

THE LEGISLATIVE ASSEMBLY OF MANITOBA

2:30 o'clock, Friday, May 19, 1972

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Before we proceed this afternoon, I should like to draw the attention of the Honourable Members to the gallery where we have 13 students, Grades 3 to 9 standing of the James Valley School. These students are under the direction of Mrs. Falk and the school is located in the constituency of the Honourable Member for Morris.

We also have 79 students Junior High Standing of the Eden Junior High Collegiate. These students are under the direction of Mr. D. Miller, Mrs. R. Kilburn and Mrs. M. Lowry. This school is located in the constituency of the Honourable Member for Gladstone.

We also have 35 members of the Belmont 4-H Club. This group is under the direction of Mrs. D. Decima and the 4-H Club is located in the constituency of the Honourable Member for Souris-Killarney. On behalf of all the members of the Assembly, I bid you welcome.

COMMITTEE OF SUPPLY (Cont'd)

MR. CHAIRMAN: Resolution 75(a). The Honourable Minister of Industry and Commerce.

MR. EVANS: Thank you, Mr. Chairman. This morning the Honourable Member from Rhineland had a number of comments to make, unfortunately I see he's not yet in his seat but let's hope that he will show up soon.

If honourable members will recall, he was extolling the virtues of the British Columbia economy and making comparisons I think, he was trying to at least, with what was happening in Manitoba. I don't think he was too successful on that but he attempted at least. He made a number of references also to recommendations of the Economic Development Advisory Board. First of all I want to say that I can agree with him - ah, here he comes now - I can say that I can agree with the Honourable Member from Rhineland in his concern about a guaranteed annual income. He made reference to the British Columbia proposal for a guaranteed annual income but I simply ask the honourable member who is acting and who is talking. The fact of the matter is, as has been announced by this government, the Province of Manitoba is the first of all the provinces in Canada to co-operate with the Federal Government to attempt at least on a pilot basis to try out the guaranteed annual income approach. So I think that although he does make reference to B. C.'s proposals, B. C.'s thoughts on the matter -- and I'm glad to see that there are other people in Canada who have some concern about implementing a guaranteed annual income -- I gather that inasmuch as the honourable member is the sole representative of the Social Credit Party in this House that he's speaking on behalf of Social Credit in Manitoba when he says in effect or implies that he believes in the guaranteed annual income.

I must point out to him, however, in his reference to what's happening in British Columbia that, you know, one must not simply assume that whatever happens in the way of a provincial economy is solely a function of what a provincial government does. Surely we must recognize -- I think more than we, perhaps all of us in this House are prepared to recognize that we as a Provincial Government or any provincial government can only do a limited amount in the way of promoting, fostering, encouraging, assisting in economic development. Surely we are not an island unto ourselves; surely we are dependent upon world trade fluctuations; surely we are dependent upon economic conditions in the nation as a whole; surely we are dependent upon the tariff structure the Federal Government has laid down for us; surely we are dependent upon the national railway freight rate structure, again which Ottawa controls.

I've said this before but I think it bears repeating, that there are some manufactured items that can be shipped from Toronto to Vancouver cheaper than they can be shipped from Winnipeg to Vancouver -- cheaper from Toronto to Vancouver than from Winnipeg to Vancouver. Now what does this do? How is this assisting us in the development of exportation of Manitoba-made products to the Province of British Columbia or to the Pacific Coast? It certainly is a detriment and we all must agree with that. We're not happy with it, we made representations to the Canadian Transportation Commission, as I did not long ago in Saskatoon on rapeseed oil shipments and the cost of shipments out of Western Canada to Eastern Canada, and we have to face the realistic situation that confronts us, and that is that we are not an island unto ourselves, that we have a national tariff structure, that we have a national freight rate policy, that we have a national monetary policy, a national banking policy which we have no control

(MR. EVANS cont'd) over provincially. We have to recognize what our natural resource base is. There it is. British Columbia has the mountains, unfortunately Mother Nature did not see fit -- whether she should have or not is beside the point, I suppose -- but Mother Nature did not see fit to have those mountains here or to see fit to give us a seaport which would be ice-free 12 months of the year as is the case in Vancouver, and so on.

So let's recognize that we're dependent upon our natural resource base as well, and let us recognize that marginal tax differences, if there be such between provinces, are practically negligible in their effect on industrial development. Let us recognize that try as the staff of the Department of Industry may try, there is a limit to what we can do to develop the manufacturing industries and certain service industries in this province. Let's recognize that. I get a little amused at times at the attitude and feelings and opinions of members opposite who seem to think that no matter who's in government or no matter which party that they seem to think -- at least since I've been in this House -- that, you know, that we're in complete control, complete masters of our destiny in the economic sphere. And this is simply not the case. But to listen to members opposite extoll on what we should do in order to encourage economic growth and to make this happen, to make that happen, they seem to imply that we have complete control over the situation.

The fact is that although British Columbia has had a considerable success in economic development, it in large measure is due to its particular resource base situation. It has something to do with its geographical location being on the Pacific Coast and so on. But you know it's not all that rosy in British Columbia, I should remind the Member for Rhineland and also all members of this House. The fact is that B. C. in spite of all of its merits does have considerable deficiencies in its economic performance. It probably has one of the most volatile economies of any province in Canada and they are for many months of the year and for many years unfortunately saddled with the highest unemployment rate in Canada -- at times they are -- or if not the highest -- I should really qualify that, Mr. Chairman. -- among the highest unemployment rates in Canada because I really think the Atlantic Provinces are probably worse off. But you know to take the latest figures that we have and these are the unadjusted percentages from the Federal labour force survey, in the month of March, which is the latest comparative figures that I have with me, I don't think they're that different for April, but for March the rate of unemployment in British Columbia was 8.6 percent -- 8.6 percent of the labour force of British Columbia was unemployed. That is people who are willing, ready and available to work -- 8.6 percent of them could not get a job. Whereas in the Province of Manitoba in the same period of time, according to the Federal survey, only 5.8 percent of the labour force was unemployed. And this is a characteristic, that Manitoba's unemployment has always tended to be considerably below the unemployment rate of the Province of British Columbia.

The Honourable Member for Rhineland made reference to the Economic Development Advisory Board and some of the guidelines and he waxed eloquently on many a topic as mentioned by the Board in its report. He said he could of course agree with the fact that we should attempt to keep unemployment as low as possible or to provide very high levels of employment, so there's no dispute here. He was a little concerned about the distribution of income in the province and exactly, you know, what we could do about it and what were we doing about it and so on. I would simply remind him as I mentioned a few minutes ago about our experiment with guaranteed annual income. This will go a long way in this respect. But let me point to something that has occurred in the last couple of winters. We've had as the honourable member should know a very extensive Winter Works Program including the Provincial Employment Program, otherwise known as the PEP action for the creation of jobs during the winter months. We virtually put four, five, six thousand people, men and women to work in the depths of winter who wouldn't have been at work otherwise. And these people are not the people who have in some cases have large skills, they're the people on the lower end of the income scale; by giving them work we have increased their income levels. To that extent we have assisted in the cause of distribution of income. Well I use that only as one example. There are other techniques of distribution of income. -- (Interjection) -- Does that include Rod McIsaac? I'm sorry, he lives in Toronto, Mr. Chairman.

In the case of business cycles, this was the third objective which the Economic Development Board referred to and although the member didn't refer to it as such this is what they're talking about -- business cycles -- the phenomenon of ups and downs in the economic system that we have -- booms and busts. I think as a good Social Creditor he's all aware of the deficiencies

(MR. EVANS cont'd) of the capitalist system whereby you have periods of inflation and over-employment at times and other times where you have a depression and deflation and so on. He lived through the thirties, he knows all about it.

MR. JAMES H. BILTON (Swan River): Don't over do it.

MR. EVANS: I didn't hear you. Don't over do it? Okay. But at any rate on business cycles, let me say that through our Winter Works Program we have attempted to alleviate this. And of course the way to combat the business cycle is through a positive fiscal policy which I believe the Minister of Finance and this government is trying to follow in order to stimulate employment at times when employment opportunities are at lowest level and at other times when you have an over-heated economy to try to do something to reduce the heat.

Regional disparities. The honourable member had no disagreement, no question on that. I could give him one or two hours of review of all the things that we've done to attempt to provide jobs in rural Manitoba. I can mention various programs which I have in the past and I don't think I should repeat them because honestly I believe the honourable member knows that they exist.

He then went on to refer to this other objective of indigenous control and what were we doing about providing maximization of control of Manitoba industry by Manitobans for Manitoba. At least that's what he inferred and that's what this particular objective refers to. I can simply say that there are some very concrete examples. The best example I can think of is the case of McKenzie Seeds which was about to be sold by the Ferry Morse Company of the United States, which incidentally was going to move it to Toronto inside of 24 months. This is one example of us maintaining control of industry in the province for the people of Manitoba and all the profits accruing therefrom for the benefit of the people of Manitoba.

I can refer also to the Manitoba Development Corporation. It has taken a much more selective look at investment in foreign-owned companies. As a matter of fact it has not invested in any foreign-owned companies in the past two and a half years. We're not prone to deal with so-called international entrepreneurs from Switzerland, these great international investors from Europe, elsewhere and other places unknown. We feel that loans should be made first and foremost to our own people in Manitoba and Canada. This does not mean to say, Mr. Chairman, that we are attempting to discourage foreign investment - far from it. But as far as the MDC is concerned I can just say as a matter of record, we have not loaned money to a wholly owned foreign company I believe in the past couple of years.

The Member from Rhineland wondered why we didn't buy out the cannery in his constituency as opposed to the Morden cannery and I can simply say that he has to look at the basic economic facts of the matter. He asked about a number of other questions about pricing and so on, price wars and so forth. I can tell him as I mentioned in the Committee on Economic Development the other day that the prices established, the price policy of Morden Fine Foods is such that it is providing excellent quality Manitoba-made products to Manitoba consumers at very reasonable prices and as such is being widely accepted throughout Manitoba, throughout Saskatchewan and throughout other parts of western Canada which is our natural trading area. Our prices are very competitive -- as a matter of fact I'm advised that it has tended to cause national brand prices to come down, so therefore there is a net benefit to consumers in this way which is very difficult to measure, but nevertheless if we can bring prices of other canned products down to the Manitoba consumer, the Manitoba housewife let us say, then this is a benefit for the economy of Manitoba.

The acceptance by the chain stores has been very good and I can tell him that the co-ops, many of the co-ops, and I don't like to mention any names, but I can tell you Safeway has accepted this product and a considerable amount is sold through this particular large chain. And there are other chains as well that are selling. As a matter of fact there is no problem in selling the inventory, the inventory problem just doesn't exist. The complete pack will be sold in time, in fact before the next pack or about the time that the next pack is ready to come onto the market. I think this is good planning on the part of Morden Fine Foods. We have no problem with regard to the sale of the output. And of course this is why the company is expanding into other lines and we hope that as a result there will be more contracts for the farmers -- which includes some farmers I'm sure that live in the constituency of Rhineland as well as in the constituency of Pembina.

The Honourable Member from Assiniboia was making - he's not here this afternoon, I guess, no. The Honourable Member for Assiniboia and perhaps another member was lamenting at the fact that I was suggesting that the Opposition didn't have a right to criticize and

(MR. EVANS cont'd) scrutinize public expenditures, public corporations and what we were doing in the field of industrial development. Well, Mr. Chairman, I by all means would be the first person to get up and defend the right of the Honourable Member from Swan River to stand up and criticize to his heart's content.

MR. BILTON: On a point of order. The Minister has been now talking for 20 minutes. Can we expect to go for another hour and a half?

MR. CHAIRMAN: I don't think that's a point of order. The Honourable Member for Swan River.

MR. BILTON: Point of order, Mr. Chairman, point of order that it's nothing more or less than a political speech directed to Wolseley.

MR. CHAIRMAN: Order, please. I would draw the honourable member's attention to the new House rules which state that the Minister including all members are entitled to make a 30 minute speech at any one time. The Honourable Minister has been speaking for 21 minutes.

MR. EVANS: Thank you, Mr. Chairman. If the honourable member hadn't interrupted me perhaps I could be a little briefer than I am. However, there was a point here that I wanted to make and in my distraction I seem to have lost the particular piece of material. However, the fact is, Sir that I would not be denied the right of the Honourable Member for Swan River or the Honourable Member from Roblin or any honourable members opposite or on this side from standing up as is their right and to criticize and ask questions, to scrutinize and so on. All I plead however, is as the Minister of Finance pleaded with them this morning, that is to stick to the facts. Let's not exaggerate the situation; let us look at the hard cold facts and think and talk in terms of them.

I will not ask them to refrain from criticizing as in fact the previous Minister of Industry in the previous government had done so and I would refer all honourable members if they want to read a very eloquent speech by the Honourable, now the Leader of the Official Opposition, the Honourable Member from River Heights, on February 14, 1967, here it is. Eloquent speech: "Please don't criticize me because it's hard enough to develop this province. Please don't criticize me" he says, you know, if I could just quote. "I'm not particularly worried if the Opposition get to believe their own speeches, they've repeated them for so long that this is bound to happen. But I'm concerned that investors outside of this province hearing the same melancholy refrain over and over again might begin to believe it as well and if they do the Opposition will have committed a great disservice to our province and to our people. I'm continuing to cope, Mr. Chairman, I'm deadly serious about this and I advise the Opposition that they have an equal duty along with the government to act in a responsible manner. Now it's easier to tear something down than to build it up as every child learns early in life but it's the builders that make this world a better place."

You know I seldom agree with the Honourable Member from River Heights that on that one point I think he has considerable merit. And I say let's look at the facts, let's analyze let's ask the questions but let's not exaggerate, let's put things into perspective. You know, Mr. Chairman, the matter of MDC loans has been brought up ad nauseam. As a matter of fact, with the exception of one I believe, all of these loans originated under the previous administration, that is loans that have caused the MDC to have some real lossage. And they forever harp and exaggerate the King Choy, the King Choy deal. You know this is blown out of all proportion. You know, you're talking about a mouse compared to the CFI elephant. And forgetting about CFI just look at Columbia Forest Products. A deal that was made when the Member from River Heights was Minister of Industry and Commerce, the Member for River Heights was Minister of Industry and Commerce in 1967 when the deal was made with Rod McIsaac with Great Northern Capital to give him the entire assets at Sprague for \$2.00, for \$2.00 he would have the whole plant thanks to the taxpayers in Manitoba. You read the agreement, I tabled it in this House. Mr. Chairman, there is at least a lossage of \$3 million on the Columbia loan. Three million loss. The original loan going back to the early sixties . . .

MR. CHAIRMAN: The Honourable Member has four minutes.

MR. EVANS: . . . and the last agreement being made when the Member from River Heights was the Minister of Industry and Commerce. Three million and nobody knew about it because it was secret. You talk about fresh air, the Member from Brandon West talks about fresh air. Well, Mr. Chairman, we've opened the window, we've opened the doors to let a little fresh air in and we see what a smelly situation we've inherited. The fact is that when you talk about King Choy you're talking about peanuts compared to what happened with Columbia.

(MR. EVANS cont'd) I want to know and the taxpayers in Manitoba want to know what did the Member from River Heights do with the \$3 million that was lost on Columbia Forest Products long before we took office.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. WARNER H. JORGENSON (Morris): Mr. Chairman, there's one thing I'd be interested in knowing about the Department of Industry and Commerce. There appears to be somebody in that department who is a super salesman, who has the ability to take a Minister and get him to utter words that are so consistent through the years that each speech that is delivered by successive Ministers of Industry and Commerce seem to be almost carbon copies. Notwithstanding the fact that the present Minister has time and time again reiterated that he is different -- that he is something else again. And perhaps in a different way I agree with that.

He quoted a few moments ago from a speech delivered by the former Minister of Industry and Commerce, the present Leader of the Opposition and he concurred with it. What he should have done at the same time was to quote from a speech delivered by someone on this side of the House, the Member for Inkster. I put portions of it on the record a few days ago but it bears repeating at this time. The Member for Inkster, I thought, made a better speech on that occasion when he said that "if the industrial development of this province, if the economy of this province is so fragile that it's going to be shattered by a speech in which some criticism is carried of the department, my God, then we are in bad shape. And he went on to say that "the Minister seems to think that the role of the Opposition is to be a cheering section for the government, and that the louder the Opposition cheers the greater will be the industrial development of this province; and that if somehow or other the cheering stops and turns into criticism, lo and behold, we're going to have stagnation of the economy of this province." These were words that were uttered in this Chamber in response to the then Minister of Industry and Commerce and I am repeating them now because I think they're very appropriate.

I would still like the Minister to point out to me who that person is in the Department of Industry and Commerce that is able to mold a Minister in such a wonderful way that he can get him to keep on repeating the same statements that were made 20, 30 years ago and get the same responses. The Minister has exhibited -- and that's another characteristic they seem to be able to instill in a Minister, a great deal of energy -- the Minister has exhibited a great deal of energy, he keeps bustling around this place and one would think that he carries the weight of the world on his shoulders. I know he has tremendous responsibility but -- (Interjection) -- I hear some obscenity from the Government Whip. One thing about the Government Whip, you see, he doesn't know that there is an echo in this Chamber and every word that he even mumbles comes over to me loud and clear. I get a lot of information from that side of the House without my honourable friend knowing that I'm receiving it, much louder and much clearer than many of the speeches that were made into the microphone. I must say that I'm not enlightened by anything my honourable friend says but nonetheless his words come over loud and clear.

What the Minister is in effect saying, that we must not criticise any aspect of his department because that in some way is going to turn industrial development away from this province. I respond to that simply by saying -- (Interjection) --

A MEMBER: This is not a point of order, Mr. Chairman, but . . .

MR. EVANS: I did not say what the honourable member is now attributing to me. The honourable member if I heard him correctly attributed remarks to me that were not made. As a matter of fact, I spent ten minutes about a half an hour ago saying that the Opposition had every right and I hoped they would exercise that right and get up and criticise and scrutinize.

MR. JORGENSON: That's what the Minister said, but the implication of course is very clear. Don't criticise the way the Opposition wants to criticise, don't criticise the things that we should be criticising, criticise those things that the Minister says. In other words, he wants censored criticism and of course he's not going to get it, he's not going to get it.

That's the same Minister, Sir, that took after my friend the Member for Emerson when he raised questions in this House concerning Columbia Forest Products and although he was told to be in the Chamber, that there was going to be a grievance raised concerning his department, he was absent, wasn't here. But at 4:30 when the House adjourned he was racing up and down the corridors, he was racing up and down the corridors, Sir, interjecting into the corridor conversation . . .

MR. CHAIRMAN: Order, please. A point of privilege has been raised.

MR. EVANS: The point of privilege the remarks that have just been made and other remarks made in this House are a discourtesy to myself, Sir, that I was deliberately out of the House at the time of a grievance being laid that had relevance to my department. (a) I had no official notification, but that isn't the point Mr. Chairman, the point is that I was on my way to a very important meeting, not in the honourable member's constituency but it had to do with the inaugural meeting of the Whitemud Watershed Conservation District where 200 people were waiting to hear me and as it turned out, I was getting ready to go to that particular meeting. And, Sir, I had an obligation which dated back two months or at least five or six weeks prior and which I had to honour or else I would think that the 20 odd municipalities that were involved in that would not think that I was acting responsibly as the Acting Minister of Resources.

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MR. CHAIRMAN: The Honourable Member from Morris.

MR. JORGENSEN: Of course, Mr. Chairman, you will recognize that for what it is, certainly not a point of privilege or a question of order. It was simply an interjection on the part of the Minister. You know the Minister just got through saying that he invites criticism and he's often surprised when he hears it. This is a funny thing about the Minister. Criticism by all means, he says, but when members of this side of the House do offer criticism, then he cannot contain himself. He has to be about the most energetic person I have ever seen. What he lacks in ability, he certainly makes up for in energy and he displayed this morning that what he lacked in the presentation of facts -- (Interjection) -- there's the First Minister again interjecting himself into this debate. They don't seem to recognize, Sir, that the House is in Committee and they are going to have their opportunity to reply when the time comes, but they prefer to make their interjections from the seat of their pants, because that is the position that is most comfortable to them, largely because those interjections are not placed on the record, Sir.

Now when your time comes - when the time comes for the First Minister to stand, he'll be given the floor I'm sure. I have never known him to be denied the opportunity to speak in this Chamber, such as we've been denied on occasion and just now from my honourable friend the Minister of Industry and Commerce. But I go on to say that what the Minister lacks in the presentation of facts, he makes up for in the use of his imagination and he displayed that ability this morning as well when he was putting figures on the record as to the growth of this province. He quoted net income figures on agriculture and I had a discussion about this some time ago and I want to point out to the Minister again that when he's quoting income figures for this province, the only meaningful figures that can be used to accurately reflect what is actually taking place in the income position of the farmers of this country, or of this province, is when he uses realized net income. That is the take-home pay of the farmer and the one that means something to him. He's not fooling anybody; he is most certainly not fooling the farmers if he thinks he's going to use net incomes which involve the carryover of grain counted as income. It is not income until it's sold and the Minister should know that. Of course that's not an unusual thing, all governments use the net income figures when it's convenient for them. We used to do it ourselves and they used the realized net income figures when they are higher, so you know, this is a standard thing on the part of ministers in successive governments, I have no quarrel with it other than I feel I have the opportunity and the right to get up and put the record straight, and that's what I'm doing on this particular occasion.

The Minister makes a big thing about talking about crude growth versus selected growth and one wondered when they first came to power what they meant by this term "crude growth versus selected growth". We're beginning to find out. There's the Minister holding up some figures that somebody supplied him. I have some figures that I can supply him as well which are perhaps more meaningful and a lot more accurate -- (Interjection) -- Yes, I'll do that.

The Minister talked about the increase in net income and how wonderful things are, but what he didn't point out, Sir, is that the increase in farmers' expenses, although there was an increase in net income and in gross income, the increase in farm expenses more than made up for that increase in gross income by about \$2 million. As a result there was an actual decrease in net income in this province from 1970 to 1971, a decrease from \$96 million to \$94 million in 1971 in realized net income. The \$17 million increase in expenses reflects the rising costs of farm production. The Minister can use all the figures he likes, where he gets them I don't know. Mine happen to come from Statistics Canada and -- (Interjection) -- Why doesn't the Minister just contain himself until I am through and then he's going to have an opportunity to reply. I've never seen such an impatient person. He exhibits that kind of energy that is unbelievable, it's wasted energy expended in such a way that nothing is achieved and if he would only contain himself and go about his business calmly we could perhaps learn to have a great deal more confidence in his stewardship of this department. As it is, when one bounces all over the place like a yoyo one gets the impression that it's awfully difficult to have confidence in the person who is managing the affairs of a particular department. The Minister has done nothing to give us that kind of confidence.

I was going on to say that the Minister keeps talking about crude growth versus selected growth and it was a little while before we caught on to what that actually meant. Crude growth is the growth of the province. Selected growth is when there is no growth at all and you are trying to find a word to cover it up. And that's what the Minister is doing. He has been unable

(MR. JORGENSON Cont'd) to move the economy in any substantial degree except in circles as my honourable friend - I'm thankful for his assistance in making my speech, that's the kind of assistance that I can use - but what the Minister has been unable to do is to move this province into any substantial degree into an increased growth pattern. He covers it up by saying well what we're looking for is selected growth; what we are looking for is a high paid job, we don't want none of this low paid stuff. And yet he contradicts himself.

I recall on one occasion in one of his more expansive moods in this Chamber he said why even the people who sweep these places contribute a great deal to the economy of this province. And I'm sure that the Minister by no stretch of the imagination is going to say that this job is one of the more higher paying jobs in the government service or indeed in any service. So the Minister must have some idea, although he tries to cover it up all the time, that any kind of a job for people in this province is better than no job at all.

They talk about how they have contributed to jobs in this province. Well, Sir, I know of one occasion in my own area where one businessman had nine people in his employ; three shifts, 24 hours a day. He and his wife were managing the business and admittedly the wages that they were paying were the minimum wage, admittedly that they were not the higher paid wages, but also none of the people working there were dependent upon those particular jobs for a living. They were secondary jobs; they were wives working or somebody working that had another job and took on jobs spare time. Because of the nature of the business, the minimum wage was about what the owner of that establishment could afford and make a small profit on it. When the first increase in the minimum wage came about after examining the books over the end of the month he decided that he would have to lay three people off, one shift. Now he's working 18 hours a day. The second increase in the minimum wage came along, he laid all six of them off and he and his wife look after it themselves during the daylight hours. If that is contributing to the employment opportunities in this province then the Minister had better take a second look at what this government has done in contributing to the job opportunities of the people in this province. What they have done, what they have done, in spite of the fact that these were low wages and I admit it, they were far happier with those jobs than with no job at all and the possibility of having to go on welfare. Every time that minimum wage is increased there is a corresponding increase in the number of people that go on to the welfare rolls. The Minister should recognize that. There's no way, there's no way that I can see that you can dictate the kind of salaries that an employer can afford to pay to an employee. He will pay the salaries that he can afford to pay or he'll go without that employee, and that's what's happening. And as a result of this the government are - this is particularly true of the rural areas - as a result of this government are putting more people out of work than they've ever put into work.

The Minister should recognize that; the government should recognize that. --(Interjection) -- And industry should recognize that. My friend the Member for Winnipeg Centre is perfectly right. Industry should recognize that as well. Perhaps we can deal with that subject some time later when the Minister of Labour brings in his Labour Code. I would like to have something to say about that subject. I won't deal with it now because it is a labour matter.

The Minister in spite of all the exhibition of energy, in spite of all he has been saying about the development of this province, has not been able - not necessarily because of things that he has done or has not done - because of the nature of the geography of this province and because of many other things, it is difficult, it is extremely difficult to achieve the kind of economic development in this province that is perhaps much easier to achieve elsewhere. So therefore, therefore it is that much more important that the government be very much aware of this and that there are some incentives provided. And I don't mean incentives in the way of grants and loans. I mean some incentive that the individual will find in this province the kind of climate that he would like to operate in. And notwithstanding anything that my honourable friends opposite have said, that climate does not exist today. That just doesn't come from the members of the Opposition, that is a pretty general attitude that you can find talking to almost any businessman in this province.

My honourable friends better start talking to some of the businessmen in this province instead of giving them the cold shoulder, instead of attempting to discourage them at every opportunity, instead of creating a climate that is conducive to moving people out of this province, they should start creating a climate that is conducive to encouraging people to remain in this province and develop it. That is the criticism that I level against the Minister and the criticism I level against this government. Notwithstanding anything that they have said or are going to say,

(MR. JORGENSEN Cont'd) the climate in this province is one that is moving people out of here rather than encouraging them to locate and remain in this province. --(Interjection) -- No, it's a question of reality. The Minister knows that as well as I do. --(Interjection) -- Well my honourable friend again is making these interjections from his seat when he's going to have the opportunity of replying, he knows that.

You see, Sir, what they're doing in this Chamber is a pretty good example of what they're doing to business. The effort to stifle, the effort to stifle, attempting to prevent debate in this Chamber, attempting to give people on this side of the House the opportunity to express themselves, that they would love to deny and every move they make, everything they say seems to indicate that's precisely what they want to do. -- (Interjection) -- My friend the First Minister says nonsense. I will quote back to him some time when the occasion arises some of the examples that he has set in this Chamber, some of the examples of how they've attempted to stifle free speech and debate in this Chamber. My honourable friend when he sees that documented will perhaps not be so smug about the remarks that he's making in this Chamber right now from his seat. -- (Interjection) -- Everything that comes from anything but the Minister himself is nonsense as far as he's concerned. Nobody else, nobody else has any opinions that are worthwhile as far as the First Minister is concerned but his own opinions.

I want to assure him that if he took the trouble to get some of the opinions from some of the businessmen in this province, some of the farmers in this province as to how they're being stifled and how the climates of this province are being stifled for businessmen, for farmers and indeed for labour, then my honourable friend will have a far better idea of the kind of climate that is being created in this province and why people are leaving rather than locating in the Province of Manitoba.

MR. CHAIRMAN: The Honourable Minister of Tourism and Recreation.

HON. LAURENT L. DESJARDINS (Minister of Tourism, Recreation and Cultural Affairs) (St. Boniface): Mr. Chairman, it's quite difficult to follow the great lecturer. I think that he's never had so much fun in all his life since he's on Opposition. He made a very --(Interjection)-- All week I was waiting for the Leader of the Opposition, I don't know why he's not here, this is his strong point, Industry and Commerce. He's made a lot of accusations. Mind you we've heard the speech over and over again.

My honourable friend promised to quote certain people from this side, to say that they've tried to stop debate, that they're trying to prevent people from speaking and I would like to help him because I've got some quotes from people in this House and maybe I can quote a few and show him who was trying to stop who from speaking. I might say that these are some of the examples that his Leader, things that he had to say when he was lecturing also to members on this side of the House. He was saying, "And any reason for condemning the Leader of the New Democratic Party in questions before the Orders of the Day stem from a basic criticism that I have as a Minister attempting to try and encourage development in this province with a tactic that has been used constantly by the Opposition of bringing into this House names of firms who are doing business here and in some way, or some suggestion or innuendo, suggesting that something is wrong or in turn suggesting that government is at fault. I suggest to you, Mr. Chairman, and I say this with sincerity there has been a tremendous disservice done to this province by those on the other side who constantly bring names of corporations into this House". My honourable friend flew the coop. I wonder why. This is some of the things that were said. Now they say that the atmosphere here, the climate is because of the government.

The same Leader of the Opposition had this to say in a speech that he gave. He said, "Industry and Commerce Sidney Spivak Thursday warned a group of local businessmen not to attach too much importance on the outcome of the Federal election. Mr. Spivak was speaking to the Winnipeg Real Estate Board at the Westminster Motor Hotel. Whoever is elected, he said, the course of action is pretty well determined. I feel that there are factors and dynamics working in this country that will reshape our national identity and our economy. Although the politician could give an expression to this process they have very little control over it." Well what the hell is the score? When are we playing on the same rules? My honourable friend said, yes, the same fellow's making a speech for the Minister of Industry and Commerce. Well why didn't he tell us that probably the same person is making a speech also for the members of the Opposition.

Now I find him saying the exact opposite though. He used some of the speech that I gave on this side of the House also criticizing, but he forgot a few things. Mr. Chairman, he said

(MR. DESJARDINS (Cont'd) not to - when he was on this side of the House you know how he felt this business of the House should be conducted - - let me tell you, let me tell you what he said. My sanctimonious friend on page -- No. 1779, he was pretty long-winded: "The practice as I understand it under the parliamentary system it is the government is assuming the responsibility. It is not the Opposition that is being asked to assume the responsibility good or bad for this legislation, the government had made a decision. That decision has been conveyed to the House in the form of a bill which the members have before them. We are not asking the Opposition to share the responsibility." Who is trying to stifle who, Mr. Chairman? "There can only be one government in the province at a time. The government has made its decision." And you know who he was calling the government? The members of the Cabinet. This is what he said, because this is one of the questions that was asked. This was the Honourable Member from Morris. "I am not privileged to see the report any more than you are, they are the property of the government, the government in this case, happening to be the members of the cabinet." And now the same member is telling us that he's worried that people haven't got a chance to talk.

I think that it is obvious that it is the responsibility and the role of the members of any Opposition to criticise, but darn it, we can do this in a very fair way, not bring in only innuendoes. And there has been a big difference since this government has taken office, because the Manitoba Development Fund - and I have dozens of quotes to this also. What did they tell us when they were on this side, "Manitoba Developing Fund - they run their own affairs. The then, another Mr. Evans, a former Minister of Industry and Commerce, used to say, repeated in this House, "I know nothing of what's happening" and we find out differently now. Arm's length. I remember some of the clippings that I've seen, all of a sudden the Liberals were saying, and the NDP who were in Opposition at that time were saying "oh, we finally, finally, we won a victory." Do you know what the victory was? At one time they said well all right, in certain instances the Cabinet can request information, but no members of the Opposition. No other members of the Opposition or members of this House - and in fact, my honourable friend said this at the time that he knew nothing of what was going on, and he had confidence in this, this was the way to run a business, the Cabinet were the members of the front bench. This is what he was saying and now he's saying that nobody wants him to speak.

It's the unfair criticism that we are worried about, things like my honourable friend the Minister of Finance mentioned today - the certain accusations. Let's read a few more, it's quite interesting. We had not long ago, this was a statement by the Honourable Member from Riel. "Mr. Speaker, this morning the Detroit Red Wings announced that after many years of service, something like 22 or 24 years of service, that Gordie Howe was leaving the Red Wings. The reason given was that they were not impressed by the way that Gordie Howe skated and after his many years of service and having received all of the accolades that are possible in a National Hockey League and the esteem, receiving the esteem of most people in the public and probably the antipathy of many of his enemies. Gordie Howe, when questioned said that in fact he was not fired, he quit his job, and the reason he quit was that he found it difficult to keep up his scoring record now that his skates had been taken away from him by the club.

Mr. Speaker, this is exactly what happened to one of the top civil servants in Canada yesterday; this is what happened to Rex Grose yesterday, the Gordie Howe of the Industrial Development Board. -- (Interjection) -- This is my honourable friend. We are all indignant at certain times, we are all indignant. This is what they are saying. . . . my honourable friend when we mention my same friend said, my honourable friend also made another statement here that we advanced too much money to the CFI, \$100,000, I think they said, 100 million. Well let's look way back in 1966. I've asked the question of other honourable Mr. Evans, Gurney, that is, and this is what he said. I brought in with what tools we had 100 million forest industry - he didn't say 10 million he said 100 million forest industry - a 30 million chemical industry. I brought in a 4-1/2 million potato processing plant at Carberry, a 2-1/2 million chipboard manufacturing industry at Sprague, and a fairly substantial list of additional items.

Now all of a sudden everything is the fault of this government here. The Selkirk! Who started the Selkirk? But they were able to hide then and say, we don't know anything about it. Mind you they were there every time there was a ribbon to cut, they were there they were there, the government of the day was there. Now I say all right we can play around, we can all have lots of fun like the Honourable Member from Morris who makes dirty statements. It's true that governments are not that difficult in the way they handle politics. It's true, and it's true

(MR. DESJARDINS Cont'd) that the Opposition at times have their duty and sometimes they get carried away. We all do. But I think that it's time if we are going to seriously try to work for the people of Manitoba, I think that it's time that we at least - darn it, there must be enough difference between the two groups that we can head, and fight on the real issue, not try to colour, or miscolour, what is going on, not try to pretend that this is the government that started it, that wanted to give half of the north away, and flood the other half. I mean it wasn't this government that wanted to do that. What are we saying my honourable friend the Member for Fort Garry made a good speech lately, and I'm not sarcastic, I think it was a pretty good speech, where he's talking about we have to be careful in these giveaways for different companies, and so on - I thought I had the speeches here. This is fine but why didn't he say when it was the Conservatives that give all this. It was the former government. Why all of a sudden that we're faced with all this, and why are we so unfair? Why are we so unfair to say that it is this government that was responsible, that built the Lord Selkirk for instance. -- (Interjection) -- It's in Canada, governments plural, that's why I - including - you are saying now including the former government.

MR. SHERMAN: Including the former Conservative Government of this province.

MR. DESJARDINS: Fine. Well now at least we're being honest. And let's debate on these issues. Where we made mistakes, let's be big enough to admit this that we've made mistakes, and let's work together. But let's not colour things. If we're going to criticise, there's enough things to criticise, I'm sure, because every government makes mistakes, without misleading the public. And I think that there's been a little too much of that, and I think this was what was meant yesterday to say that the - definitely every member -- (Interjection) -- What's that? -- (Interjection) -- well we've heard from the speaker twice removed - I don't know what he's saying, but I guess he'll have his chance later on. -- (Interjection) --

I'd like to challenge my honourable friend on any platform, to find out who's done more misleading. I'd like to challenge anyway, anytime. This is all he could say. --(Interjection)-- My honourable friend in the back also has a lot to say. What is he concerned about here? He talks about these people that are doing such a bad job for Manitoba, but what does he do? He's worried. They say - all right look at business. Fine let's look at business, discuss with them, but there are other people also. There are people that are working for these businesses also. Everytime we talk about minimum wage, there is something going wrong. There's somebody criticising, and so on. We've got to look at the interest of all the people of Manitoba and it's not an easy job. It's not an easy job. -- (Interjection) -- I think that my honourable friend should have the courtesy at least if he has something to say, to say it so that I can understand him. -- (Interjection) -- That I can believe, Mr. Chairman, that it would take him an awful long time to understand because there is only one thing, certain people in this House feel that they have a certain domain, and this is it, but you are not going to criticise anybody. We're talking - it was a sin to criticise anybody on the Board of the Manitoba Developing Fund. What does my honourable friend say in that, the former Minister, why it's such a success is that we've been so, the board has been so careful in scrutinizing all applications. And we're finding out what happened with all this scrutiny that we have. The only thing I'm saying, fine; let's have a heck of a lot of criticism but let's be fair and let's be able to back what we're saying.

. Continued on next page.

MR. CHAIRMAN: The Honourable Member for Churchill.

MR. BEARD: Thank you, Mr. Chairman. I think we should appeal to the Human Rights though if the Minister of Cultural Affairs is going to look back on what we've said years ago, that's terrible. We shouldn't have to live with that. That often comes back to haunt us.

I would like to get back on the road though possibly for a while, and maybe we can get down to the business of Industry and Commerce. I recall just as we left at noon the Member for Brandon West said something about you can't have the best of two worlds, and he said it's either got to be private enterprise or public ownership. But I disagree with him there because I think that those days are over in respect to that argument. Many of us on all sides of this House, and in pretty well all the political philosophies in the country, have agreed that there is a place for private enterprise and for the public ownership. I believe that we should take a good look at them as we move along towards the financing both from a private enterprise point of view and from public ownership. And I for one have always stated, and still remain a free enterprise as far as possible. But I've accepted the fact that there are points at which free enterprise stops and I gained my first lesson from that from Premier Roblin when he talked to us about the different industries and the different problems of developing Manitoba. And I respected him for it, it was a lesson well learnt.

But I think the Manitoba Development Corporation has fallen into troubled waters and we have to do something about it. And that is not new, that is not earthmoving. All of us have said it. And all of us have decided that the Manitoba Development Corporation is the port of last hope for industries. They can't get it someplace else, they have to go to a government corporation. And if it's public funds then our government is responsible and must protect those funds, and we are wondering how can we best do that. And I think those are the things that we should be delving into but I think that if the Manitoba Development Corporation are going to continue to consider assisting in monies and accepting equities in companies then they must demand that they have a better control over that company, irrespective of what they are called upon to invest in that company. Because first of all it is the port of last hope and that means that they can't approach it in the same manner as the ordinary bank does because of the fact that it is a high risk. And I think that the first thing should be that they should insist on a comptroller, that would receive the funds and dispense the funds, and that receiver should be appointed to the company, and should be responsible entirely on the dispensing and the receiving of those monies that the company has. Because undoubtedly that is the best control that you can have on a company, are the funds - how they are received and how they are dispensed.

I don't think that companies can afford to have their business made public to their competitors. And while I have watched the insistence of my colleagues in having financial reports made public on three and four times a year basis, then I question the wisdom of this because it becomes public knowledge and if I were in charge of a company I would be worried about this because my opposition would have control, would know exactly what my company was doing. On a financial basis when you are submitting a return on a form on a three-month-basis then they could in fact break it down to a point that they know what you're buying, they know what you're selling, they know how much you're buying it for, and they know how much you're selling it for, and in fact they know what the contracts are, what your labour is, and it gives them the advantage of being able to bid against a company and underbid the company, and I don't think that is compatible with good business practices.

Now my advice to the Minister must stop there. I just really don't know how we can get around seeing to it that government are protecting the monies if it is not made public. I don't know how we could say to the government who are going to see that the comptroller is being responsible, but I suppose that may be loaded on to the public accountant that we have; maybe his area could be enlarged as far as auditing responsibilities are concerned, but I believe on those basis we should be looking at some other way in which the Manitoba Development Fund could be looked after.

I think that Industry and Commerce, of course, their first priority must be to create jobs. That's the name of the game. And the jobs must be the end result if government intrusion is to be considered acceptable as far as putting up public funds. I think the second priority is just as important, and that must be to see that graduate Manitobans have got jobs in Manitoba. And that is one that we are falling behind in very badly on. We can't really depend upon Canada Manpower for that. I take the responsibility of saying that as far as I'm concerned the Department of Manpower is not doing the job as I would like to see it being done, and there is certainly

(MR. BEARD cont'd.) evidence to back that type of statement. I think that the province have to do something to protect the residents of Manitoba and see to it that the young people have jobs, to try to help them. We're paying for more and more of their education every year. We're helping to turn out technicians of every variety. We're setting up courses for them in the different schools, vocational schools, and whether it be the vocational school or whether it be the University, these people are expecting jobs when they complete their education, and they are told that education is a priority in their young life. And they are becoming disillusioned when they graduate and find that they are not being able to use the education that's been forced on them, that's been forced on them by the demands of industry, and by the demands of the advertising that you see in the paper for people. And yet when somebody on the other hand goes to apply for a job and dares to say what type of qualifications they have, quite often they will be locked out of the job possibilities because they'll say they have too many qualifications. So the higher trained people within the province themselves are locked out of jobs because of the higher education that they have got, and in many cases they find that they're in just about the same position as they were during the depression when they were graduating from the University with a diploma in one hand and no job in the other. And while we cannot accept all the responsibility as far as this is concerned, I think that as responsible legislators we should make sure that government does everything to see to it that these people are looked after because they are important to the economy of the province, and they're the ones that are going to be the leaders, and they're the ones that are going to help create jobs for those with the lesser skills. Not that they should have any more rights to jobs than anybody else, but I say to you that we've got to have the skilled employees if we are going to have jobs for those with the lesser skills. But I was rather interested in the Minister talking about transportation rates, the fact that you could ship something from Toronto to Vancouver at very low rates. We have talked about that for years, and we will talk about it apparently for a long time before there'll be anything done about it. So if we can't do anything about that, I think that we've got to look to other ways of meeting that problem, because certainly we are not going to convince those at the top level to change now. They haven't over the last 50 years. I think that it is now time that both industry and government of the prairie provinces look towards the north and the Prime Minister has now showed his confidence in the development of the high Arctic; he has expressed his willingness to invest billions of dollars of public money in the services of the high Arctic, and I would anticipate the demand of the resource industry, the pipeline, the new jobs, the new communities that will be required, the new populations, the new materials, the new products that will be used, the new transportation and communications systems, will all have to be provided for that area which is at the back door of the prairie provinces.

And I would say if the Minister would take a look at it and enjoin with those people that look after Industry and Commerce on the prairie provinces, then together they may be able to take advantage of those billions of dollars of investment in the north and I think that it could well provide the incentive for western prairie industry that would give tax dollars to governments, jobs and industry to western provinces that would rival what agriculture has done for Manitoba and Saskatchewan over the last 100 years; and in doing that they would also complement what agriculture has to offer to those people in the high Arctic. If you looked at it this way I think that you could enjoin together with the high Arctic, you'd be considering two-thirds of land mass of Canada as a whole, and if you look at it again you would have an area which would probably give us for the next hundred years, an economic base which would rival that of eastern Canada, and probably put us on a base in which we could start to talk turkey with eastern Canada, and that is what we need. If we need the dollars in the economy to make sure that we can turn to the east and say, we've got exactly what you have down there now, and in that way they will accept us, and I'm sure that we can then have a viable Canada that will be equal to that golden belt area which we hear so much about in Ontario, and until that time comes, then we'll be the poor brothers. But unless we have the vision to accept these things, and we're ready to invest and to join with the Northwest Territories, the Yukon and look to the north, then we're not going to get a piece of the action, because this is not just an overnight affair, it's going to go on for years, it's not just the building of a town, it's the continuing services of the town for many years to come. And the industry, their demands would be great - you only have to look at new communities such as Thompson, with what Flin Flon has done for Manitoba over the years, what Snow Lake and Lynn Lake has done, the great impact, the development of Gillam has done for the Province of Manitoba. I would say that if we can get together with the industry that is

(MR. BEARD cont'd.) already prepared to go ahead with developing the high Arctic, then we can in fact have the necessary funds to prepare for a future and make sure that those people in Western Canada can compete in fact with the east, and we can reach that equality which we have been looking to for so many years.

So Mr. Chairman I would hope that we could get out of that parochial locked-in feeling that we have suffered through for so many years, that we could get away from the sole dependency upon agriculture - not that I want to downgrade that, but I think that we have to take away some of the financial burden that we've placed on all areas of agriculture and free it from some of the burdens that they have been laden with for so many years and diversify, and stop bickering and arguing about what is good and what is not good, and join together and look at a more promising future rather than fight about whether one "i" should be dotted or what "t" should be crossed, if we can get down to looking at those areas which show the best promise, and best future, and instead of being enslaved with the problems of living out of each others' pockets and find that we can be of service in the distribution centre for a third of new Canada, then we'll have new Canadian ideas, and I think it will bring a lot of unity, a lot of political strength to western Canada and nobody will suffer, and in the long run the whole of Canada will benefit from this great development that is more than a pipedream now.

MR. CHAIRMAN: Before I recognize any honourable members, I would draw to the honourable members' attention that at 4:15 we will have expended all the time that is allotted for the Department of Industry and Commerce. The Honourable Member for Rock Lake.

MR. EINARSON: Thank you, Mr. Chairman, I want to make a few comments. I did speak yesterday on this matter of Industry and Commerce which I think is very important to the Province of Manitoba. I wasn't one of those on this side of the House who was speaking in what I rather interpreted from the Minister as one of a destructive critic, one who was trying to run down his department, but rather I merely made my speech in such a way that it was questions seeking information, and I want to say, Mr. Chairman, the Minister ignored me completely, or almost completely. He did make mention of the fact and I did mention the importance of agricultural industry and the Department of Industry and Commerce working together, and I notice that he did make mention of that, but he had forgotten who on this side of the House had made mention of it. So again I'd like to say to the Minister that I was the one who was referring to this matter.

The things that I think are important to his department right now; the matters that I think that he ignored completely, Mr. Chairman, are the purchase of Steele Briggs. Now if the Minister, and he might say well you can put an Order for Return if you want to seek information as to the price that the MDC paid for this particular company, the price that the MDC paid for Brett Young, but I could be turned down on an Order for Return.

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

MR. EVANS: In all the statements, all the public statements that have been made on the acquisition of Steele Briggs and Brett Young by McKenzie Seeds Limited of Manitoba, there has never been reference that this was purchased by the MDC, so you should be clear, Sir. You are misinformed and you are making incorrect statements. It has been purchased by McKenzie Seeds, there's no equity by the MDC.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. EINARSON: Mr. Chairman, this is the very point that I made, and I thought I made myself perfectly clear yesterday, was that the government of this day is going under the guise of McKenzie's company, and the Minister is trying to pull the wool over the eyes of the people of Manitoba that - and he's giving the impression that McKenzie Seed is a private enterprise. McKenzie Seed Company is a part of the Provincial Government of Manitoba, and let me say, Mr. Chairman, make it perfectly clear to the people of the Province of Manitoba, that this is the case, and when the Minister of Industry and Commerce tries to hide under the disguise of this, it's like the man who goes to church on Sunday morning trying to wonder how he's going to gyp the next guy the next day, and hides behind the pulpit of the church. The Minister of Industry and Commerce is trying to pull the same stunt in his department. And I want to say to the Minister, Mr. Chairman, that Steele Briggs and McKenzie Seeds are a part of the Government of Manitoba, and I stated yesterday that the Manitoba Co-operator - yes he applauds this, Mr. Chairman - the Manitoba Co-operator stated, and I'm only going by my memory, my recollection, and if I'm wrong, I stand to be corrected by the Minister, that McKenzie Seed purchased Steele Briggs but in essence, what they should have stated, and I said yesterday

(MR. EINARSON cont'd.) that "The Schreyer government goes into the seed business". That's the headline that should have been to the people of Manitoba so they would have properly understood it.

This, Mr. Chairman, --(Interjection)-- because the Minister of Industry and Commerce gave us a reply, to those of us on this side, 90 percent of it was a philosophical reply, rather than giving us an answer to the questions that we asked on this side of the House. What, Mr. Chairman, is the price that they paid for Steele Briggs? McKenzie Seed, if I remember correctly, that there was a small profit in McKenzie Seed Company, what's the complete details? Did they pay a million dollars for Steele Briggs? Did they pay two million dollars, or did they pay two and one half million, I don't know. But if the Minister of Industry and Commerce is not prepared to tell us here today, Mr. Chairman, I will do my best to find out just what are all the details of this particular transaction. I think it's very important that the people of Manitoba, and particularly the farmers of Manitoba, know what is going on, because when a loan is made to a company, and this is where we have a difference of opinion, Mr. Chairman, when we're talking about monies loaned to a private enterprise, such as CFI, or when a government becomes involved and becomes the ownership and they are using the taxpayers' money, which is at the present day being practised under the Manitoba Development Corporation, you have a completely different situation, and I think that when it's taxpayers' money directly involved, the taxpayers' money is being involved in a business, we've got many seed cleaning operations; we have many processing plants in the Province of Manitoba that are of a private enterprise nature, and the present government is now in competition with them. Are they aware of that, Mr. Chairman? They are in competition with them.

You know the Minister of Agriculture, agri-business is a dirty word in this department. It's a dirty word, Mr. Chairman. What's the difference between agri-business and the Crown corporation that is getting involved in a business, competing with the business of agriculture that is now at present in the Province of Manitoba? Mr. Chairman, I would like to have an answer. What was the price that was paid by the government of Manitoba? And the Minister can hide all he likes about McKenzie Seed doing this, but McKenzie Seed is a part of the Government of Manitoba, and I think this should be understood, whether it's the McKenzie Seed or whether it's the Government of Manitoba, they made the purchase, and the taxpayers of this province are entitled to have that information.

So now I ask for the second time, Mr. Chairman, is the Minister prepared to give the answers to the questions that I have asked? What is the price paid? Could they have purchased that enterprise for less money? I don't know. If I remember correctly I think that the Minister stated that because of the change of management there was a slight profit in the business and he thought because you know, his professor of economics experience, he thought that this business was doing a tremendous thing. You know, Mr. Chairman, I have had some experience in the seed business and the business that they were talking about, McKenzie Seed. I have dealt with McKenzie Seed Company, and I know a little bit about them as well, but I think that we've got to get the story and get the complete facts about the purchase of the Steele Briggs, the small seeds company, the complete facts about the purchase, the kind of agreements that have been drawn up between the MDC, which is the Government of Manitoba, in regard to the small seeds department, Steele Briggs and the Brett Young department, that is the company of Brett Young. I understand that Mr. Johnston, and I stated yesterday, and Peter Dyck - I'm given to understand that they're both managing this business under the guidance of the Manitoba Development Corporation so the Minister of Industry and Commerce is responsible for that operation. The Minister of Industry and Commerce says from the seat of his pants that he's not responsible, did I hear him correctly? Oh, all right. He's got to be responsible, he's responsible for the functions of the Manitoba Development Corporation.

Brett Young is now a Crown corporation, Mr. Chairman. It's now competing with the private sector of that particular enterprise. I said yesterday that certain private companies of a similar nature have left the Province of Manitoba, --(Interjection)-- no I'm not saying that they're . . . me. They're echoing over here, is this bad? We don't know yet, Mr. Chairman. We don't know yet whether it's good or it's bad. But this is their philosophy, that's one step that they have made. How much further are they going to go? The question is being asked, Mr. Chairman, how much further are they going to go before they maybe have control of the complete enterprise business, private enterprise business of the Province of Manitoba?

So, Mr. Chairman, the Minister of Industry and Commerce completely ignored the

(MR. EINARSON cont'd.) . . . questions that I asked in the House yesterday. I thought they were reasonable questions. I didn't think there was any kind of destructive criticism, which the Minister seemed to indicate in his reply to those who are on this side of the House. So I am going to give him another opportunity, or there may be others want to speak, but I couldn't help but wonder when the Minister of Finance rose to his feet just prior to the lunch hour today - and I'm surprised, Mr. Chairman, that you didn't rule him out of order, because he was completely out of order, he got talking about his own department, which indicates one thing to me that there is a vulnerable Minister who is very weak link in the Schreyer government, when the Minister of Finance has to rise to his feet and sort of put in time to defend the Minister of Industry and Commerce. I think, Mr. Chairman, I think, Mr. Chairman, this is most indicative of what is going on on that side of the House. So, Mr. Chairman, I have asked two simple questions. What are the complete details of the purchase transaction and the price of Steele Briggs, and the price and the complete details and the transaction of Brett Young?

MR. CHAIRMAN: The Honourable Member for Crescentwood.

MR. CY GONICK (Crescentwood): Mr. Speaker, I have been waiting for about an hour and a half here to say a few words about this Department. I'm sorry that the Member for Morris isn't here. I'm sorry that the Member for Morris isn't here because I have to disagree with him about the Minister's speech. I thought that hearing it, it sounded like poetry to my ears and that finally the Minister had in fact discovered a new script writer, or perhaps was his own script writer. --(Interjection)-- No I think there was a distinct difference. But, Mr. Chairman, I think the problem is not so much with the script, but the kind of schizophrenia I think which exists between the . . . of the Minister and the good intentions of the Minister, and the same-ness in the operations of the branch of government that he controls, namely the Department of Industry and Commerce.

Mr. Chairman, every government of course accepts responsibility for the economic well-being of its citizens. The Department of Industry and Commerce has a very small budget by comparison to other budgets in this department, in this government. Nevertheless it's an important department because it, more than any other department, has some degree of influence over the state of the economic conditions out of which flows, out of which flows, out of which flows the . . .

MR. CHAIRMAN: Order, please. I would draw the attention of the honourable member who continually sits pounding his desk that it is impolite, and it's against the Rules of the House to interrupt a member when he is speaking. Order.

MR. GONICK: Mr. Chairman, I know that the Member for Radisson is only displaying his enthusiasm for the pearls of wisdom that he knows will flow from my speech.

MR. CHAIRMAN: The Honourable Member for Crescentwood.

MR. GONICK: Thank you, Mr. Chairman, I hope that you will take into account the numerous interruptions from this House in the few minutes I have left.

Mr. Chairman, as I was saying, I recognize a kind of schizophrenia between what the Minister says he is doing on behalf of this government, and what in fact his department is doing and I would like to illustrate that with a number of cases.

For example the last Budget, in his last Budget Speech the Minister of Finance, with even greater poetry than the Minister of Industry and Commerce, went on to say about the - very eloquently about the effects of a private enterprise economy in the way that it molds our needs so that we crave after every gimmick and every new product that comes out of the marketplace, and that this government would try to tend to reorient the economy of Manitoba so that the real needs of the people would be satisfied. But if one reads through the annual report of the Department of Industry and Commerce, one finds through various pages contradictions, very clear contradictions, between those goals, those objectives, and the actual means of operations of this department. For example, one branch of this department called the - I think it's called the Design Institute, one of its major goals, its major goal I would say is to aid companies to deceive consumers, because in its packaging clinic it encourages through assistance business enterprise of the province to improve their packaging so as to be able to better fool the consumer into believing that their product is somehow different than the products of other consumers, whereas the Minister, I know, as a former Professor of Economics, made the same lectures as I did with respect to the lack of differences in the product of the firms, the companies, which he is now paying incentives to try to deceive the public into believing that there are real differences in their products.

(MR. GONICK cont'd.)

Taking another case in point, Mr. Chairman, in his speech on this occasion he argued that the present government is not interested in profits only, it is interested in high wages and the like. But then if we read through some of the ads produced by the Department of Industry and Commerce, and I'll just quote one of them, we see that they invite businesses to come here because of the low wages in the Province of Manitoba. For example there is an ad which asks the question; why should an electrical current manufacturer locate in Winnipeg or Brandon, rather than Montreal, Toronto, Vancouver, Regina or Calgary? Answer: Winnipeg provides substantial labour costs savings over the other five large cities. Winnipeg labour cost advantages over the other large urban centres ranges from \$35,100 to \$109,400. Brandon offers an additional \$43,000 of labour savings over Winnipeg.

Mr. Chairman, there are other anomalies with regard to the question of wages and labour. For example, the Department has given special Manpower Incentive Grants, which I am not quite sure what they are, but what is interesting is that some of these have been given to some of the most anti-labour companies in the Province of Manitoba. For example: Versatile Manufacturing, which pays barely over the minimum wage, has gotten the grant on this. Pioneer Electric (Manitoba) which has done its best to break every effort to unionize its plant, is being given a grant. So there again is a case in which the intentions, the objectives of the Minister, which I can only agree with are directly contradicted by the actions of his department.

I give you another example, Mr. Chairman. The present Minister has said many times that one of the differences between this government and the former one was the large number of loans given to small companies. Which again I would have to agree with as compared to the previous policy, but if you check into the annual report of the Manitoba Development Corporation you find that there seems to be very little difference in the ratio of loans given to small companies as against large companies. The total loans paid out was \$289 million last year of which 11 loans, each of them over \$3 million, came to 202 million, which is almost all of it, or if you take the 41 loans, each of them over \$500,000, they come to \$245 million, which is close to 90 percent of the total, which is about the same ratio as existed under the previous administration. Or if he looks through the grants which are - I thank the Minister for publishing the names, and so forth, of the grants, because that is certainly a distinction between his administration and the previous one, but if you look at some of them you find very strange anomalies, namely, some of the biggest companies in the Province of Manitoba are receiving grants - they may not be large grants but it is very strange that Simplot Company, which is a large multi-national corporation, in which the owner himself is a millionaire, multi-millionaire, it received grants. Blackwoods Beverages, which is by Manitoba standards a big company, has received grants. Manitoba Rolling Mills has received grants. These are very large companies. Again a contradiction between the rhetoric, the intention, the objectives, and the actuality.

We could look to another case in point, Mr. Chairman, namely the oft-stated objective of the government which is to support, to maintain local enterprise, and to try to do whatever is possible to thwart the extension of control by foreign companies, or eastern Canadian companies, which would make Manitoba into a kind of branch plant economy. Yet if you examine the record in the last two years, the last 18 months, we have had a Modern Dairies, our largest dairy company, 75 percent of the industry I believe, sold out to . . . of the United States. No government action to intervene in this case. You had Beaver Lumber Company set up in 1906, a Manitoba based company, one of the largest Manitoba companies in the province, sold out to Molson's in 1971 - no apparent government effort to stop that. You had Willson's Stationery Stores set up in 1900, again sold out to Molson's, a large eastern corporation - no effort made on the part of the government as far as I know to stop that. You had the Winnipeg Supply and Fuel Company sold out to a London Corporation that is - at least financed by a London bank. You had Codville Distributors established in 1888, a local Manitoba company, very important in the wholesale business, sold out to an Oshawa outfit. You had James B. Carter - 51 years set up in Manitoba and sold out to Budd Automotive Company of Kitchener, Ontario. By the way --(Interjection)-- Canadian or foreign is not the issue here, what the issue is that these become branch plants of their headquarters in eastern Canada, and we know what results from that. Namely that the profits flow out of Manitoba, the supplies are tend to come - rather than from Manitoba they come from other provinces.

Mr. Chairman, what is interesting about the last case, the James B. Carter case is, it was a recipient of a grant from the Government of Manitoba and a few months later it sold out to this Kitchener, Ontario company.

(MR. GONICK cont'd.)

So, Mr. Chairman, these are cases in point where we find - must be sympathetic to the objectives as stated by the Minister, very eloquently stated. Yet if you look at the actions of the department you find the same continuous, the same kind of actions, a continuation of the former regime. So that the Minister may have discovered a new script writer but the people that are administering his department I dare say must be the same people who are against the Minister's intentions, against the Minister's objectives, apparently running the department in exactly the same way it was run earlier.

MR. CHAIRMAN: Order, please. Time allotted for the Department of Industry and Commerce, consideration has expired.

MR. PAULLEY: Mr. Speaker, I move that the Committee rise and report.

MR. CHAIRMAN: Will the committee rise and report. Committee rise. Call in the Speaker.

Mr. Speaker, your Committee of Supply directs me to report progress and asks leave to sit again.

IN SESSION

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

MR. WILLIAM JENKINS (Logan): Mr. Speaker, I beg to move, seconded by the Honourable Member for St. George, that the report of the Committee be received.

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

MR. SPEAKER: The Honourable Minister of Labour.

MR. PAULLEY: Mr. Speaker, we had originally decided, as I understand it, that we will cease our deliberations this week at 4:30 and I think that there would be general agreement that we would not start into any other department this afternoon.

It is my responsibility, as I understand my responsibility as House Leader, to indicate procedures for the following week. We will reconvene on Tuesday, because Monday is a holiday. The government's intention will be that other than routine proceedings, are that we would continue in Committee of Supply. The first department on Tuesday that we will be considering in Supply will be that of the Department of Health and Social Development.

I think this would be generally agreed, Mr. Speaker, and so therefore I move, seconded by the Honourable Minister for Agriculture, that the House do now adjourn until 2:30 on Tuesday.

MR. SPEAKER presented the motion and after a voice vote declared the motion carried and the House accordingly adjourned until 2:30 Tuesday afternoon.