicism. I can assure the honourable member that the \$4 million applies to the farmers all over Manitoba, not just the farmers of Ste. Rose or St. Vital. -- (Interjection) -- Mr. Speaker, the Honourable Member for Lakeside need not tell me about singling out constituencies for treatment during a by-election, because I recall too well that when by-elections used to be held in years gone by they would come out with things to do, like a list that would apply only to that area. Now that's what I call "goodies." They would put up road surveying stakes along the highways just in that riding, or they would give commitments on liquor stores, liquor store vendors, things of application and interest only in that riding.

Mr. Speaker, I defy anyone opposite to say that in the case of the by-elections that we fought just not too long ago, that there was any kind of program or public work or venture undertaken that was of application only to that riding. It is the general public interest that is at heart, Mr. Speaker. -- (Interjections)-- If honourable members opposite are in a mood to be cynical, I'm not going to dwell on the subject.

Mr. Speaker, I don't really think that I'm using my time profitably to get diverted into discussion of the Glenella Road, but since the Honourable Member from Portage has raised it, I'm quite happy to answer whatever question he might have in mind about the Glenella Road. I think that I've explained very clearly that whatever impression the Liberal candidate or the Liberal Party may have tried to leave with respect to the Glenella Road and promises to pave, etc., I say to my honourable friend that at that particular meeting that was in question that the word "pavement" didn't even arise, the question of whether or not there would be a better system or policy with respect to maintenance and grading and paving as such was not in the conversation that I was present at.

Well now, Mr. Speaker, I really have to rush along to deal with some of these other matters that the Leader of the Opposition mentioned in his speech of last Monday. Welfare, that was the point I was coming to, the third example of, you know, no great effort being made by honourable members opposite to try and stay reasonably close to the facts and to stay reasonably close to a sense of proportion and perspective. Of course we are concerned about the fact that there was an increase in welfare costs last winter, but as a direct consequence of what? As a direct consequence of the federal government's bungling economic policy that has

(MR. SCHREYER cont'd) . . . . . resulted in the highest level of unemployment in decades and a level of unemployment that is increasing despite the fact that we are now in a season when unemployment is usually on the decline; a policy of economic mismanagement so pronounced and so obvious and so cruel that it has resulted in the resignation of a member of the Cabinet not very long ago and the resignation of a member, a former Minister from the Liberal Party this morning, and more resignations I think are likely to come. Because there can be no, there can be no disputing the fact that - Mr. Speaker, there can be no disputing the very fundamental fact that the level of unemployment in Canada today is at least in large part a deliberate calculated unemployment. The Prime Minister, while I am not one to pick arguments with the Prime Minister of our country, and in many respects have supported him when others wondered why I did - I say that with respect to the unemployment situation in this country that in large part it is a result of deliberate calculated policy. It is cruel, it is in economic terms ignorant, it is ineffective. But I want to take this opportunity to say a few words, perhaps more futuristic as to what we can hope to do as a nation in trying to cope with the problems of inflation and/or unemployment, sometimes occurring in immediate juxtaposition one to another.

There's no point in trying to continue to live in a dream world of economic fantasy that you can simply sit back and allow inflation to burn, to burn away at a rate of five or six per cent per year. On the other hand, you know Mr. Speaker, everyone should know, that you don't try to fight inflation by introducing deliberate unemployment that will go beyond the three percent mark or whatever. Not only is it cruel, it's not particularly effective; because no longer, Mr. Speaker, is inflation only a cost poll, inflation as it used to be traditionally known by economists of a few years or decades ago. There are now variations of types of inflations: poll cost push, demand poll cost push, so we, I think, are now coming to the moment of truth just like in a bull fight, recognizing that we can't use a policy of deliberately induced unemployment at six and seven percent. It's ridiculous, cruel, stupid, ineffective. On the other hand, we can't blithely say that, inflation, well, we have to live with it because the alternative is worse. I think it's only in the past few months that people that I was hoping would but never did really speak up in respect to a third possibility. I refer to men like Walter Gordon, Eric Kierans and others. That it's time we started to state in the face of the possibility of regulation of prices and wages - not on a universal basis that would necessitate a proliferating bureaucracy, but with respect to a select number of industries that operate under commanding heights of the economy; perhaps eight or nine or ten, because that is how you bring it into the rule of law. If you don't bring those industries that are under commanding heights of our economy under the rule of law, you're going to continue to have the law of the jungle which is inflation, unemployment; boom-bust that's really the phenomena of the jungle, it's not the phenomena of civilization. And since we have been able to do so much, make so much progress, in scientific and technological terms, and even with respect to a better understanding of economics, nevertheless we have not yet succeeded in bringing our economy in a full way, in a full sense under the rule of law. I think that sometime in the 1970's the preponderance of public opinion will grow to the point where it becomes the consensus, that this is the kind of thing that ought to be done. Failing that, Mr. Speaker, I see no hope whatsoever but for a continuation of booms and busts and unemployment followed by inflation, followed by unemployment, sometimes both happening simultaneously, something which never happened decades ago. During the time of unemployment there was never inflation, but now we, Sir, seem to be able to find both phenomena co-existing.

Mr. Speaker, I thank honourable members for their attention. I simply conclude by saying I believe that honourable members are quite wrong when they try to leave the impression that Manitoba's economy is in desperate straits. We have our problems, we certainly do, but viewed in perspective our problems are entirely manageable and given the philosophic motivation of my honourable colleagues on this side, I'm quite confident for the future.

MR. SPEAKER: The Honourable Member for Churchill. We have one minute.

-- (Interjection) -- Order, please. I recognize the Honourable Member for Churchill.

MR. GORDON W. BEARD (Churchill): Thank you, Mr. Speaker. I move, seconded by the Honourable Member for Rhineland, the debate be adjourned.

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

MR. SPEAKER: The hour being 12:30, I am leaving the Chair to return at 2:30 p.m.