



FOURTH SESSION — THIRTIETH LEGISLATURE

of the

**Legislative Assembly of Manitoba**

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**DEBATES**  
and  
**PROCEEDINGS**

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26 Elizabeth II

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2:30 p.m., Monday, April 18, 1977

THE LEGISLATIVE ASSEMBLY of MANITOBA  
Monday, April 18, 1977

TIME: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

**MR. SPEAKER, Honourable Peter Fox (Kildonan):** Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees.

**MINISTERIAL STATEMENTS AND TABLING OF REPORTS**

**MR. SPEAKER:** The Honourable Minister for Continuing Education.

**HONOURABLE BEN HANUSCHAK (Burrows):** Mr. Speaker, I wish to table **The Annual Report of The Manitoba Film Classification Board** for the year 1975-76.

**MR. SPEAKER:** Any other Ministerial Statements or Tabling of Reports? Notices of Motion.

**INTRODUCTION OF BILLS**

**MR. SPEAKER:** The Honourable Minister for Mines.

**HONOURABLE SIDNEY GREEN (Inkster)** introduced **Bill (No. 63), an Act to amend The Water Resources Administration Act.**

**MR. SPEAKER:** The Honourable Minister for Corrections.

**HONOURABLE J.R. (BUD) BOYCE (Winnipeg Centre),** on behalf of the Minister of Highways, introduced **Bill (No. 64), an Act to amend The Highway Traffic Act (4).**

**MR. SPEAKER:** The Honourable Minister for Labour.

**HONOURABLE RUSSELL PAULLEY (Transcona)** introduced **Bill (No. 50), an Act to amend The Payment of Wages Act,** and **Bill (No. 65), an Act to amend The Employment Standards Act (2).**

**ORAL QUESTIONS**

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. STERLING R. LYON (Souris-Killarney):** Mr. Speaker, I have a question for the First Minister. Is it the policy of his government to authorize or encourage the Executive Assistants to Ministers to show to school children in schools in Manitoba a sound-synchronized slide presentation on the achievements of the New Democratic Government in Manitoba during its first eight years?

**MR. SPEAKER:** The Honourable First Minister.

**HONOURABLE EDWARD SCHREYER, Premier (Rossmere):** Mr. Speaker, I am not aware that this is being done as a matter of policy but I would suppose that if there have been specific individual requests that this may have been done. I don't know. I'll have to check.

**MR. LYON:** Mr. Speaker, could the First Minister indicate whether it is the policy of the government to encourage that kind of political propaganda to be going into schools by Executive Assistants of Ministers?

**MR. SCHREYER:** Mr. Speaker, on the one hand I rather understand what my honourable friend is referring to; it may be regarded in one sense and in one aspect as being, perhaps, unusual. On the other hand and in another aspect, I think my honourable friend will agree that it is different only in degree from such cases when he or I as we both have done have accepted invitations from high schools to speak and to speak specifically with respect to government or party policy and program and we have done so. So that in another aspect and in another sense, there is nothing new about that.

**MR. LYON:** Mr. Speaker, can the First Minister not distinguish between a member of this Assembly and a paid executive-assistant from a Minister's office soliciting this kind of propagandizing in our schools?

**MR. SCHREYER:** It would seem to me, Mr. Speaker, that it is the content and the substance that counts and not the form. If my honourable friend or I are to make speeches on party policy or program and if that is done, and it has been, then it is only a difference in degree as between that and the showing of slides, graphs and charts by somebody who was there as our amanuensis.

**MR. SPEAKER:** The Honourable Member for Radisson.

**MR. HARRY SHAFRANSKY:** Mr. Speaker, I have a question to the First Minister in his capacity as Minister reporting for Manitoba Hydro. I would like to ask him if it is correct that the Leader of the Conservative Party based his figures of \$605 million waste for Manitoba Hydro on the Spafford Report?

**MR. SCHREYER:** Mr. Speaker, I don't know what explains my honourable friend's persistence but I would say simply this, that I recognize an Underwood-McLellan Report; I recognize a Crippen and a Crippen-Acres Report; I recognize many reports; I recognize no Spafford Report.

**MR. SHAFRANSKY:** Mr. Speaker, a question to the First Minister. Is it correct that the Spafford Report was repudiated by Mr. Spafford's former employees, namely Underwood-McLellan Associates?

**MR. SPEAKER:** The Honourable Member for Morris.

**MR. WARNER H. JORGENSEN:** On a point of order again, Sir. You have asked that the House draw your attention to infractions of the rule and I don't know why I have to do it on every occasion

**MR. SPEAKER:** Would the honourable member state his point of order?

**MR. JORGENSEN:** . . . that the member for Radisson stands up on his feet. That question, according to our rules, as you know Sir, is out of order. No question should be asking for information that is of public knowledge, which is on the record, in the committee . . .

**MR. SPEAKER:** Order please. Order please. Order please. Order please. I would suggest to the honourable members of this House if the Chair ruled in respect to what was common knowledge or in the newspapers, almost every question that is posed every day would be out of order.

The Honourable Member for Morris.

**MR. JORGENSEN:** . . . that when the Member for Wolseley rises to his feet, that you do not cut him off after the first sentence is out but permit him to ask his question.

**MR. SPEAKER:** Order please. Order please. May we proceed? The Honourable Member for Assiniboia.

**MR. STEVE PATRICK:** Thank you, Mr. Speaker. I have a question for the Minister of Mines and Natural Resources responsible for MDC. Can the Minister indicate to the House, has the government determined the price that will be asked for the ST-27 Saunders Aircraft or is it left to the Receiver to ask for highest bids?

**MR. SPEAKER:** The Honourable Minister of Mines.

**MR. GREEN:** Mr. Speaker, the Receiver is under general instructions to obtain the best price possible for any of the assets they hold vis a vis Saunders Aircraft. That is his instruction and that is what he is required to do by law.

**MR. PATRICK:** A supplementary, Mr. Speaker. Is there a reserve bid? Can the Minister indicate to the House?

**MR. GREEN:** Mr. Speaker, I am not certain but I would suspect that that was so. The plane would not be permitted to be sold at the lowest possible bid.

**MR. PATRICK:** Thank you, Mr. Speaker. Would the Minister indicate to the House what would be the reserve bid?

**MR. GREEN:** No, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for River Heights.

**MR. SIDNEY SPIVAK:** To the Minister of Mines and Natural Resources. I wonder if he can indicate whether the government believes it will realize all the money lost in Saunders by the sale of the twelve planes?

**MR. GREEN:** Mr. Speaker, my honourable friend has a little more difficulty understanding than the greatest part of the citizens of the Province of Manitoba so I will make it clear to him again. It is very unlikely, Mr. Speaker, very unlikely that the amount that the public of Manitoba have invested in Saunders Aircraft will be recovered. It is almost as unlikely that we will recover that amount as the amount that has been written off on the Churchill Forest Industries Complex.

**MR. SPIVAK:** I wonder if the Minister can indicate how many employees are now employed by Saunders Aircraft?

**MR. GREEN:** Mr. Speaker, the Honourable Member for River Heights is a bit slow. The only employees that remain in the employ of the receiver are those that are necessary to deal with the Receiver's Program itself and Product Support. I believe that all of the citizens of Manitoba, with the exception of the Member for River Heights, are well aware of that.

**MR. SPIVAK:** I wonder if the Minister can indicate the number of employees and those who are allied to the employment of Churchill Forest Industries, or ManFor.

**MR. GREEN:** Mr. Speaker, with regard to Churchill Forest Industries, which we recently put another \$4 million in to cover cash flow deficit, and which total amount of moneys invested in is now roughly \$170 million, there continue to be approximately 1,000 people employed.

With regard to Flyer Industries Limited, in which there is an accumulated investment of roughly \$30 million, of which \$20 million is now current deficit, which is considerably less than Churchill Forest Industries, there are in the neighbourhood of 300 employees.

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MR. LLOYD AXWORTHY:** Thank you, Mr. Speaker, I have a question for the Minister responsible for Continuing Education. Can he confirm that it is now the position of the province to require all students who apply for Student Aid to sign a waiver form allowing the examination of their income tax forms, those of their spouses or their parents?

**MR. SPEAKER:** The Honourable Minister for Continuing Education.

**MR. HANUSCHAK:** No, Mr. Speaker, that is not quite correct. The only persons who agree to, in writing, to submit their income tax return forms are the parties to the application for Student Aid, which may or may not be in all cases the categories to which the honourable member referred.

**MR. AXWORTHY:** A supplementary, Mr. Speaker. If this particular policy now applies to all

students making application for Student Aid, can the Minister indicate what protections or guarantees will be built into the program to ensure that that information that is acquired through those income tax forms will not be divulged or made available to any other parts of the government?

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** I have a supplementary, Mr. Speaker, if the Minister is not prepared to answer that question. I am asking then, if the particular policy has been referred to the Attorney-General for examination in terms of its constitutionality or its legality, or to the Manitoba Human Rights Commission to determine whether such a position is . . .

**MR. SPEAKER:** Question please.

**MR. AXWORTHY:** I am asking if the Minister has referred this particular policy, now established by the Student Aid Branch, to determine whether in fact it is an infringement upon the civil rights of those students applying for student aid.

**MR. HANUSCHAK:** Mr. Speaker, I have neither referred the matter to the Attorney-General, nor to the Human Rights Commission, nor to anyone else. Mr. Speaker, I feel that the government, much as any other individual is quite at liberty to ask an individual for whatever information he requires in determining his level of need and determining whether he is going to grant him a bursary or a loan.

**MR. SPEAKER:** The Honourable Member for Honourable Member for Radisson.

**MR. SHAFRANSKY:** Mr. Speaker, I promise I am not going to ask questions which will touch upon the raw nerves of the Opposition, I just wish to . . .

**MR. SPEAKER:** Question please.

**MR. SHAFRANSKY:** . . . draw your attention to Hansard of Thursday, April 14th, 8 p.m., on Page 1893, there is a Mr. Doe referred to, and I know, Mr. Speaker, as one who is responsible for the printing of the Hansard, that you would not wish to see someone who is not present in the House being listed as having given that answer. That is on Page 1893, there is a reference to a Mr. Doe.

**MR. SPEAKER:** Thank you. The Honourable Minister for Northern Affairs.

**HONOURABLE RONALD McBRYDE (The Pas):** Mr. Speaker, I rise on a matter of personal privilege. I would like to point out a statement made by Charles Huband on April 16, 1977, purporting to reflect what took place in this House last Thursday evening. In that statement Mr. Huband said, "It is both in bad taste and totally irresponsible for the Minister of Northern Affairs to claim, as he has, that Edwin Jebb and Andrew Kirkness are running as Liberal candidates because they have been bought."

The second statement, Mr. Speaker, is that: "Mr. McBryde states that the Liberal party has bought the allegiance of these two fine native candidates." Mr. Speaker, the Hansard has just been made available, I reread my comments in Hansard, Mr. Huband's comments are inaccurate and untrue and do not reflect my statements in this House.

**MR. SPEAKER:** The Honourable Member for St. Johns.

**MR. CHERNIACK:** Mr. Speaker, I would like to address a question to the House Leader. Has he been informed yet as to whether the Member for Roblin kept his promise to this House to produce his hydro bill showing an increase from \$10 to \$50.00?

**MR. SPEAKER:** The Honourable Minister of Mines.

**MR. GREEN:** Mr. Speaker, I have received no information to that effect.

**MR. SPEAKER:** The Honourable Member for River Heights.

**MR. SPIVAK:** Mr. Speaker, my question is either to the Minister of Finance or the First Minister, and it arises out of statements made by the Ontario Finance Minister, who indicated that he had had discussions with certain provinces with respect to the provinces' getting out of certain programs, cost-share programs, with the Federal Government. He said that he is . . .

**MR. SPEAKER:** Order please. The honourable member is making a speech now. Will he get to his point?

**MR. SPIVAK:** Mr. Speaker, with all due respect, I'm not making a speech. I am asking a question of the First Minister and the Minister of Finance. These statements were made by the Finance Minister as a prelude to his budget, in which he has indicated certain areas in which he feels the Federal Government should assume jurisdiction, as part of the constitutional disentanglement that should take place. I wonder if the Minister of Finance or the First Minister can indicate whether these discussions have taken place, or whether Manitoba has agreed with the Ontario Government with respect to certain programs.

**MR. SPEAKER:** The Honourable Minister of Finance.

**HONOURABLE SAUL A. MILLER (Seven Oaks):** Mr. Speaker, I'm not at all aware of what the Member for River Heights is talking about. The Minister of Finance of Ontario has not discussed anything along the lines that the member seems to put forward. I don't know what provinces he is referring to. I have not had any discussions with the Minister of Finance of Ontario about some vague programming that has been indicated.

**MR. SPIVAK:** I wonder if he can indicate whether there has ever been a discussion with the province about supporting a proposal that would take the province out of the entire field of

correctional institutions.

**MR. MILLER:** Not with me, Mr. Speaker.

**MR. SPEAKER:** The Honourable House Leader.

**MR. GREEN:** Yes, Mr. Speaker. Would you please proceed to the introduction of Bill No. 14.

**BILL (NO. 14) — AN ACT TO AMEND THE LANDLORD AND TENANT ACT**

**MR. SPEAKER:** Thank you. The Honourable Minister for Consumer and Corporate Affairs.

**HONOURABLE RENE TOUPIN (Springfield)** presented (Bill No. 14), an Act to amend The Landlord and Tenant Act, for second reading.

**Motion presented.**

**MR. SPEAKER:** The Honourable Minister.

**MR. TOUPIN:** Mr. Speaker, the honourable members will recall that in 1970 this government acknowledged that the existing Landlord and Tenant Act as it applied to residential tenancy required revision in order to bring it up to date and to make it more relevant to modern needs. Under the old law, the powers and authority of landlords were being used in some cases to take advantage of tenants and to intimidate them. Part IV was enacted to improve the balance of rights and responsibilities of landlords and tenants, and to encourage the development of better landlord-tenant relations. The provisions of Part IV are administered by the Rentalsman, and since his office was established, thousands of landlords and tenants have applied for assistance and direction.

The activities of the Rentalsman have been reported annually, and the year-to-year increase in demand for services indicates the value of this office. Since Manitoba introduced the concept of the Rentalsman, several other provinces have done likewise, and extensive inquiries have been received from other countries in the world. In the course of administration of Part IV of the Act, certain amendments have been deemed necessary, and these have been introduced and passed at several sessions of the Legislature. Further amendments are now recommended, and these are set forth in the bill which I have introduced in this House.

Some of the amendments are merely for the purpose of correcting printing errors, while others provide clarification of intent and remove uncertainty in interpretation. Others introduced some procedural changes. Some of the more important changes are as follows: One amendment will clarify the extent to which Part IV of the Act applies to the premises situated on small holdings. There is presently some ambiguity as to the extent to which it does apply. Another will clarify that the Act applies to residential premises owned by Crown agencies and corporations. Another, a landlord who expects to be absent and unable to immediately oversee his properties may appoint another person temporarily, who may then file a complaint with the Rentalsman; and similarly, any individual can, with the consent of the tenant, file a complaint with the Rentalsman on behalf of that tenant.

At present some landlords experience some difficulty in showing some premises when they have them up for sale or where the tenant has given notice and the landlord wishes to re-rent. Tenants have at times tried to obstruct a landlord's access to a premise at reasonable times for this purpose. It is proposed, Mr. Speaker, that where such obstruction occurs, the Rentalsman by authorization make an order setting forth the times at which access is to be granted by the tenant.

Tenants can obtain assistance and redress easily and without cost through the Office of the Rentalsman. Landlords are also assisted to a considerable extent but if the problem tenant does not respond to mediation attempts and refuses to consent to arbitration, landlords can apply to the courts for an Order for Possession.

A most frequent complaint by landlords is in respect of obtaining Orders for Possession. Landlords claim that the application to the court is an expensive and somewhat lengthy process. Many lawyers do not like to act for landlords because they charge fees that appear high in relation to the cause of action or claim. The net effect is that landlords feel that it is easier for a tenant to receive assistance from the Rentalsman than it is for the landlord. They claim there is inequality to access of redress.

Of equal concern is the fact that some tenants are unable to adequately defend themselves in a hearing for an Order for Possession. In some cases they do not appear to defend themselves as they are timid and apprehensive about appearing in court.

In order to assist landlords and tenants in these situations, it is proposed that administratively the Office of the Rentalsman will give assistance to landlords in preparing their documentation for an application for an Order for Possession. Similar service will be offered to tenants who wish to file a defence. Once an application is before the court, provision will be made in this bill to allow a judge to request the Rentalsman to supply the court with an investigation report if he has been previously involved in the dispute. If there has been no previous involvement by the Rentalsman the judge may request the Rentalsman to conduct an investigation and supply him with a report if it is reasonable and practical for the Rentalsman to do so.

The "reasonable and practical" provision is necessary because the action may be taking place in a county court that is some distance from the Rentalsman's office. It would be detrimental to the

interests of both landlords and tenants if the court had to wait until the Rentalsman had conducted an investigation and reported.

With the administrative change in assistance to landlords and tenants and by making the Rentalsman's investigation report available to the court, both landlords and tenants will be assisted and the court will have access to the facts in a dispute as revealed by the Rentalsman's investigation. Hearings can continue to be conducted in chambers without the necessity of either party having legal counsel present.

Another amendment, Mr. Speaker, will provide that a landlord may be entitled to an Order for Possession if a tenant is late in paying his rent without reasonable cause, even though the tenant pays his rent up to the date before an Order for Eviction is issued. The decision as to whether the tenant's delinquency is justifiable or not will rest with the court.

The services provided to landlords and tenants by the Rentalsman will be extended in application for these amendments and the benefits available to both parties will be further equalized. It is my opinion, Mr. Speaker, that passage of this bill will contribute substantially to further improvement in landlord-tenant relations and I commend it to members of the House.

**MR. SPEAKER:** The Honourable Member for Wolseley.

**MR. ROBERT G. WILSON:** I move, seconded by the Member for La Verendrye, that debate be adjourned.

**MOTION presented and carried.**

### **BILL (No. 16) — AN ACT TO AMEND THE GARAGE KEEPERS ACT**

**HONOURABLE HOWARD PAWLEY, Attorney-General (Selkirk)** presented Bill (No. 16) — An Act to amend The Garage Keepers Act for o d adi

**MOTION presented.**

**MR. SPEAKER:** The Honourable Attorney-General.

**MR. PAWLEY:** Mr. Speaker, this bill is a minor bill with only a number of specific changes. The one deals with amendment to provide for the inclusion of a reference to "judge" and the definition of "judge" as one that will be responsible in connection with the adjudication that might be necessary under The Garage Keepers Act.

The second amendment deals with the necessity to give some additional teeth to the legislation beyond that which presently exists in the event of the garage keeper refusing to give up possession of the vehicle to the owner, indicating the penalty that will be payable by the garage keeper in that event.

Thirdly there is an amendment providing for a change in the form of affidavit that is required under The Garage Keepers Act in connection with the legislation in question and briefly that is the contents of the bill before us.

**MR. SPEAKER:** The Honourable Member for Gladstone.

**MR. JAMES R. FERGUSON:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Morris, that debate be adjourned.

**MOTION presented and carried.**

### **ADJOURNED DEBATES — SECOND READING**

**MR. SPEAKER:** Bill No. 5, adjourned second reading, the Honourable Member for Birtle-Russell.

**MR. HARRY E. GRAHAM:** Stand.

**MR. SPEAKER:** Bill No. 22, the Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Stand.

**MR. SPEAKER:** Bill No. 28, the Honourable Member for Rhineland.

**MR. ARNOLD BROWN:** Stand.

**MR. SPEAKER:** Bill No. 33, the Honourable Member for Minnedosa.

**MR. DAVID BLAKE:** Stand.

**MR. SPEAKER:** Bill No. 39, the Honourable Member for Gladstone.

**MR. FERGUSON:** Stand.

**MR. SPEAKER:** Bill No. 44, the Honourable Member for Minnedosa.

**MR. BLAKE:** Stand.

**MR. SPEAKER:** Bill No. 54, the Honourable Member for La Verendrye.

**MR. BOB .- BANMAN:** Stand.

**MR. SPEAKER:** Bill No. 56, the Honourable Leader of the Opposition.

**MR. LYON:** Stand.

**MR. SPEAKER:** Bill No. 57, the Honourable Member for Fort Garry.

**MR. L. R. (Bud) SHERMAN:** Stand, please, Mr. Speaker.

**MR. SPEAKER:** The Honourable Minister of Agriculture.

**HONOURABLE SAMUEL USKIW (Lac du Bonnet):** I move, seconded by the Honourable Minister of Health, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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**MOTION presented and carried, and the House resolved itself into Committee of the Supply with the Honourable Member for Logan in the Chair for Northern Affairs and the Honourable Member for St. Vital in the Chair for Industry and Commerce.**

CONCURRENT COMMITTEES OF SUPPLY  
ESTIMATES - INDUSTRY AND COMMERCE

**MR. CHAIRMAN, Mr. D. James Walding (St. Vital):** We have a quorum, gentlemen, the Committee will come to order. I would direct the attention of honourable members of Page 38 in their Estimates Books, the Department of Industry and Commerce. Resolution 73(a) The Minister's Compensation. The Honourable Minister.

**HONOURABLE LEONARD S. EVANS (Brandon East):** Thank you, Mr. Chairman.

I would like to begin the review of the Estimates of the Department of Industry and Commerce by giving members a brief overview of some re-organization, some of our concerns with regard to economic development and also a resumé of some of the highlights in the industrial development field in the past year or so.

The Estimates this year, for the first time, reflect formally changes in emphasis and organization which have been taking place in the department. These changes have been made in anticipation of shifting international business conditions. Included in this would be shrinking capital investment internationally, and in Canada particularly, having vastly reduced the potential number and competition for enterprises seeking new locations. Also heavy international competition has placed demands on firms to achieve higher productivity, frequently increasing the focus of investment on scale' specialization and centralization in existing plants rather than on added branch plants.

Also, increased complexity of production requires integration of a much broader range of management skills and technical support, even in relatively small enterprises.

Another changing condition is the changing social attitudes that place more demands on people-management skills. Industrial democracy, in effect, Mr. Chairman, is becoming a current reality.

Also, there is a growing awareness in locations such as Manitoba, that the best bet for stimulating stable long-term growth, especially in regional areas, is through extra support for existing enterprises, especially those that are locally owned and controlled. Such enterprises are far more likely to be of a scale and have management attitudes in harmony with the needs and potential of the community and the region. I am glad to say that the Federal Government is now following our lead establishing a special initiative for small business and decentralizing programs to make them more accessible to existing local enterprise.

For these reasons the department has changed its emphasis from the competitive search for in-migrant industries to the careful cultivation of strong locally controlled small businesses with more emphasis on enterprises in regions throughout the province. The department is now able to assist companies with programs designed to nurture companies along and show these firms how to reach their objectives more quickly. Under the New Small Enterprise Development Program a contact consultant is available to provide diagnosis and management counselling, improvement assistance and expansion assistance. Contact consultants are also available to assist in the formation of new companies and get them started on a sound footing.

The entire wealth of expertise in the department is available to the consultant to use in preparing an assistance package for the firm. There is technical assistance from Technology and Supply branch, marketing and design expertise from the Marketing, Distribution and Design people, manpower support from our Human Resource Management group, and contact services from our regional co-ordination group.

Full time contact consultants are now established in four regional centres to bring departmental services closer to the local level. And in addition a team of community management consultants travels continuously in various regions counselling small enterprises. The contact consultant supervises the progress of the work and follows up on implementation. In this way we are able to provide truly meaningful assistance in a co-ordinated fashion. Programs and specially designed management training are provided to follow up consulting and build capability within the firm. All consultants strive to provide support that is not a permanent crutch, but, a temporary assist towards enterprise self-sufficiency and growth.

During the past year we have answered thousands of inquiries and counselled and provided consulting support to hundreds of Manitoba companies, and we believe that the new organization is working well. Our department estimates that a job in manufacturing in Manitoba is worth a considerable amount of money, its total value is presently estimated at \$43,105 per annum. This is made up of incomes value to the worker and to all those who sell goods and services to him of \$27,283, and a savings value to the province and other levels of government, because this person is not on welfare, of \$15,822.00.

Accomplishments that we may note are jobs created in 1976-77 and in place totalled 369, for a total benefit of approximately \$15.9 million. These are our best estimates based on records that have been kept by the staff.



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Jobs influence - that is in which these jobs were saved by counselling or other assistance such as market expansion - totalled approximately 900 for a total benefit of about \$38.8 million.

Jobs projected, in which we are currently taking an initiative either to create or save the employment of Manitobans, totalled over 590 for a total benefit of \$25.6 million.

The total impact then, based on this procedure, of the Department of Industry and Commerce in creating or salvaging jobs is estimated to be in the order of between 1,800 and 1,900 jobs, producing incomes to Manitobans of approximately \$50.8 million, and if you add to that the savings to the community, that is savings of social costs that would occur, people being on welfare, etc., we bring our total benefit to well in excess of \$80 million. I submit this is our best estimate based on records that we have kept of activities with various business enterprises in the province.

Some specific examples of industrial growth in the past short while, the past year or so, Monarch Industries Limited built a \$5.5 million plant in Winkler, Manitoba. I understand the plant will eventually employ up to 200 people to produce up to 10,000 tons of grey iron and duct-tile castings a year. GTE Lenkurt has established a plant to provide jobs for approximately 90 people at their industrial park location, the Inskster Industrial Park location, to manufacture solid state microwave systems. Inventronics opened a new plant in Brandon after their old one was destroyed by fire. The company worked very closely with the department and they now have a new 16,000 square foot facility into production. Berkley and Company, manufacturers of fishing line and tackle, as well as a complete line of polypropylene ropes, is another company that established in 1976 in Manitoba. Working closely with the department, the company selected a site in Portage la Prairie and built a plant for more than \$500,000 on a ten acre site in the Portage Industrial Park.

1976 also marked the expansion of Sekine of Canada Limited, in Rivers, the \$750,000 expansion enabled the firm to manufacture as well as assemble bicycle frames. I might remind those who may have forgotten that the plant was established in 1973 with the marketing and feasibility studies being undertaken by the Department of Industry and Commerce. I am pleased that our belief in this opportunity resulted in this successful operation.

Portage la Prairie is also the site of one of the largest companies to announce plans for operations in Manitoba in 1976, McCain Foods Limited. The department worked closely with McCain's for many many months, and I am sure that the construction of this new \$12 million facility will be a magnificent economic boost to Portage la Prairie and the province.

The department also worked extremely closely with a Finnish company called Winpak, which is currently constructing a \$5.5 million plant in Winnipeg's Murray Industrial Park. This company will manufacture flexible packaging materials, mainly nylon and polyethylene laminates for packaging.

There were many other significant openings and expansions in 1976, such as MacDon Industries with a new \$2.5 million facility; a new \$1 million facility in Selkirk by Jordan and Ste. Michelle Cellars Limited; commissioning of the new \$30 million steel rolling mill at Selkirk by the Manitoba Rolling Mills Division of Dominion Bridge Company Limited, to mention some examples.

In conclusion, Mr. Chairman, the emphasis for 1977-78 will be to strengthen our thrust to help existing Manitoba firms, especially the smaller firms who need some support; more complete integration of program support to provide a better one-stop shopping access for Manitoba businessmen; emphasis on product improvement through technical and design support; greater efforts in human resource management development with increased management training programs and improved application of federal industrial training programs; concentration on more effective marketing assistance and vigorous pursuit of export markets through Manitrade; continued pursuit of selected industrial development opportunities and continued pressure on the Federal Government to improve business environment in this province, Canada generally, and increased support for Manitoba businesses, integrating them with our provincial programs. Mr. Chairman, that is a brief, hopefully concise introduction of what the Department has accomplished in the past year or so and gives the members some idea of our concerns in the area of industrial and commercial development. With that, I would be pleased to answer questions on any details in the Estimates.

**MR. CHAIRMAN:** Resolution 73(b) Executive. (1) Salaries. The Honourable Member for La Verendrye.

**MR. BOB BANMAN:** I wonder if the Minister could provide us with a breakdown on a separate sheet showing all the contract employees, employees who have been hired through the Civil Service Commission, those civil servants who have been hired through the Civil Service Commission or have not been hired through the Civil Service Commission on an interim basis and if he could provide the employees that are employed through cost-sharing programs and employed by special promotions and programs.

**MR. EVANS:** Mr. Banman, are you referring to the entire department?

**MR. BANMAN:** The Department of Industry and Commerce.

**MR. EVANS:** Yes, we can attempt to get that. We don't have that particular set of figures at the moment but we will get that for the honourable member.

**MR. BANMAN:** Fine.

**MR. CHAIRMAN:** Order please. I would remind honourable members that we are in Committee of Supply and they should refer to other members by their constituencies and not by their names. Would members kindly address their remarks to the Chair and not to each other.

Resolution 73(b)(1)—pass. The Honourable Member for River Heights.

**MR. SPIVAK:** Mr. Chairman, we probably will have a discussion anyway later on but I would like to put a question to the Minister, and it really involves most of the Estimates to come, that is the breakdown of the Estimates to come in terms of each vote, each proceeding. This is the basic question I have to put to him and then we will look at it in terms of total before we get down to the breakdown. Does he believe that he can justify the expenditures of money that have been paid out by this department in the last year and are forecast for this year?

**MR. EVANS:** Mr. Chairman, that question sounds very facetious.

**MR. SPIVAK:** It is not meant to be facetious, Mr. Chairman.

**MR. EVANS:** I am sure, but the honourable member is asking a very general question, a question of debate on the entire department and is really not confining himself to asking detailed questions of the items under consideration.

**MR. SPIVAK:** It isn't the basic problem here that we are going to have to deal with each vote and each item and then come back to the Minister's salary on which point we can maybe deal with the Minister's salary and then we can go through a conventional procedure of either reducing it to \$1.00 or \$2.00 if we think it should be done and have a vote and the government normally would succeed.

I am now putting the question to him which is, I think, more basic because we are not dealing now with the ministerial salary, I am now talking in terms of the total justification of moneys spent on this department. I am very much aware of what I am saying and who I am in saying it, but the problem I have in looking at this department as I have in looking almost at every facet of government today, is to examine in reality cost benefit and examine it as strictly as you can and to be able to make a proper appraisal. I don't think it is good enough for any Minister now or from hereon in, anywhere, to simply come back on the basis of certain results, some of which have been achieved as a result of consultation with the department, much of it has been achieved by the entrepreneurship of the private sector and simply present that as the cost benefit analysis for the justification for the expenditures that have to be spent. I think the problem we have at this point and the problem which is realistic and more sensitive because of the Department of Industry and Commerce is, I am simply saying to him, to the Minister, you know, at this point, if we apply it in a conventional way, we maybe even argue the merits of the department, its thrust, etc. I am now talking specifically in terms of overall cost benefit. Can you really justify it?

**MR. EVANS:** Mr. Chairman, perhaps the honourable member wasn't in the room when I provided the estimates of the number of jobs which we were directly involved in creating or salvaging and in what the benefit was to the province. Mr. Chairman, I am not sure whether the Member for River Heights was here but we — (Interjection)— you were? We estimate — and this is based on our records — that we have either created . . . worked very closely with the companies to create or save between 1800 and 1900 income producing jobs for Manitobans at an estimated value of \$50.8 million; and when you add to that other costs that the province would have to shoulder if these people were unemployed, you could estimate a total net benefit to the province of about \$80.3 million.

Now these are directly from records but, Mr. Chairman, the honourable member should know that a great deal of the work of the department is of a nature in which it is very very difficult to estimate the benefits. Not that there aren't benefits but it is very difficult to estimate the benefits in terms of dollars and cents. If we put on an export promotion seminar and we hopefully assist some Manitoba companies in being better able to enter foreign markets because they have acquired certain knowledge that they didn't have before, we are certainly helping business progress in Manitoba. How do you put a price on that? How do you put a benefit in terms of dollars and cents on that? We work with the Federal Government, we may be able to persuade the Federal Government to provide some DREE assistance to a particular company. Again, it may be in a very intangible way but, nevertheless, that assistance may have been very very critical for that company obtaining the DREE grant. A great deal of what we have to do, unfortunately, requires lobbying with the Federal Government, with the Government in Ottawa. Much of this work is of an intangible nature but I think in many cases we can see successes.

I would like to indicate one area and that is the area of providing incentive grants to small business. The Federal Government has decided to decentralize the granting of industrial incentives to business and this is fine, and that was, I believe, in response to our own initiatives taken at various past conferences of Ministers of Industry and Commerce. There was a decision by the Federal Government to put these moneys out via a board, boards to be established on a regional level. Myself and my staff argued successfully that if this was to be done at all — we are talking about federal moneys — to be done at all efficiently and effectively, it should be done on a provincial basis and we have now, I am very pleased to report, we now have a letter from the Federal Minister, the Honourable Jean Chretien, stating that they have agreed to establish these boards on a provincial basis. I think,

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therefore, that these boards are going to be more responsive to the needs of Manitoba. Now how do you put a benefit on that particular type of activity?

I use these as some examples but there are many many other examples that I could use where I believe the department has aided and abetted the economic expansion in Manitoba, but it is very very difficult, if not impossible, to put a precise estimate of benefit and, therefore, you may get into the area of subjective evaluation. I am sure the Honourable Member for River Heights, because he is a Member of the Opposition, fulfilling his mandate as being a Member of Her Majesty's Loyal Opposition, will never want to agree with my own assessment being on the other side of the House, but that is his privilege.

**MR. CHAIRMAN:** Order please. The Chair does like to give members a certain amount of latitude but I wonder if this is a debate that would not be better carried out under the Minister's salary when we do get to it? The Honourable Member for River Heights.

**MR. SPIVAK:** The reason I brought that is because when you talk in terms of the member's salary, we are really talking about the Minister and the only way we can show objection is with respect to his specific salary. I thought it would be appropriate to make the point at the beginning and I would like to, if I could, just in one answer by way of rebuttal and then having made that point, it will be a matter of debate as we go through it.

First, I think that one can argue a fairly solid case that the 1800 jobs that were claimed and the \$50 million which can be considered either a conservative or liberal claim, depending on the point of view of whether you are government or opposition, in terms of those statistics, and knowing the skill within which the department can provide those statistics, I would say that it can be argued I think pretty successfully that a lot of this would have happened without the effort of the department or in spite of the effort of the department. I think that the argument that there is a need for a liaison with Ottawa to see that Manitoba companies have the opportunity is a very real one but I think that could be handled very simply by two men in Ottawa handling an Ottawa office for Manitoba and that they, in turn, can do a great deal of what is required without the constant flow of paper and travel and all the attended expenses that are involved. What I am suggesting is that I think in terms of a cost benefit that the department can prove to be a very efficient department and to save the taxpayer a lot of money. I don't think that's being done and I think that this is not only true of the Department of Industry and Commerce, but many. The problem at this point is, at what time, and where is there enough pressure applied that the Minister can't come in with sort of a generalized statement, but really has to answer in a specific way to somebody, somewhere, what really we're doing.

I'm not suggesting that there is not a need for certain people to be seeking industry for the province or for contacts to be made or for some high powered activity to take place, but if we can concentrate it, and the cost can be controlled, and it can be done in such a way that you have a small group working efficiently rather than a large group working and believing it's achieving results but nevertheless at a very high cost today, when one has to recognize the fact that it's still coming out of the taxpayer's pocket and he's paying for every phase. I don't want to specifically put the Department of Industry and Commerce as the only example. I think this is true of every department of government. But, I really must say to the Minister, I don't think you've justified your money at this point. And we're going to go through the specifics, but I don't think you have. I don't think what you've done is good enough. You may think it is, I don't. I think far more is required now and it may be the burden of Ministers of today than ten years ago, or fifteen years ago, or twenty years ago but I don't think Ministers can come and ask for the kinds of money generally that they have to ask for in every department without justifying it. I think that's really an obligation that's now imposed on governments all over.

**MR. CHAIRMAN:** Resolution 73(b)(1). The Honourable Minister.

**MR. EVANS:** Mr. Chairman, as I said, I'm sure the Honourable Member for River Heights and myself would never agree on this, but I want to advise him that I believe that the size of the department has been contained in the last couple of years and I believe I've indicated in my opening remarks that we have had certain re-organization in the past year that has made this department what I believe to be far more effective in coping with our biggest problem area and that is the problem area of helping small enterprises and particularly those that are not in a favourable market position. I believe the honourable member was out of his seat when I went over all this and that's too bad. I think the best way I could convince the honourable members as to the value of the department or convince myself is to ask what the clients think, the people that we're working with think. I don't know whether I would read some of these at this time, but perhaps I will later. I have received a great number of letters from various parts of the province, from small business firms complimenting us on our new program thrusts. I think, therefore, those comments stand on their own and I think this is one of the best indications that I have as a Minister and that is to what extent are our clients, so called, satisfied? I believe that we are now geared up to cope more adequately than ever before with helping existing enterprises in Manitoba. We're putting far less emphasis than in the past on trying to attract certain

foreign investors that may be there somewhere at the end of the rainbow. We don't believe that they're necessarily there. I tried to make that earlier, but again I believe the Honourable Member for River Heights was out of the room, but perhaps the best way of justifying, to answer his question, is to discuss this on an item by item basis.

**MR. CHAIRMAN:** Resolution 73(b)(1). The Honourable Member for Fort Garry.

**MR. SHERMAN:** Mr. Chairman, I'd like to ask the Minister a couple of questions having to do with job creation and if that is a subject that should be dealt with on another item under the Estimates, you can direct me to that effect, Sir, and I will follow that direction. But let me put the questions and see where we stand. The Minister has told the Committee, and I'm not sure that I have the figures exactly right — perhaps he'd correct me on them if they're not absolutely precise — that through the kinds of services offered by the department that he has described to the Committee, that during the past year there were 369 jobs created and the total impact, that is creation of jobs plus salvage of jobs totalled between 1'800 and 1,900 jobs. I wonder if the Minister would be able to supply us with a breakdown of the job sights, of the totals achieved in terms of creation and salvage on a sight-by-sight or workplace-by-workplace basis?

Secondly, I wonder if he could tell us at the moment — presumably it will take him some time to answer that first question — but, at the moment could he tell us how many of those jobs created or salvaged were in rural Manitoba and how many were in the area of Greater Winnipeg.

Thirdly, I wonder if the Minister could comment as to why the salvage of jobs is necessary, beyond the obvious reasons. Are they a company or an enterpriser who is obviously in some difficulty? Is the Minister able to give us any fix as to why some of those companies are in difficulty and what are the primary and fundamental reasons for that difficulty and is the department coping with those reasons, attempting to eliminate the reasons why enterprisers get into difficulty in the Province of Manitoba? Looking at the total he gave us, Sir, we are looking at approximately 1,550 jobs salvaged and 369 created. I'd appreciate some information and explanation as to the 1,550 that were salvaged. Who were they and why were they in trouble, beyond the obvious answer that they were in trouble because they were short of cash flow or they were short of markets or they were having labour difficulties but, is the department zeroing on the reasons that put them into that kind of trouble to begin with?

**MR. CHAIRMAN.** Perhaps the Minister will be able to answer when we reach Resolution 75(b) Industrial Development. We're on 73(b)(1) Executive Salaries. The Honourable Member for Fort Garry.

**MR. SHERMAN:** That was the extent of my remarks at this point, Sir.

**MR. CHAIRMAN:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Chairman, the questions I have for the Minister, I think, bear upon the activities of this particular branch of his department, particularly in terms of its policy direction and economic advice that is being proffered. One thing I'm always interested in in departments such as this that there tends to be a lot of smoke and mirrors attached to exactly who does what and of course, the ability of the Minister to try to claim credit for so-called salvage operations or jobs created. He has the noticeable quality of being very cherry in his sharing of his credit for that because I notice all the companies he mentioned have also received Federal Government grants, according to the DREE Report that I have in front of me.

**MR. EVANS:** We had it programmed to help companies here. We try to get as much out of our money as we can.

**MR. AXWORTHY:** It's interesting, Mr. Chairman, that particular fact that in most cases, like McCain Food got \$2.3 million seems somehow to have evaded the Minister's mention as being a factor that may have suggested why it particularly related to Manitoba. I would think that perhaps to be more honest and forthright with members of the Committee, he might be willing to express all the factors that are involved in the job creation, job salvage activities as opposed to simply trying to assume that we must pay due deference and obligation particularly to this department.

But going beyond that, Mr. Chairman, I was intrigued by the Minister's statement about the number of jobs created and the number of companies started. I would be equally interested to know how many companies have left the Province of Manitoba in the past year. Not only should we be concerned about what is created, we also must be concerned about what has been eroded. I think that this is really the gist of my own concern and that is that we are experiencing a major flight of capital from the Province of Manitoba at the present moment. Large amounts of capital are leaving this province and this city and as a result we are in danger of losing any eminence we might have had as a financial management centre, able to provide private investment resources. In part the reasons are external ones. It's difficult to compete with Calgary and all that activity which is being generated in our sister province to the west of us, but it does indicate to me, Mr. Chairman, a basic failure in the approach taken by this government, particularly when they set up expectations in an Estimates debate of about two years ago where they indicated that there would be efforts to undertake a form of regional economic plan, a form of economic regional strategy in co-operation with the other prairie provinces. It seems that if we have, in fact, undertaken that plan the end result has been that Alberta

gets everything and we get nothing out of that strategy which I would conclude means it's a very poor strategy.

The fact of the matter is, Mr. Chairman, it is very difficult for the Committee to estimate the effectiveness of the department and of the industrial and commercial economic approaches of the government without the kind of information that I've indicated, that is the loss of firms. I can, I think, recount in my own experience, several firms that have moved into the United States, setting up branch plants, those who are in the farm manufacturing equipment areas, setting up branch plants in the United States just across the border; several supplying firms in that area, several firms that have moved their offices and their . . . of capital to other provinces. It would seem to me that this is a matter of even more concern than the kind of 300 and some odd jobs that the Minister is talking about creating. I would ask him now if he could provide us, or if the department in fact undertakes that kind of appraisal as to what are we losing, where are they going, and then some of the factors of why that is taking place that may be internal to our own province, so that we could then discuss more logically what should be done to correct it.

**MR. CHAIRMAN:** Perhaps the Minister could answer that when we reach Industrial Development too. We are on Resolution 73(b)(1) Executive Salaries. The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Chairman, I'm certainly prepared to discuss it at any point, it's just that within this section of the description heading, it provides policy direction and economic advice. Those are the two issues I'm raising with the Minister, policy direction and economic advice. What is the advice given in terms of the question of the plant closings and the business activity moving as well as the issue of the kind of strategies that have been adopted to deal with that problem.

**MR. CHAIRMAN:** The Honourable Minister.

**MR. EVANS:** Mr. Chairman, I'm happy to debate or discuss and reply anywhere, although as you've indicated job creation *per se* comes under Trade and Industry Group (3)(b) Industrial Development and also under (2)(b) Small Enterprise Development. But I just want to make this as a general observation, that the numbers that I've quoted are not all the jobs that are created in Manitoba in a year — far from it. You'd get a much better idea of that, I suppose, if you look at the annual labour force survey and see how many jobs are added to the labour force in general during the year or from other Stats Canada documentation. All I'm talking about are jobs created that this department was involved in, and that is only a fraction of the jobs that are created in a particular year. I'm only talking about those that we were directly involved in. There are many, many other jobs that are created that we've had nothing whatsoever to do with.

I would agree with the honourable member that if you want a total picture, you should also look at the number of firms that have gone into bankruptcy or have withdrawn from the province, or have withdrawn from the economy for whatever reason. But again you can get that type of information, I'd submit, Mr. Chairman, by taking a look at the Stats Canada statistics on manufacturing and you can see the change in the labour force, you can see the changes in the value of factory shipments and so on. This was not my attempt to give that macro economic view in my opening statement. My attempt was simply to refer to those jobs that we were somehow or other involved in. I would agree with the honourable member that there are many factors. In these examples that I referred to, I think in every case if there is an expansion there is a DREE grant, and I'd like to advise the honourable member that we do have a program whereby we assist the company in undertaking the feasibility study which in most cases is necessary to get the DREE grant and to that extent we are attempting to get as many of the federal dollars for regional economic expansion as are possible to obtain. But I use these as examples of companies that we have worked with. The specific companies that I named we've worked quite closely with and, I think, played a major role therefore in their particular expansion or location in Manitoba.

However, the department is involved in many other areas of activity. I wouldn't want the honourable member to get the impression that we're just involved directly in industrial development or one-to-one consulting as such. We're involved in many general programs which, although intangible, are nevertheless of some net benefit to the business community. I don't know whether I've answered the member's question, but my response, Mr. Chairman, is that if he wants to get into the area, we would have to look at the macro statistics, and that's fair game but I wasn't attempting to do that in reference to these numbers.

**MR. AXWORTHY:** Mr. Chairman, the reason I bring the matter up is that I take the description found in our Estimates Book literally and that is that this is the part of the department that provides policy direction. I put a great deal of importance in that activity, because I think that what is presently lacking, or maybe to be more charitable, what is of great requirement at the present moment is a very skillful, effective strategy and policy direction in this province to ensure that the growth in the economic activity is one that is able to withstand a lot of the other kinds of external pressures. That is my concern, that it seems to me that while the Minister indicates he doesn't want to talk about macro economic matters it is usually through the discussion of such macro economic matters from whence policy directions arise, and that one should be assessing some of the patterns that are beginning to

develop, I would suggest very different patterns.

I think that we are, for example, experiencing a substantial shift in the pattern of economic activity in the City of Winnipeg. For a city which at one time provided a primary commercial management investment centre for western Canada it is now having that bled away. That is something that has really been happening over a number of years, but certainly with a great degree of erosion in the last year or two. Now that means that if the City of Winnipeg, as a commercial management investment centre loses its dynamic, then the whole province is going to suffer inordinantly as a result of it. Because it is out of that activity that we get a great deal of our own economic generation and therefore we need a policy direction to cope with that particular problem. I'm not saying the problem is necessarily created by this government, although I suggest it might have a lot to do with it, but certainly the kind of alternative centres that are now regional centres growing up in western Canada provide real competition. I want to know, frankly, what policy direction is being established to deal with that particular problem and that is the sapping of Winnipeg's financial fiscal management capacities and its transference of that, either by measures the government itself can take to provide a much higher degree of incentive for the retention of those services, or to provide alternative forms of economic activity in the city, because once we lose that we are dead as a province and literally dead as a doornail and that really is happening.

I would only refer the Minister to the DREE Report itself, a regional report on Western Canada that was printed last year which, in fact, states that and underlines it in no uncertain terms, but that is what is happening in the Province of Manitoba. That means that we need good effective policy direction and I haven't heard the Minister state what that policy direction would be. As I said, two years ago, he gave me some hope when he announced 'I believe, the setting up of special arrangements with the three prairie provinces to begin working out joint programs and co-operative efforts and economic strategy and planning and co-operative enterprises. I've heard almost virtually nothing since then, other than that Alberta still is sort of getting the biggest piece of the cake, if not all of it in the last couple of years. Obviously that approach, therefore, has not worked and I would want to know what are we replacing it with, what kind of approach is being developed by this department as the chief sort of economic growth department in the government to deal with what I consider to be a very serious matter?

**MR. EVANS:** Well, Mr. Chairman, I want to correct one statement of the honourable member and that is that I didn't want to discuss macro economic policy. I was not referring to economic policy, I was talking about a particular set of data that the honourable member had previously referred to. I am quite prepared to discuss policy directions now, or wherever else it may be appropriate in the Estimates proceedings.

I can advise the honourable member that we have not given up in our attempts to work with our sister Western provinces. He may recall that this perhaps began or was initiated at the time of the WEOC Conference, a few years ago in Calgary, where the Federal Government met the four western Premiers and discussed general economic concerns of Western Canada. Since that time we have met from time to time at a ministerial level and at a staff level, and we have exchanged information, etc.

I believe that some of the descriptions of the honourable member whether one agrees or not with the particular description' I would have to hasten to point out that many of the changes that he may wish to describe are changes that are probably relates to some very fundamental structural matters. You know, it is very easy to point to Alberta and the growth there. I say, give us the oil and gas of Alberta and I will show you lots of growth in Manitoba. You know, or if you want to give us the market centres of southern Ontario, or places such as Montreal, I can show you additional growth. The fact is that Manitoba is constrained by some very fundamental parameters, geographical essentially, we can only grow to the extent that we have the resource base, we can only grow to the extent to which we have access to markets, and all of our programs are designed to overcome some of these barriers.

We've placed a great deal of emphasis on trade promotion the past few years setting up the Manitoba Trading Corporation, spending more money than ever before to help Manitoba manufacturers seek markets abroad, simply because our own market base was not that great. We have also recognized that the industrial development and the industrial future of Manitoba was to be in the hands of Manitoba businessmen, not in the hands of some foreign investors. There is no pot of industrial gold at the end of the rainbow in the Swiss Alps. You know, that pot of gold is right here in the Province of Manitoba, and therefore, we have placed over the past couple of years and we continue to place emphasis on helping existing enterprises to expand. We have also placed greater emphasis than ever before on the smaller people because it is the smaller entrepreneur that needs the help, and I hope later we can get into the discussion of matters raised by my friend, the Member for Fort Garry' on some of the types of problems that these companies have been running into that I have referred to.

So, we have policy directions and I have indicated those policy directions in the past to the staff and they are following these but, no matter how vigorously we try, as a Minister, as a department, we can only work with what we have and we have certain various material constraints and even if we were

superhuman, there are only a certain degree of effect, I suppose' that we could have on the economic development of the province. We have to accept as given, certain geographical constraints. So, I simply say to the member that we are doing everything possible to encourage enterprise in Manitoba, given the constraints that we have to work within.

**MR. CHAIRMAN:** Order please. Order please. Again, I am going to suggest to members to consider whether this debate wouldn't be better carried on under Industrial Development or, better still, under the Minister's Salary so we don't get a duplication of the same debate, and that is the only concern that the Chair has on this. The Honourable Member for Fort Garry on a point of order.

**MR. SHERMAN:** Yes, on a point of order, Mr. Chairman. I certainly have no objection to the Member for Fort Rouge having his questions answered, but there are others who have asked questions and have deferred them to the proper section of the Estimates.

The Member for Fort Rouge raises a good point and a very salient topic but it is covered under 73(1)(e) Economic Planning and Policy Research and if we are going to get into Economic Planning and Policy Research here on 73(1)(b), then let's all get into it, but I suggest (e) is the area we should be looking for on that particular topic.

**MR. CHAIRMAN:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** On a point of order. I am not sure why the Member for Fort Garry is so concerned that we talk about another subject. I simply rest my comments on the direction which can very clearly be read by members in the Estimates Book, that we are looking at the Executive Branch of this department to provide policy direction and economic advice. Now, I am asking not about research at all, I am asking about policy direction, and I stated my concern that one of the primary economic problems facing Manitoba is the evisceration of the fiscal investment and management capacity that used to be contained in the City of Winnipeg, that it was a major centre of management resources for Western Canada, and we are now losing that position, and that I wanted to know what the Minister's and the department's policy direction was to respond to it. He frankly, Mr. Chairman, has not answered that. In fact, if anything has indicated by his answers that by concentrating on small business, by concentrating on simply the primary or secondary manufacturing, he isn't dealing with that tertiary area that service area which is perhaps the most important function that the City has provided, and that is not a matter of research, it is simply a matter of policy and that is what we are discussing.

**MR. CHAIRMAN:** Resolution 73(b)(1)—pass; (b)(2) Other Expenditures—pass; (b)—pass. Resolution 73(c) Administration. (1) Salaries—pass; (c)(2) Other Expenditures—pass; (c)—pass. Resolution 73(d) Information, Promotion and Publications. (1) Salaries. The Honourable Member for La Verendrye.

**MR. BANMAN:** Thank you, Mr. Chairman. I wonder if the Minister could provide us with some information. I would imagine this is the department that is handling the "Make It In Manitoba" campaign. I wonder if the Minister could provide us with some details of that particular campaign as far as the costs — it has been running, I understand, from March to April — if they have had any results or how many inquiries have they had with regard to that particular advertising campaign?

**MR. EVANS:** The first question was the amount of expenditure on that particular promotional campaign?

**MR. BANMAN:** Yes.

**MR. EVANS:** I am advised that it is in the order of \$6,000.00. I think it is a bit premature for us — I guess we might have some estimate of how many inquiries thus far but we're still in the middle of the program — if I did have an estimate of the number of responses thus far, I would hope that this is not complete, it is just the beginning, not anywhere near the end, but we have got four active inquiries, these are major inquiries.

**MR. BANMAN:** I wonder if the Minister could just elaborate for a second here. We notice in this vote here there is a considerable drop in that particular department. I wonder if he could explain that. Is it a cutback in promotional material that they are putting out, a cutback in advertising that they have done' would this have something to do with the closing of the office in Minneapolis, as far as Industry and Commerce is concerned? Is that part of the package?

**MR. EVANS:** Yes, I believe you are referring to Other Expenditures, eh, they drop from \$160,900 to \$32,500.00?

**MR. BANMAN:** There's also a drop in salaries, eh?

**MR. EVANS:** The drop in salaries is from \$128,100 down to \$112,600.00. That's a decrease of, I believe, \$15,500.00. It is the net effect of about three items: the termination of some contract employee work, that amounted to a decrease of \$11,300; transfer of one SMY out of the department \$12,100; but then you add to that some general salary increase and increments of \$7,900 and that nets out at \$15,500.00. Do you want me to give you the details on the Other Expenditures?

**MR. BANMAN:** I wonder if I could just ask a further question with regard to the office they were maintaining in Minneapolis, I understand that the Department of Tourism occupies part of it?

**MR. EVANS:** Yes, it is not this branch. This would be the Trade Development Branch. That is under (3) Trade and Industry Group. I would be glad to answer that question at that time.

**MR. CHAIRMAN:** The Honourable Member for Fort Garry.

**MR. SHERMAN:** Thank you, Mr. Chairman. Well, then could the Minister explain what the drop represents in terms of Other Expenditures. If closing the office in Minneapolis comes under another area we are still looking at a substantial reduction in appropriations for this year in the Other Expenditures of this branch as against last year. Does that reflect a cutback in publications and promotion materials generally, in advertising and in promotion of the province's opportunities at trade fairs, exhibits, conventions across the continent or what does it represent precisely?

**MR. EVANS:** Yes. In this particular branch it has no bearing on the various trade shows that the honourable member is referring to or the trade office in Minneapolis or what-have-you. I can generally tell you that there was a reduction of \$100,000 in direct costs related to advertising exhibits for other branches, but these are now provided for in some of the other branch estimates. It is \$100,000, and then direct costs related to the printing of branch publications \$4,400 and purchasing of publications provided in respective of branch estimates, purchasing of publications \$7,500.00. So, in total, \$11,900 are also provided in other . . . this is, I guess, a bookkeeping change, Mr. Chairman. That is the simplest way of explaining it. Then there is some reduction of other items, fees, postage, automobile travel, freight charges, that is another \$13'000, and then there is a small grant assistance in the promotion side of \$3,500 so if you add those up, \$100,000, \$11,900, \$13,000 and \$13,500 you get to \$128,400.00.

But, as I said, essentially I think you will find some of this money in the other branches, so what we're talking about, as I understand it, is mainly a mechanical change.

**MR. SHERMAN:** Well, Mr. Chairman, I am still not clear on the point as to whether any publications have been cut back? Have any publications of the department or the branch been cut out?

**MR. EVANS:** Yes. Specifically, Mr. Chairman, the Manitoba Business Review was reduced from ten times a year to a quarterly, so we are putting it out on a quarterly basis.

**MR. SHERMAN:** Can the Minister, Mr. Chairman, advise us of the extent of the distribution of the Manitoba Business Review and how much of this appropriation is directly attributable to it?

**MR. EVANS:** The estimated circulation is 12,500 and the estimated cost of production is \$27,000.00.

**MR. SHERMAN:** It's \$47,000.00?

**MR. EVANS:** \$27,000.00.

**MR. SHERMAN:** Is that distributed outside Manitoba at all or just inside?

**MR. EVANS:** Oh yes, it is distributed primarily in Manitoba and secondarily in Canada, but it is distributed around the world to trade offices, to anyone actually who is interested in being on the mailing list, businesses in the United States and so on that have an interest in Manitoba.

I would point out that we accept no advertising.

**MR. SHERMAN:** That's your problem.

**MR. EVANS:** We're not competing with the private publications.

**MR. SHERMAN:** Mr. Chairman, through you to the Minister, could the Minister advise the committee why the cutback was made? What was the reason for that determination? Was it because of the spending restraints that were imposed and this was one of the victims or because the publication was not delivering what it was supposed to do?

**MR. EVANS:** No, it was essentially a budgetary restraint, cutback, part of the government's cutback generally.

**MR. SHERMAN:** Well, I guess that is all for the moment. Thank you, Sir.

**MR. CHAIRMAN:** Resolution 73(d)(1). The Honourable Member for Crescentwood.

**MR. WARREN STEEN:** Mr. Chairman, to the Minister, he mentioned that there was one staff man year transferred or reduced. Which was it?

**MR. EVANS:** Transferred out of the department. Transferred to Manitoba Housing and Renewal Corporation.

**MR. STEEN:** That's fine.

**MR. CHAIRMAN:** Resolution 73(d)(1)—pass; (d)(2) Other Expenditures—pass; (d)—pass. Resolution 73(e) Economic Planning and Policy Research (1) Salaries. The Honourable Member for La Verendrye.

**MR. BANMAN:** If the Minister could very briefly tell us what kind of policy planning this department did for the last year, what basically their function is and, as I mentioned before, the type of studies or the type of policy direction that this particular department is giving the government or is giving industry in Manitoba.

**MR. EVANS:** I would advise the honourable member, Mr. Chairman, that the term is policy research. In other words, this particular group are asked to normally give us the implications of various policy directions and attempt, hopefully, to give us some idea of the implications of a pursuit



of one program or another. In terms of planning, I think a great deal has been done, or a fair amount has been done in terms of production of development plans for specific communities. We have developed proposals for Brandon, for the expansion of select industries in the City of Brandon. Likewise an industrial development plan for Portage la Prairie is in process. Both of those studies are now available in the library. They are public information. Pardon me, I'm sorry; not those two. There are two other general reports that have been prepared by the branch that are in the library.

I might add, too, that we've attempted to respond to some communities, such as the Town of Winkler, the Mayor of which requested us to do a report on the impact of industrialization in that particular community. As the honourable member knows, there has been considerable increase, in relative terms, in industrial jobs in that community.

We have also been monitoring the performance of growth centres throughout the province including Steinbach, Selkirk, etc.

The two reports that are available in the library, or indeed are available for anybody that would like to probably obtain a copy, one report that was prepared by this branch is entitled "Estimates of Manitoba's Imports and Exports." This is essentially based on data from Statistics Canada but it is an analysis of this data to see where the imports are coming from and where the various exports are coming from. This is done in some detail and it is hoped that this analysis will give some clues to our businessmen who are seeking import replacement opportunities or who are seeking new markets.

The other research report that was prepared and again is available to the public is a list of Manitoba's exports and potential exports assembled as Volume One of a two volume set entitled "Manitoba's Manufacturing Opportunities". I could give you more detail on it, but what I'm indicating is that these are the types of studies that have been done by this particular branch. There are other miscellaneous impact studies the branch does — impact of industrial location. They've also looked at and are continuing to look at the productivity levels of industries by sector. And they also do market research for The Manitoba Trading Corporation.

We do get a lot of requests from specific communities in the province and this branch assembles economic and social data for those communities. I believe the Town of Vita, the Chamber of Commerce of Vita, would like to have a market study prepared for that particular community. This branch is working on that.

They have completed an analysis of the tertiary sector. The Member for Fort Rouge had been asking about that earlier. And they also help the Energy Council. They have been doing forecasts of energy demand. And they also prepare, on a quarterly basis' an economic review of the province. You should find it in our quarterly publication entitled "The Economy", that's the yellow pages.

Well that gives you some idea of the work that they are doing.

**MR. BANMAN:** The Minister mentioned productivity study. Have you got any technical data as far as the productivity in Manitoba versus other jurisdictions in Canada and/or the United States?

**MR. EVANS:** Well, yes we do have' but did you want to know something precisely?

**MR. BANMAN:** I'm wondering if the Minister could supply us with any of that type of information since it seems to be a topic of concern to all people involved, not only just service industries but especially the manufacturing industries in the province.

**MR. EVANS:** Mr. Chairman, we are preparing reports on productivity levels by industry sector, and it is our intention to make it public, but when it's prepared we will release that information, Mr. Chairman.

**MR. BANMAN:** I wonder if the Minister could just briefly tell us what the increase in salaries is. Has he added some staff man years to that particular department?

**MR. EVANS:** Yes, the increase is \$86,100 in salaries. This is due to, first of all, a re-establishment of a position. We upgraded a particular position and therefore the new level caused an increase of \$19,200, provision for a new contract position \$8,600, and general salary increases and annual increments \$58,300.00.

**MR. CHAIRMAN:** The Honourable Member for Fort Garry.

**MR. SHERMAN:** Mr. Chairman, could the Minister describe to the committee what the line of operation is by this Branch, the Economic Planning and Policy Research? How do they operate? Is this a matter of a catch-up situation and comparing Manitoba's competitive or less than competitive position with other provinces, with other regions in Canada, and attempting desperately to clutch at some straws and to catch up in some areas? Or is there real planning and research and imagination and initiative and effort of that kind patterned along other regions of the continent, the New England states representing only one who have probably struggled with as many adverse competitive situations economically, different ones but probably as many as this part of Canada has, and who have coped with it by specializing in certain ways?

**MR. EVANS:** Well, as I was trying to explain, Mr. Chairman, the branch is undertaking a number of studies. The branch has been active in contributing to an industrial strategy for western Canada, including of course an industrial strategy for the province. This is not complete but I would hasten to add that a great deal of potential for new industries in Manitoba can be found by analysing imports for

import replacement. A great deal of guidance for Manitoba business can be secured by conducting these productivity studies that I've referred to and that information, as I mentioned a minute ago, Mr. Chairman, is to be made available to the business community.

I would add that this branch has done a considerable amount of work with regard to the effect of the Canadian tariff in Manitoba. It is our contention, based on these studies, that the Canadian tariff is a detriment to manufacturing enhancement in Manitoba and that there is a net loss of income because of the Canadian tariff.

There have been other important studies that I think together give you the basis of an industrial strategy for the province. But I would hasten to add again, Mr. Chairman, that we have indicated generally what our industrial strategy is. I have indicated that some years back and, generally, we are pursuing the same lines. But this branch has given us an ability to fine-tune our endeavours, fine-tune our pursuit of industry, fine-tune our encouragement of Manitoba existing industry and their expansion endeavours, as well as to give information to specific communities.

There are other studies contemplated as well by this branch that will give us further economic intelligence, which again will be shared and is shared with the business community.

**MR. SHERMAN:** Well, what happens after these studies are concluded? Do the studies just go on the shelf? Who does the department then deal with? Does it look for financing? Does it look for investors, or is there an isolationist posture, everything has got to be done by Manitobans in Manitoba, we don't want any tainted money from across the border? What is the attitude? I mean, a study is all right, but then you've got to have somebody supply the capital.

**MR. EVANS:** Yes, the information would primarily be used by a couple of other branches in the department, including the trade and industry group for their guidance, and also information is available to the business community itself. And as I indicated, a long proven method is analysis of imports, you know, for import replacement. I'm talking about opportunities for new products to be manufactured in Manitoba, and an analysis of this is obviously one way to intelligently pursue industrial expansion. And that information is made available and is utilized by other sections of the department and by the business community. They are not put on the shelf to simply gather dust.

**MR. SHERMAN:** Are there specific industrial sectors that the Minister could identify as being priority target areas for growth and development? What areas does the Minister and his department commend to the Minister's colleagues and to the people of Manitoba to concentrate on at the present time?

**MR. EVANS:** Just generally speaking, Mr. Chairman, the areas of greatest potential, I would submit, are in the area of food and beverage processing or manufacturing; in the area of transportation equipment, agricultural implements; general small metal fabricating business and medium-size metal fabricating business.

I might add, Mr. Chairman, that we have had a private meeting with the Minister of Industry, Trade and Commerce and we presented these opportunities to Mr. Chretien and are seeking the active support of the federal department in helping us in our endeavours in those particular industries. But those are generally the manufacturing sectors that we believe have the greatest potential.

**MR. SHERMAN:** One other area for the moment, Mr. Chairman. I would like to ask the Minister whether anything is being done by him in concert with others of his colleagues in terms of economic planning and job opportunity planning for those Manitobans who have traditionally been shut-out of the opportunity field. And I think particularly of the problems that we have in the City of Winnipeg, in the core area, employment opportunities for native migrants and others. It's a subject that can't be ducked by all Ministers. It was successfully ducked by the Minister of Health and Social Development when we were looking at his Estimates. He said it was somebody else's responsibility. Well, where does the buck stop for that kind of thing? Does the Minister of Industry and Commerce pick up any part of that buck?

**MR. EVANS:** I believe the staff has been involved in various interdepartmental committees. We are very much aware of the problem of unemployment among the disadvantaged in Manitoba including the core area of the City of Winnipeg. There have been various attempts made to create work for these people and the department has worked with these committees in this respect. To a large extent this is almost in the nature of social development work, and while we have attempted both outside of Winnipeg as well as inside of Winnipeg, I would suggest we're not the lead agency in this respect. We have been the lead agency in some specific instances outside of Winnipeg. — I'd use, as an example the Member from Virden would be familiar with this — our work in the Griswold area, the Sioux Valley Reserve whereby we, some years back, established a handicraft enterprise in co-operation. We got some 50-50 funding with the Federal Department of Indian Affairs, and there was some success for some years with that particular enterprise. I'm not familiar with the situation right at the moment. We've had a lot of disappointments with it.

Also, a few years back, we had a garment factory going on at the Peguis Reserve. Again, you might say that this is more in the nature of social development' in a sense, rather than pure business development.

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At the moment we're working on some possibilities of encouraging larger manufacturers to put out into certain areas of the province, including the core of Winnipeg, certain component manufacturing such as a telephone repair facility at Amaranth; computer components, possibly this is an opportunity I think for the city core; and there are some other programs that we're working on, very specific things.

**MR. CHAIRMAN:** Order, please. In accordance with our rule 19(2), I am interrupting the proceedings for Private Members' Hour to return to the Chair at 8 p.m. this evening.

ESTIMATES - NORTHERN AFFAIRS

**MR. CHAIRMAN:** I would refer honourable members to page 49 of their Estimates Book, Resolution 96 (b) Winter Roads Construction, \$1,684,800. The Honourable Member for Portage La Prairie.

QUESTION OF PRIVILEGE

**MR. GORDON E. JOHNSTON:** Mr. Chairman, I'm sorry to take up time on the Committee on this matter, but I rise on a question of privilege, and it relates to the statement made by the Minister in whose department we are at the time, during the question period when he was highly indignant and offended at a statement that he didn't like that was made by my Leader. It took me a few minutes to find the statement that the Minister is so alarmed about and thinks it was misquoting him and I would like to read to him the statement, then ask him if he does not agree this is what our Leader said, and we stand by his statements. Mr. Chairman, I'll read the statement of the Minister's. This is on page 1916 in Hansard, half-way down the page, and I'll only take the statement that the Minister made that he is so concerned about that our Leader attributed to him.

"I'm quite willing to know how the Liberal Party of Manitoba finds its candidates, how they offer them a certain amount, pay all their campaign expenses if they'll run for them and say, 'We need you to help us. We'll give you all your campaign expenses to run for us because we are so desperate we can't find candidates anywhere.'" Mr. Chairman, my point is, I don't see how the Minister can take offence at what my Leader said because this is what it was.

**MR. CHAIRMAN:** The Honourable Minister of Northern Affairs.

**MR. McBRYDE:** Mr. Chairman, in the press release that the so-called Leader of the Liberal Party issued on April 16th, he has a sentence in there that says, "Mr. McBryde is quoted as stating that the Liberal Party is buying candidates by paying their campaign funds because they are so desperate they can't find candidates." Well, Mr. Chairman, I never took any exception to that part of his statement. That part of his statement is a reasonable reflection of what was said. What I took exception to was the part, that I said. Let me read this statement again. I mean this statement is not general; Mr. McBryde implied that, or it could be thought that he meant. It says very specifically to claim as he has, that Edwin Jebb and Andrew Kirkness are running as Liberal candidates because they have been bought; to claim as he has, that those two specific people are running as Liberal candidates because they have been bought. That does not say that. That does not say that. That is not what I said, what he says in here. The second part: Mr. McBryde states that — as if it's a quote, Mr. Chairman, that the Liberal Party has bought the allegiance of these two fine native candidates.

Mr. Chairman, the Member for Portage has quoted. The members can turn to page 1916 and read what was said. Those two statements made by the Leader of the Liberal Party do not reflect what I said in this House.

Mr. Chairman, I probably should have risen on another point of privilege, because there were two inaccuracies in the Winnipeg Free Press which quoted the Honourable Member for Fort Rouge. One of the inaccuracies in the Free Press was that both these persons that have announced their interest to seek the Liberal nomination were in fact employees of the Department of Northern Affairs. One of them is an employee of the Department of Education and the second is an employee of the Swampy Creek Tribal Council, which I don't believe receives provincial funding.

The other part that the Member for Fort Rouge said — I don't recall him saying it in the House, otherwise I would have commented on it — but he said in his newspaper interview after he was out of the House, and I'm sorry I don't have that news clipping right in front of me, Mr. Chairman, that he was acting on information from the two candidates, that the Department of Northern Affairs had been politicized. The member in fact was even somewhat stronger: "That one of the questions that has to be raised in the whole question of planning is how people are hired. The Department of Northern Affairs is so busily involved in political activity that they don't have enough time to be involved in anything else. What kind of loyalty test is measured in terms of any out-working of his department?" And then he admitted — according to the press story he said, "Well, yes, those were unsubstantiated rumours he heard, but he heard them from these two people who said they would stand for the Liberal nominations."

Mr. Chairman, when the Leader of the Liberal Party was busy making his press statement here in Winnipeg, I happened to be at a group meeting in Grand Rapids with one of the gentlemen in question, and I asked him, "Did you say that to the Liberals in Winnipeg, that the Department of Northern Affairs is in fact very political and that it helps to be an NDP member to get hired?" He said, "No, I never made that statement." So . . .

**MR. CHAIRMAN:** The Honourable Member for Lakeside.

**MR. HARRY J. ENNS:** Mr. Chairman, we were dealing with winter roads when we last rose. At this juncture I had asked the Minister some specific questions having to do with the division of work

undertaken by local people under local contractors, which I recall I was in accord with the government's efforts to bring about the capability and the expertise and the employment opportunities provided under that program to northern residents. But, I wonder if the Minister could, just to bring it into perspective for us, give us some indication as to that amount of northern roadwork that was in fact undertaken by local residents and local contractors, whether they're Indian bands or non native people, but nonetheless local contractors residing in the north; I'd be satisfied with rough figures, how the program broke down in terms of that work done at the local level in the north and that work undertaken by the department, which I understand then sub-contracted to other contractors from outside of the north, from Winnipeg in one particular instance that I'm aware of, for this kind of road work. —(Interjection)— Well, if the Minister can comply with the accuracy that we always had when we used rough figures, then I'd be very happy.

**MR. CHAIRMAN:** The Honourable Member for Assiniboia.

**MR. PATRICK:** Mr. Chairman, while we're on the question of roads and repairs, can the Minister indicate to the House if the road at Cross Lake has been repaired or are the school children still locked out of their classes because they can't use the road and can't get to school? Perhaps the Minister can indicate to the House how long that situation has existed and is he doing anything about it.

The other question I would like to ask the Minister, will there be a vehicle bridge built across Nelson River? And is there any negotiation with the Federal Government and is the province paying any cost of this bridge that there was some talk it might be built across the Nelson River but I am more concerned, in an immediate way, with the road conditions at Cross Lake and are the children still not attending school because of the road conditions?

**MR. CHAIRMAN:** The Honourable Minister of Northern Affairs.

**MR. McBRIDE:** Mr. Chairman, I would like to table for members the written summary I started to give verbally the other day in terms of the Special ARDA Grants. Now this covers, Mr. Chairman, only the primary producers' grants and, I believe, the grants for training. I'll make these available to the honourable members as I said I would the other day.

Mr. Chairman, there was one further comment I would like to make on the initial exchange that we started our discussion out with here today. One of the things that very much bothered me by the release of the Liberal Party Leader was the implication that I had questioned the integrity of the persons involved and one of these persons, Mr. Jebb, of The Pas, is a person for whom I have a great deal of respect, a very decent young man with considerable integrity and I can't quite understand how he can stand to associate himself with the Member for Fort Rouge and the Manitoba Liberal Party.

The question raised on the Cross Lake road, and again I'm going to get the Member for Fort Rouge hopping up and down as soon as I say this — he is going to jump from his seat, I am sure — that the road in Cross Lake that is causing the problem at this time is a road on the Cross Lake Indian Reserve which is the responsibility of the Federal Liberal Government in Ottawa and perhaps he should get hold of the Federal Liberal Government in Ottawa and find out what they are doing to assist the people of Cross Lake with this problem.

On the general question asked by the Member for Lakeside, I think that he referred generally to all the roads in the network, so I have to repeat a little bit of what I said the other day. The Pas-Moose Lake road which is 60 miles was a contract with Moose Lake Loggers. That was a negotiated contract not a bid contract, Moose Lake Loggers being a Crown corporation under The Natural Resources Development Act, or Bill 17, whatever the full title of that was.

The South Bay-South Indian road which is 10 miles was contracted with the South Indian Lake Community Council. Again, this was a negotiated contract as opposed to a bid contract.

From PTH No. 6 to Norway House, a 65-mile road, bids were called on that road and of the bids received the low bidder was a Ken Patterson, and I think that's the way the contract was signed although I think there is a Patterson Trucking, or something, is the other name for that company. That road in the previous year, Mr. Chairman, had been built by the department, using Minago Contractors and using employees from Norway House. There were considerable problems with the Norway House portion of the road in the previous year and therefore it went to bid this last year. This person hired some Norway House people but it was not a contract directly with a group from Norway House. That road is 65 miles.

The Cross Lake, the Jenpeg road; it goes Jenpeg, Cross Lake, Oxford, Gods Narrows, the whole system, but the Jenpeg-Cross Lake portion of that road was contracted with the Cross Lake Community Council. I think that was a negotiated contract with the Cross Lake Community Council.

The next portion of that road, Cross Lake to Oxford House, was built by the Department of Northern Affairs and, as I explained the other day, when equipment was not available locally or within the Northern Affairs Department, departmental equipment, then equipment was rented both by themselves and with men, with operators. One of the reasons why there was a shortage of equipment on this route was that the previous year we had done it — Northern Affairs had supervised, too — and

had hired Cross Lake equipment and Oxford House equipment. Cross Lake had its own contract this year and therefore their equipment was pretty well tied up. Oxford House, the local guy who has equipment there, contracted himself.

I'll report the next section of that road, Oxford-Gods Narrows, 65 miles, was contracted with Gilbert North of Oxford House. So the Oxford House equipment was tied up in the other portion of that road.

Now the exact number of people hired and equipment hired, I'll have to get a more detailed breakdown than I have in front of me although I don't think the final report was in as of Friday, but there might be something in today, a detailed breakdown of that particular road. I don't know if the member got the numbers or not. Cross Lake-Oxford House is 132 miles and Oxford House-Gods Lake Narrows is 55 miles. The Berens River- Bloodvein, 50 miles. The contract for Berens River-Bloodvein was with Channel Area Loggers who, on an understanding, subcontracted some of that work to the Blood Vein Foundation which is a band company operated by the Blood Vein Indian Band. That's a 50-mile contract.

The largest contract in the system is 366 miles, is with Me-Ke-Si and that road can be broken down into a number of sub-roads. Me-Ke-Si had the contract, they subcontracted work to Blood Vein Foundation, they subcontracted some to Island Lake and they subcontracted to individuals who owned equipment in that area. I think I mentioned the mileage on that particular road.

So those were the roads within our system. I think that the honourable member might understand that, you know, we have a budget of so many dollars, we say these are the roads that Northern Affairs will be involved in this year. The first roads listed are done at provincial costs. The Me-Ke-Si road because it's, I suppose, a Treaty Indian based company and because it serves pretty well exclusively reserve communities, the Federal Government does cost-share on that road with us 50-50. So we have a contract with Me-Ke-Si but we recover 50 percent of that contract from the Federal Department of Indian Affairs.

If I missed some of your questions, maybe you could repeat them for me.

**MR. CHAIRMAN:** The Honourable Member for Lakeside.

**MR. ENNS:** Mr. Chairman, I'd like to ask the Minister whether or not his department had a specific contract to Perfanick Brothers Trucking and Supply Limited, here from Winnipeg, in terms of equipment and men along with supervision, and the number of roads that particular construction company constructed for the department during the course of the building of winter roads this winter?

**MR. McBRYDE:** Yes, Mr. Chairman, we engaged that particular private contractor and one other that I know of for sure, and I'm not sure if there were others or not, on the Cross Lake-Oxford section of the road, but not on a contract except on what you call an hourly machine rate which is at the rate that is standard in northern Manitoba for this type of work. The same with the other contractors. I'm aware that one of the others was from Dauphin and I'm not positive if there were others contractors involved that were not from the immediate area.

**MR. ENNS:** Mr. Chairman, the point that I was trying to get at is that on that particular piece of road there seemed to be a great deal of effort that went into the road with very little result. It was one of the poorest roads on the system, that truckers had a great deal of difficulty in navigating and finally refusing to travel across, while at the same time from local observation by those that watched the road-building program as it progressed, the feeling certainly comes that a great deal of equipment, a great deal of time, and a great deal of money was expended. My point, of course, in raising the matter, is to attempt to evaluate the department's efforts at road building as compared to those by obviously some of the growing capabilities of the local contractors. The example that has been specifically raised with me on several occasions was the other piece of road — Cross Lake to Oxford — the contract was handled by one roughly the same distance in the area of a hundred miles, whose road, I was told, was in shape, was brought on stream at considerably less cost. — (Interjection) — Well, I'm reporting what I hear from the north.

I really want to ask the Minister if he is satisfied with the performance with respect to that piece of road that was directly the responsibility of his department under this particular contract — that in terms of equipment rental, they were in fact not out of line; that in terms of the number of pieces of equipment required on it to build that road, that wasn't out of line; and that in fact, every effort was made to keep the overall policy of the department intact by hiring as many local people as possible for the construction of that piece of road.

**MR. McBRYDE:** Mr. Chairman, over the past four or five years that I've been involved in the experience we have obtained, there has been occasions where we have had some problems with contractors and some problems with the weather and the conditions under which they were working. Last year I think that we had to warn on a number of occasions contractors, and I believe that we in fact had to move in and do the work and complete on one contractor last season. But this past year, the road that the honourable member mentions is the one that we did have difficulty with. And one of the reasons as I understand for the difficulty, was the slush ice on Oxford Lake itself and that aspect

was an uncontrollable part of it. Our engineering people were very surprised, as a matter of fact, because we didn't have slush ice on Playgreen Lake into Norway House. But we did have slush ice on Oxford Lake.

The route that was previously built was from Ilford to Oxford and was the route taken. So the goods that go in by train to Ilford are trucked from Ilford into Oxford House and Gods Narrows. There was an extra problem, an extra cost, and an extra time delay because of the shipping charges in the use of the railway. The truckers all proposed to us that they could do it a lot better, if they could drive all the way from Winnipeg or wherever the supplies were available, right into Oxford House. If the member receives a report from somebody who is a contractor, I guess he is going to say he could do it better, "I could have done it better."

In this case, last year, I think the particular contractor that the member has in mind did bid on the Oxford-Gods Narrows part of the road, but the bid was incomplete in terms of the requirements of the bid. Now, if we negotiate with a local person, I think we should negotiate with him. But once we've asked for bids, and the bids are incomplete, then I don't think we can turn down the low bidder who has a complete bid. I think there was some disturbance on the part of the low bidder who didn't have a complete bid, who thought he should have been awarded the work, even though his bid wasn't complete. So the instructions that I've given the department is, unless you are going to take the lower bidder who has a complete bid, don't bid it out. If it's a community-based company, negotiate with that company. It's not fair to require people to bid and then not hire them because you want to use a local-based company. So I made it clear to contractors who have called me that we'll give preference to the local-based company who hires the local people. That's quite a clear understanding. The last time that road was built from Ilford to Oxford House using that route, and it's one of reasons why we decided to change it. The road was not in on time, it was not in satisfactory condition. We had to give a considerable number of warnings to the contractor. The contractor also had outside equipment hired on a man-hour basis, the same as we do, to do that job.

**MR. CHAIRMAN:** The Honourable Member for Roblin.

**MR. J. WALLY McKENZIE:** Mr. Chairman, I really need your help or that of the Minister. This item is only winter roads. I wonder if the other types of roads, the normal road system in the north, what item does that come under?

**MR. McBRYDE:** Mr. Chairman, the main roads in the north come under the Department of Highways, the highways in the north, but Renewable Resources and Transportation Services are building some roads that will be main roads at this time. As Northern Affairs, we get involved in the community roads' not the ones on reserves, but the community roads in the non-treaty communities, and we get involved in the odd little resource road, like if there's a couple of miles to push through to the lake for the fishermen or something. We get involved in those smaller projects.

The other involvement here, Mr. Chairman, is that we do have some involvement with the overall northern road situation. I do have some involvement as a Minister, signatory to the Northlands Agreement, because there is transportation money in the Northlands Agreement; the negotiations have to take place between the Federal and the Provincial Governments on which roads are acceptable for including in the agreement. The guidelines are that the roads should be new roads in the communities that do not have road access at this time. If I can anticipate, the Honourable Member for Swan River is going to ask about the road to Pelican Rapids. As a matter of fact we took the Pelican Rapids road forward as a proposed road for this upcoming season, and the DREE officials said that they already have a road. We argued that it wasn't really a road, it was a trail. Anyway, they said it's already a road, and we are not going to include it in the package this year. When we signed the Special ARDA Agreements, I talked to some of the senior officials with that department and they said, come back again with a fuller proposal, maybe showing that there is not a road — and some of the economic advantages and community-access advantages — we may look at it again. So they turned it down for this year; we might be able to get them to accept it in the future. But they didn't guarantee anything.

**MR. CHAIRMAN:** The Honourable Member for Swan River.

**MR. JAMES H. BILTON:** Mr. Chairman, if I may carry that point a point further. The Minister did anticipate me speaking on it and I wondered if I might take a moment of the Committee's time. Where do we go, Mr. Minister, with this problem? As you know, there is a large school there and a large school population. There is a large population of Metis people and a large population of Indian people in the Shoal River reserve and I have been arguing and working to do something for these people for no less than seven or eight years. The Minister is fully acquainted with what I've endeavoured to do and material has come across his desk. But on the local level, Mr. Minister, at the moment, those people are bewildered and frustrated. I took this up with the Minister of Highways during his Estimates. I went to great lengths on the whole thing. But the situation right now, Mr. Minister, is that those people are not assured that they're going to get their snow-plowing done. I know the First Minister's feelings. He says that there are similar situations all around the province and unless the Federal Government will continue to pick up the tab as they have done for many years, half

of the cost of maintaining that road, and for some reason or other two or three years ago they cut it off and the word I get from Ottawa is that that road, to all intents and purposes, is part and parcel of the Northlands Agreement and there were moneys in that. Where is the \$46,000 which was set up under that fund for that particular area? Is there no chance of any of that being allocated to work on this road?

I would like the Minister to elaborate on it because the people there are frustrated. They don't know which way to go. They have passed resolutions as a council and they have come down as a delegation. They have done everything humanly possible, not only with the Provincial Government, but with the Federal Government, and somewhere there should be a bringing together of minds to satisfy the situation that those people know, that as and when they are confronted with a storm — and I should say too that the Hydro line follows that road, and when the heavy storms — we may not get it this winter, who knows? — but two or three years ago that community was isolated for three days. And this is ridiculous. The police, the RCMP, have to travel some 60 miles when they are called in there on problems. And there are problems many times. And that road is a hazard. They have turned their cars over in there. And if something had been done each year, as I attempted to point out to the Minister of Highways, if an attempt had been made each year, even over the last seven years, to knock off one or two or three of those severe curves, and there are over 200 of them in miles, it would have made the road just that much safer. And somewhere, Mr. Minister, somewhere along the line something has got to be done. And I ask you, I appeal to you on their behalf, to see to it at least that it is understood that the road will be kept in condition, graded if you like, or scraped, and certainly that as and when storms do develop, they will get their equal share of the equipment in there to open it up in order that they can feel that in the event of a fire, in the event of illness, in the event of a disturbance, that they are not cut off; as they shouldn't be cut off.

**MR. CHAIRMAN:** Before the honourable Minister proceeds I would like to draw the attention of members to the loge on my left where we have Mr. Tony Merchant, the Member for Regina-Wascana, representing the Liberal Party in that province. On behalf of all the honourable members I bid you welcome here this afternoon. The Honourable Minister of Northern Affairs.

**MR. McBRYDE:** Mr. Chairman, after that speech by the Member for Swan River one would hope that he wouldn't retire. We are going to miss those type of speeches here in the House.

I think the member is well aware I am fully aware of that situation in the Pelican Rapids as well. I don't think I would agree with him, however, that it is worthwhile to spend a considerable amount of money trying to fix up what they've got there. Basically they need a new road. They could do a fairly straight road in there and a much higher standard road than the trail they have knocked through the bush there now, following some old moose trails, probably, at one time or other, so that it is probably not worthwhile to spend a lot of money on that existing road but to go for the new road.

The initial meeting that they held with the Minister of Highways from the community of Pelican Rapids — and that is both a treaty and a non-treaty community, Mr. Chairman, it is a mixed community — the Minister of Highways agreed that the province would put up half the cost and at that time we asked Indian Affairs to put up the other half of the costs. Now this is one of the areas, I think, of disagreement between ourselves and the federal Department of Indian Affairs and one that I think will be rectified during present negotiations, but it is still a continuing disagreement.

In the past Indian Affairs has cost-shared on roads that went to reserves but they sort of stretched their rules and stuff a bit too to do it, the local regional people here in Manitoba. In fact I think they used a little bit of airport money at one time to do some of these roads. But the last time we had a cost-shared road with them was . . . oh, when I first became Minister, one was just being completed, I think, from the rail line into the reserve at Pukatawagan and that is the last time we had cost-sharing from Indian Affairs. But with the Northlands Agreement, with the longer-term agreement, I was quite hopeful that that road would be included. In fact there were three roads that we put forward, Sherridon, Pelican Rapids, and Jackhead and the answer to all three of them was that they now have transportation access. Jackhead has a road, Pelican Rapids has a road and Sherridon has a rail line. We have not accepted that argument, although we have accepted it to the extent that they said there is no money this year for those roads. They said there is no money, then they are not going to cost-share on them. But as I said, those roads concern me and I didn't think it was a wise decision on their part and we will be exploring with them further but it will be too late this year to get approval on those three particular roads.

The Federal Government did do some work in Pelican Rapids, they did replace the bridge that was in there and I think the member was aware of that particular problem. At that time I tried to play a little game: maybe if we cost-shared on the bridge, they would cost-share on the road. But in fact that didn't come about and Indian Affairs paid for the full cost of that bridge and the province didn't pay on that bridge at all. So you can't blame Indian Affairs for not being willing to do something because they have been willing to do that in that community.

So now it is basically up to us to convince the federal people in the Northlands committee that



these are in fact necessary transportation facilities and try and convince them of that.

**MR. BILTON:** One more word on that subject, Mr. Chairman, if I may. I would remind the Minister that when Hydro went in there, they went from Point A to Point B and almost a straight line and they cut a swath in there sufficient to accommodate a road if it is the thinking of the department to do something about that.

The problem is, or what is developing in the minds of the local people is a complete new road to come out in Bellsite and that is going to be going through a bog and it is going to cost many, possibly millions, of dollars to do that. My suggestion is that if the department feels that they are going to spend that kind of money, the straight route is right through there by Hydro and as I say, they have cut a sufficient swath right-of-way that a road could be fitted in there very well. And if the department goes for the second road, Hydro is going to have to maintain that old road, or "The Trail," as we call it now, in order to service those power lines. So there is a situation there that it is just a question of building up a road, if I may say so, in the clearing that the clearing that the Hydro have already done which would be at no cost, and as I say, it will straighten the whole thing out. Thank you, Mr. Chairman.

**MR. McBRYDE:** Mr. Chairman, there were a couple of alternatives put forward by the community in terms of the location of the road. When we presented it to the Northlands co-ordinating committee, we didn't ask for the whole road construction. The first step is you ask for the design work to be cost-shared. Once they have approved the design work then they have expressed their willingness to cost-share on that road and the next year you go back for the construction or further development. But we never even got the design work approved. But I think that the questions that the honourable member raised will be looked at of course when they decide the route of the new road.

**MR. CHAIRMAN:** Resolution 96(b)—pass. Resolution 96(c) Construction, Capital Work Support (1) Salaries and Wages \$234,300— pass. (d) Airport and Airstrip Operation and Maintenance (1) Salaries and Wages. The Honourable Member for Lakeside.

**MR. ENNS:** Mr. Chairman, on this item, perhaps just a brief explanation on the part of the Minister. There were reports recently that a number of airstrips had in fact been under closure by DOT, for one reason or another. I understand that many of these same strips were built by federal authorities in the first instance. Can the Minister give us some report as to what is happening. Are these strips being upgraded and qualifying for reopening, or are there still a number of the strips that are closed because of the DOT regulations?

**MR. McBRYDE:** Mr. Chairman, when the program was first begun, and that was under the previous government even, it was basically an emergency airstrip program, so that in emergency conditions people could get in and out. What has evolved and where we are now is the basic licenceable airstrip. Now this has acquired some problems because the location of the airstrip, as an emergency strip — there was an article in the paper recently I believe in terms of Poplar River — that was in fact cleared in 1966 and roughed-in in 1967 and completed in 1968 as an emergency airstrip, the community is not happy with the location in that particular case.

In some other cases, Berens River, we have had to turn the strip because the end of it went over the school. And there have been those kinds of technical problems to meet the licensing requirements of the . . . —(Interjection)— Move the school. So that is the situation, that they were emergency strips, but those emergency strips had served for many years as commercial airstrips and regular scheduled flights were allowed to go in there. And then apparently it appears, because of some complaint of other carriers, that the federal authorities decided they had to enforce, very strictly, their regulations.

We had some work planned on those strips already but it was a matter of the time to do it. What we had hoped they would do is temporarily license them, knowing that work was going to be done. I think they have now temporarily licensed one that isn't quite ready, and the others have been completed. I think that Little Grand Rapids is now completed and licenceable. I think that Red Sucker Lake is now licenceable, but Oxford House they have approved temporarily, a temporary permit, and work is being done on Oxford House. Poplar River and Ste. Theresa, there are some other problems there. In the case of Ste. Theresa where there are some problems in terms of location, the community doesn't want the airstrip where it is. And since there have already been a few hundred thousand dollars spent on the existing airstrip, we of course are not anxious to start a brand new airstrip in that community that was built before our time.

**MR. ENNS:** I think the Minister has satisfied our concern about those strips.

The Salary item is a rather large one, somewhat in excess of a million dollars on this particular item. Can the Minister give us a breakdown of that Salary figure, how many staff man years, for instance, are we talking about in this particular item on the Estimates, (d)(1)? It is a pretty significant amount.

**MR. McBRYDE:** I think, Mr. Chairman, the other problem is, when you get to a licenceable airstrip, is that it has to have proper maintenance done on it and therefore we have had to hire staff at these airstrips. So in this section, I think, one of our main staff increases or maybe our only one, I am not positive, our only staff increase this year is fifteen new staff man years for the operation of — and

these five airstrips that were completed. Little Grand Rapids, I mentioned already, Red Sucker Lake are now licenceable and also for the operation and maintenance at York Landing, Pukatawagan and Poplar River. So there are fifteen new staff going on. Now the staff in that program are 85 staff man years and those are all regular positions of the department. I don't have the breakdown right in front of me as to how many at each particular airstrip, but I don't know if the member wants that kind of detail. There are more staff, for example, at Norway House and Island Lake, which is a — it is above a Class D, is that C or E? Class C airstrip. Those are airstrips which in fact that the Federal Government cost-shares some of the operation and maintenance, as well as some of the construction because they have reached a certain level. So there is some advantage to reaching that particular level, but those are the only two strips now that have the traffic to warrant that particular level. But the staff, I am sure, at Norway House must be ten people or so, I am quite sure, because they have to operate 24 hours a day on that basis.

**MR. ENNS:** A simple question. The Minister indicated to me, then, that this item covers some 85 staff man years in total? Thank you.

**MR. CHAIRMAN:** Resolution 96(d)(1). The Honourable Member for Brandon West.

**MR. EDWARD MCGILL:** Mr. Chairman, I was listening to the Minister's remarks on the licence position with respect to some of the airstrips that had been cancelled out by the Ministry of Transport a year ago or more. You used the term "licenceable." Did you mean that the licence had been reinstated in the case of those strips or that they were now in a condition that you thought was satisfactory to MOT and that a licence was to be issued? I am interested in knowing whether those strips, the licences for which were withdrawn by MOT for one reason or another, whether they are now all reinstated, whether those licences are now valid, or whether as you inferred, that they were now in a position to be licensed?

**MR. MCBRYDE:** Mr. Chairman, I'm sorry, I am not expert on this MOT regulation. Maybe the member can help me out a bit. As I understand it, these airstrips were not licensed, that is, the Department of Northern Affairs did not have a licence for these airstrips but the licence that was revoked or that was enforced was the licence of the commercial operators to fly scheduled flights into those communities. And I think, as I understand it, that in fact their permission, their legal permission — I am not sure if they call it licence — was in fact still back from the float days when they could run a commercial scheduled flight by float plane in there, and I don't think they had ever changed fully their licensed state. So that there were not licences for the airstrip that were revoked, the ability to operate for the operators was revoked, and then that would be reinstated when the airstrips themselves were brought up to a licenceable standard. That is about as clear as I can be on that.

**MR. MCGILL:** Mr. Chairman, I gather then that the action taken by MOT was merely to remind operators that when they were carrying passengers for hire, and landing at strips that didn't have a formal licence, then that they were conducting an operation that was not within the terms of the licence to carry passengers that had been granted to them.

I got the impression from the newspaper reports that these licences had at one time been issued. Perhaps it was that MOT were simply not enforcing the regulations requiring licensed operators to use certified and licensed airstrips when carrying passengers for hire. Is that essentially what did take place?

**MR. MCBRYDE:** What you said is essentially correct but, just a small correction so the record is quite clear. Those airlines or companies that had a scheduled flight were no longer allowed to operate into those strips. The member used the words "carrying passengers for hire," but they could still fly in there on a charter basis, so, I mean what you had in effect was that you no longer had any scheduled flights, you had charters that arrived at the same time every day.

**MR. MCGILL:** Yes, I think I understand, Mr. Chairman, now what the problem was. So my question then would be how many of these sched-runs have now been reinstated? In other words are they all still in a state of suspension or are some of the scheds now operating again?

**MR. MCBRYDE:** I'll just double-check this, but there were five strips specifically mentioned and three of those are now available to scheduled flights. Two of them have completed their upgrading and I believe that the application is in but MOT has not issued the final documents. The Oxford House one, I think they have permitted the use of licenceable but it is not yet quite at it, standards. The other two I don't believe are being used by scheduled carriers.

**MR. MCGILL:** Could I have the names of the two that are still not usable by the scheduled air carrier?

**MR. MCBRYDE:** I think that it is Ste. Theresa and Poplar River. I would just like to double-check those. We are going to have some problems because Poplar River has given us a band council resolution authorizing the construction of the airstrip but we do not have title to that particular land and about a month ago there was a press statement on their behalf saying that they wanted the airstrip moved. So that could be quite awhile before that particular airstrip is licensed.

**MR. CHAIRMAN:** Resolution 96(d)(1) Salaries and Wages \$1,002,600—pass. (e)(2) Other

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Expenditures \$443,400—pass. Resolution 96(e) Equipment Repair and Maintenance (1) Salaries and Wages \$73,500—pass. (e)(2) Other Expenditures \$250,800—pass. Resolution 96: Resolved that there be granted to Her Majesty a sum not exceeding \$4,502,300 for Northern Affairs—pass.

Resolution 97 Northern Development Corps (a) Canada-Manitoba Northlands Agreement (1) Salaries and Wages \$1,563,800. The Honourable Member for Lakeside.

**MR. ENNS:** Mr. Chairman, there is one particular item here that I would like to discuss among others that I would encourage the Minister to inform us about as to what is happening under this particular aspect of his departmental Estimates. But the statement that the Minister made earlier on and from the discussion about the Northlands Agreement and about the kind of economic development that he seemed to particularly favour and suggest was apropos to the north and one that should be developed and encouraged was one of creating a greater degree of self-sufficiency within our northern communities. And I think he used a term which I am not all that familiar with, not having been exposed to some of the bureaucratic jargon of late, converges economic development, which I take to mean much the same thing, that instead of importing and being dependent on the importation of certain goods and services required for the development of that community, that great effort should be made to search out those possibilities existing within the framework or their own resources in this given area. But I see the other side of the coin and that is the side that I am interested in, in not creating a dependency on the exporting of certain goods and services that the north is capable of for reliance as far as economic development is concerned.

Now I would like to take the Minister to task on that concept in one particular area, but it happens to be in an area that I think is fundamental to the north and that is northern fisheries. Surely the Minister isn't suggesting to me that we approach northern fisheries from a point of view of self-sufficiency for the north, that we encourage the kind of outlook toward northern fisheries that says if we supply Cross Lake or if we supply Ilford or if he supply this reserve with sufficient for their own needs and for their own desires and wants, that that somehow in any way can be interpreted as contributing to this new philosophy that the Minister talks about.

Surely the Minister and the department recognize that if that were the case, then there is not a great deal of work for him to do in this department. Our job is to find the markets, the markets of the world, quite frankly, for that particular product that we have such abundance of, such a surplus of, and can in fact add immeasurably to the economic well-being of, particularly, those northern communities that he has a responsibility for.

I would like to ask the Minister to explain his "converging" philosophy with respect to northern communities as it applies to such a resource as fish.

**MR. McBRYDE:** Mr. Chairman, as usual the Honourable Member for Lakeside is right on in his comments and I think that the basic principle that we are working under applies to fish in the following way, that you should export your surplus, which is most of it, because you can only consume so many fish in these small communities. Secondly that you should get the maximum value at it out of the fish and I think this is something the member has talked about before, not using that particular word, but instead of sending the whole round fish for processing to Transcona, maybe there could be more processing done on it in northern Manitoba first, so that you would create jobs in northern Manitoba. And I think that the outline I gave would apply to fishing in that way.

**MR. ENNS:** Mr. Chairman, I wonder if the Honourable Minister could, as we proceed through this item, give us some highlights of the particular kinds of economic development that his department has been successfully engaged in in the course of the last year.

**MR. McBRYDE:** Mr. Chairman, the Northern Manpower Corps originally got going to fill basically a need up north, and a lot of the emphasis originally was on placement of people, to find employment for them and get them into the job. This wasn't being done at the time, or not being done sufficiently. Now we are fortunate in that Canada Manpower is starting to realize more and more that this is their responsibility and has some outreach workers who are working in the remote communities. This is why we were able to move into the economic development area I think, without any increase in staff man years, in fact, a reduction in this section in terms of the number of staff that we have.

The immediate items that the Corps has been involved in are the larger ones. For example, the prefab plant at Churchill, the RTM plant — it was at The Pas, it is now located in Cranberry Portage — in Mistik Creek Loggers, which as I mentioned to the honourable member, at the outset, that that is now an incorporated company so the Manpower Corps doesn't have to budget for their operating expenses within the Manpower Corps budget. And Manago is one of the larger ones that they are involved in.

The other aspects of the Corps, many of them are still carried out — maybe I should summarize briefly. The direct economic development they've been involved in this year, up-to-date has been a number of very small projects or the initial stages. For example, I know they are working with the community of Cross Lake right now in terms of if their sawmill would be viable in Cross Lake and how it ties into the other things that are happening in that particular community. But some of the other activity that the Corps is involved in is the Family Services, and this is a Paraprofessional Home

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Adviser Program; people were trained for this under New Careers and now have come on staff within the Northern Development Corps, and they I suppose provide assistance in a number of ways.

In the other relocation projects, for example, at Tawow and Leaf Rapids, they provide assistance to families that are relocating in there, especially I guess to the household people, the people that remain at home.

The other aspect is the Youth Corps, and the member might be well aware that in the remote community, that we basically operate a student employment program through the Youth Corps, whereas the Department of Education does it in the southern area under their Student Summer Employment Program. The special projects I mentioned are the programs at Leaf Rapids and Thompson, and there is some discussion taking place right now in relation to Hudson Bay Mining and Smelting Company at Flin Flon.

There are a couple of pilot projects, we call them, where we have an economic development person located in the community working pretty well with economic development, and the two projects are at Manigotagan and South Indian Lake and those projects will be continuing.

Another aspect is the training part of it, and one thing we do is train people so they can get their driver's license because we've had a lot of problems of people coming from the remote communities for work outside that required a driver's license and not having that basic thing. So we've operated driver's training, I think, in The Pas and Thompson and are now going out to some of the communities that have roads now, like Norway House, and we will be operating driver training in those.

The job information officer is another part of that original concept which we still have to do in a number of areas. What we are trying to do now is get basically the community councils to be responsible for these individuals who work on a part-time basis. And a lot of this is to fill orders—you are aware of the Allied Hydro Council Agreement, that a job order for work on construction with Manitoba Hydro does go through ourselves first and we have 48 hours to find a northerner qualified to fill that job. So these people are able to get these notices of the jobs right away, they know who in the community has that particular skill and can run out to their house or jump in their boat and go across the river and find the person and see if he wants to go to Jenpeg or Long Spruce or wherever.

Part of that placement service that is still going on is that there is some assistance financially given to people who are relocating in terms of helping them get their work clothes and whatever they need to get started, and their initial transportation costs when they are placed in work.

There has also been a program in relation to The Pas Detox Centre, to employ those people who have been through the Centre's program, that is the intensive counselling program and provide them with some work immediately upon their release from that program, those people that don't have a job to go back to. And I think that would be quite a number of people.

I think the community-based training is another aspect and I can give for example, the Hudson Bay Company was renovating their store, so we sort of did the work in terms of training local people in that kind of carpentry work, with the Hudson Bay Company. There are a number of those small community-based training under way programs.

The other area that we are involved in is in those cases where some specific training doesn't qualify for Canada Manpower Assistance, and I think that in relation, for example, to Moose Lake Loggers, that Canada Manpower was able to pick up a couple of people that were basically being trained in the management, not the cutters or the equipment operators, but a management trainee. I think they picked up a person for accounting or something, we picked up a person for another. There are a number of those where there is economic development or local development taking place. If Canada Manpower can't plug into it we will sometimes pick up that aspect of it.

**MR. CHAIRMAN:** The Honourable Member for Lakeside.

**MR. ENNS:** Mr. Chairman, on one specific area that the Minister just touched on. What is being done . . . I recognize it is difficult sometimes to gain the wholehearted co-operation of some of the private sector, although I would hope that that would increase, but for one reason or another the problems are there and they will take time to overcome. One would hope that in time, for instance, a growing number of the staff required by a government agency, such as Manitoba Hydro, it could be, in a long-term program, that more and more of the permanent staff manning our massive silent factories, energy factories of the north, could in fact be staffed and manned by residents, and quite frankly, preferably more and more native residents of the north. I recognize that we are dealing in a technical field, the arguments from Hydro management, of course, would be the unavailability of trained personnel to do that. But, surely, as these plants come on stream, and it is a long term developmental program on the part of Manitoba Hydro, and the government, it stretches into the year 2000, that we will be building an increasing number of these factories in the north. It is an area, in my judgment, that the government and the various departments of government should make every effort, even to the point that it would be, understandably, perhaps a considerably more expensive effort in terms of the training required to search out and to motivate sufficient numbers of people from within our native community to undertake that kind of work, as alien and as foreign as it is to

them, then to undergo the necessary training, at perhaps considerable expense, a lot of it having perhaps to take place outside of the immediate northern area.

But, I would like to hope that in the future, future generations of Manitobans, those who would be future MLAs who go on tour and tour the northern hydro sites, that we would be seeing increasing numbers of native Manitobans employed in these, what would surely have to be considered good opportunities, favoured employment opportunities, under more favourable conditions. If I were an economic developer or planner in the Department of Northern Affairs, as a career person, I would have to look at that as being a major objective. I would even put that ahead of, for instance, trying to put the same effort into developing those same kinds of skills and training directed to our native population with respect to mining. I can understand the kind of work description, the kind of attitudes prevailing in a very high kind of pressure, mining atmosphere and climate. It would be probably even more difficult to encourage greater participation in by our native populations, although I don't think for a moment that that should be lost sight of. But it seems to me the kind of custodial stewardship of the great rivers that we, the white society have, to some extent, drastically changed and altered, hopefully for the better of most Manitobans, that there would be some poetic justice in giving over the management, in increasing amounts, the maintenance, the running of these kind of plants, to the people, the original people in those areas.

That sounds just about as pipe-dreamish, I know, as some of the reports that I read over the weekend that are contained in the Northlands Agreement, for instance. But I just wanted to indicate to you, Mr. Minister, that not all the pipe-dreaming comes from that side of the House or from your consultants, it is quite possible that some of it is generated, from time to time, in the minds of the members of the Opposition. I just feel that we should be prepared to build into that billion dollar-plus program, of northern development of our energy resources, a social cost, a human factor that takes into account the potential long-term, long-lasting into perpetuity, we hope, the kind of employment opportunities that can generate, in some instances, a greater degree of economic stability in the north.

Has the Minister, or is the department doing anything? Can the Minister, just for starters, indicate to us the number of personnel that are now employed with Manitoba not on a construction basis, or not on exploratory work or this Hydro' kind of thing, but, in fact, say at Kettle, or at the plant coming on at Limestone, is there a concentrated effort directed at this source of employment opportunities for our native population?

**MR. CHAIRMAN:** The Honourable Minister of Northern Affairs.

**MR. McBRYDE:** Mr. Chairman, I don't think the member's ideas are farfetched at all. In fact, I think as I mentioned before, with the number of people coming available to the work force, every single source of employment must be tapped. I had a little trouble with the member's comments because he started out, and said, is there a way that people can — what is the relationship with the private industry, and then he went to Manitoba Hydro, which is not exactly a private institution although they operate very similarly.

I can't give him exact figures in what he's talking about, those people for the ongoing operations as opposed to just people in construction, and I think that that applies to Hydro, it applies to places like ManFor, it applies to the mines up north, and I think that we have to explore every one of these options. In the mining industry, for example, there are some native people that don't want to be miners, that don't want to go underground, the same as there are in the general population, but there are others that are willing to give it a try and work in the mining industry. So, for example, at our Tawow project at Leaf Rapids we have assisted 41 people this last year to relocate and live in Leaf Rapids and work with the Sherritt Gordon Mines in that community. At Thompson there are 20 workers, or their whole families, 20 people employed at INCO now whose families have been relocated into Thompson to take advantage of that employment opportunity.

I am not sure in those particular instances, how well and how fast those people are working their way up in the system. I am assuming that they would do it at the normal rate of other new employees. I know, for example, last year ManFor was still keeping records of the progress of native people working at ManFor, and although the number was limited in the pulp mill those that stayed had worked their way up into quite senior operating positions, in that continuing ongoing operation.

I think the other unique program that gets at a little bit what the member was talking about, and he would be interested in, is the Apprenticeship Training Program. There is lots of construction work done up north, there is housing especially and there is other kinds of construction goes on. So a fellow comes up and works with an electrician for five months, until that job is done, and then a different contractor comes in and he goes to work with him for awhile, and then another contractor is in the area and he works with him for a few days, and these people, many of them gain considerable experience as carpenters, as electricians, and those activities related to construction, but they never ever got the papers to prove, to show that they had these qualifications, because they were six months here and six months there and there was never enough put together. I think our program is pretty unique in Canada, that in fact, we can now apprentice people to our department, and then we

deal with those contractors who are in a short term basis. We also of course have some papered people within the department, but this is the way to let them use their experience to eventually get their ticket, as it is called, to be fully qualified to do those jobs. In the last fiscal year 172 people participated in the Apprenticeship Program, and the goal — a member mentioned goals the other day — we've set goals in these various programs in terms of the number of people we hope to have in there, and these goals, of course, are targets that fit within our overall goal of the development. Our target for next year is 220.

There are still, I think, some concerns we have about getting people into the ongoing and long-term jobs. We would like the industries to accept some responsibility. We don't want to sort of just go there and beg somebody to hire this person, and try and keep him going' but to get the industry excited about that possibility, and what they can do as good corporate citizens in northern Manitoba. We've been fairly successful. The native people held a meeting last fall in Alberta. These were native people who were involved in placing native people in jobs. And the native placement people in Manitoba presented a small award to Sherritt Gordon Mines for being a very good employer of native people, willing to take native people into their operation. Not only to allow them to come in, but to assist them to stay in, and doing such things as training their foremen and managers, so that they were able to help people stay on the job and take advantage of that opportunity.

So there is some considerable effort on our part and some companies have been very responsive to that kind of initiative. But there's still quite a way to go with many operations. And I don't have an answer to the question of how many continuing operations people are native in Manitoba Hydro. But I would guess that it's not that many.

**MR. CHAIRMAN:** The Honourable Member for Lakeside.

**MR. ENNS:** Mr. Chairman' I just rise to underline, quoting a few facts from a resource development report of March of last year of 1976, which indicates the seriousness the north faces, and the Minister hasn't attempted to avoid that in any of his comments.

No. 1, the job-gap seems to be widening. It's indicated here, it shows that 3,571 and unless corrective action is taken, will double by 1981. The fact that welfare payments comprise of 42 percent of the per capita income as of last year, that unemployment is on the rise, and that the staggering fact that we have to face—and the Minister indicated that to us on an earlier discussion on the matter—that the population increase is fastest in the north where working at something in the order of 21 percent between the period of 1971 and 1976, and the experience in our remote communities nearly doubled that of the industrial north. So in the very areas that we have our most difficult task in vesting ourselves as members of the government, to try to resolve these problems, that's where the problem is going fastest.

I am happy to hear that the Minister can talk about individual numbers; 152 people apprenticing under, I am sure, a very worthwhile program in the course of this year, and he's targeting for 200 next year. That, of course, doesn't mean that all 152 will be successfully and gainfully employed once they've apprenticed. Mr. Chairman, I can only indicate to the Honourable Minister that there is some satisfaction at hand knowing that a Progressive Conservative administration will be in power reasonably soon and will undertake those kinds of massive programs that are important like CFI, that employ 1,000 people at a time in the north — only this time we'll stick around long enough so it will handle all the funds and not fritter away too much of it because that's the kind of attack that has to be taken in the north.

The Honourable Minister, I think indicated earlier we at least have in that particular project, some 400 to 500 people working at all times, of native ancestry in the Woodlands division, with the potential of considerably more if that plant expands to its full capacity. And the suggestion by other reports is that we can look forward to expansion of that kind of activity. So, I only wonder at the rate of 150 or 200 trainees a year, what progress do we have to look forward to? —(Interjection)— Yes, I'll say to my honourable friend, the Liberal Party it's better for Thompson. As a matter, I think it can be said that it was the combination of Liberal and Conservative governments that have provided the only significant and stable employment in the north in the history of Manitoba. But then, Sir, I don't want to be partisan. I am not that kind of a person.

I would like to come back to those noble comments that we were just talking about, hopefully changing some of the mores and values and attitudes of both government, Crown agencies and the private sector in somehow being able to attract the native population to gainful employment in the north.

Mr. Chairman, in that sense, I have to come back to that original Northlands Agreement, which is filled with noble sentiment, and which undoubtedly fills the pockets of many consultants and many professionals. —(Interjection)— Well, Wally, I won't say political friends, but perhaps that too. But there is such an inordinate amount of money out of the rather substantial dollars that are being allocated under this agreement — \$138 million. I find that the very first item under that agreement, you have the rather astounding figure of \$5 million, just for feasibility studies. You have other items such as another \$6 million just to assist in the printing of newspaper letters and local information

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centres and seminars and meetings. Six million dollars! That's on top of \$5 million for feasibility studies. That's \$11 million out of this \$138 million that hasn't created a job, that hasn't built a bridge, that hasn't built a sawmill.

So, Mr. Chairman, when we say that there's just too much of this kind of money floating around in these fancy agreements — and I'm not saying it, the people of the north are saying it — and I'm echoing it. Because I believe that we can do more with the kind of money that is being spent. There has never been a suggestion made, Mr. Chairman, by members in the opposition, that this government is not spending a substantial increase of money in the north. Nor has it been suggested that this government should not spend substantial money in the north. It deserves it; it deserves it.

There's a statement somewhere or another that I had earlier that spelled that out a little better. Governments have responsibility to spend in larger proportion, greater percentage, for those in our society that are poor. And I used that word in its broadest context — poor in motivation, poor in opportunities, poor in accessibility to opportunities for some reason or another, that have been passed by in terms of what the mainstream of our economic activity is in this province. So there is no question . . . —(Interjection)— prior to '69? We guaranteed a thousand jobs in The Pas. We're darn proud to do it. We're darn proud to do it. And we created the kind of climate that prior to that, you could think of a Thompson plant, an INCO plant being built in Thompson, instead of chasing them away, instead of chasing them out of this province, as we are doing right now, instead of you fellows sitting on top of all the mineral resources, reclaiming all the initiatives away from the mining companies right now and stifling and strangling that very important aspect of a northern economic development. —(Interjection)—

Well, Mr. Chairman, I don't have to believe that myself. I just have to read the stock pages of the daily papers. I have to read the reports from the mining companies whether it's INCO, Sherritt and Hudson's Bay. I have to read that with some concern, that every time they redirect \$20 million exploration money out of Manitoba to put into Ontario, out of Manitoba to put in Indonesia, out of Manitoba to put in some banana republic in South America, because they think they have a greater political stability in South America than we have in Manitoba right now, as far as the mining company is concerned. And if we don't want to be concerned about it, if you don't want to be concerned about it, that's fine. The people of Manitoba are going to give you precious little time to be concerned about it; precious little time to be concerned about it. But it's jobs that we are talking about. It is jobs that we are talking about, I say that to the Honourable Member for Flin Flon, and not inordinate concern about HBM&S or INCO or Sherritt Gordon. They are all part of what makes our society one of the best in the world, one that should be improved everyday that we sit in this Chamber, but nonetheless that have created the kind of situation that we can even discuss and think about helping those under more unfortunate circumstances such as the people that the Minister is responsible in isolated communities in northern Manitoba.

It makes it possible that we can sign agreements that have \$138 million so we can dedicate them to the isolated communities of the north, that we can do something about building roads and airstrips, providing better services, providing better education, providing better apprentice opportunities for different trades.

Well, Mr. Chairman, I'm suggesting to the Honourable Minister that while the 152 apprentice people that he has got in his training program this year, and the target of 220 that he has got set for next year, is a noble and laudable effort. But you are dealing with a population explosion on your hands, Mr. Minister of the north. By your own figures, it is going at the rate of some 21 percent in . four or five years, and increasing in unabated rate. I don't see despite the dollars that federal authorities are providing, despite the dollars that you are providing' I don't see us breaking through. I am not a pessimist by heart. Hell, I'm a cattleman, I have to be an optimist. But I must admit that there is pessimism in the air when I read the kind of figures of breakthroughs that the department is making in terms of its economic development opportunities for isolated and northern communities.

**MR. McBRIDE:** Mr. Chairman, the member is quite right. Last year, I did go into the statistics that the member has quoted into some detail, because it is quite worrying, it is quite frightening when you see the number of people that will be coming on to the labour force, and the amount of effort that is necessary to ensure that there is jobs available.

I was also getting worried because the Member for Lakeside and I have been agreeing so much during my Estimates review, and with the prompting of my colleague from Flin Flon and Ste. Rose, I think that maybe we've brought out into light now the very basic disagreement, if there is a basic disagreement. As I see the job creation, I think we have to take advantage of every kind of opportunity that there is there, and I listed all the different areas the other day, and I won't go through it again. But we can't miss any of those types of development, whether it's the private company or whether it's the local economic development, or whether it's the fishery or the trapping, etc., etc., etc.

**MR. CHAIRMAN:** Order please. The hour being 4:30, according to our House Rule 19(2), I'm interrupting the proceedings of the Committee for Private Members' Hour, and shall return to the Chair at 8 p.m. this evening.

PRIVATE MEMBERS' HOUR

RESOLUTION NO. 8

**MR. SPEAKER:** The first item, Private Members' Hour, is resolutions. We are on Resolution No. 8, proposed by the Honourable Member for Portage la Prairie. The amendment has been carried, the motion is now amended. The Honourable Member for St. Matthews.

**MR. WALLY JOHANNSON:** Mr. Speaker, what I have to say will be very brief. I was wanting to respond to a statement made by the Member for Morris, when we last debated this topic. The Member for Morris came to the conclusion that all of the evils of the world were attributable to socialism. And this historian of the Conservative Party now tells us that the Great Depression of 1929 to 1939 was caused by socialism all over the world. Mr. Speaker, that is one of the most hilariously stupid statements I have ever heard. The Member for Morris sometimes makes very profound statements in this House and I must admit that many a time I listen with a great deal of respect to what he says' because he makes a great deal of sense, sometimes.

But in that particular occasion, his partisan zeal carried away his argument. The argument, of course, would imply that Mackenzie King, who was the Prime Minister in 1929 and 1930 was a socialist. One can call Mackenzie King many things, but I don't think you can call him a socialist. That argument implied that Herbert Hoover in the United States was a socialist. Herbert Hoover in the United States was a socialist. Now, again, one can say many things against Herbert Hoover, but I would not accuse him of being a socialist. —(Interjection)— Yes, I think if Herbert Hoover was a socialist, the Member for Sturgeon Creek is a socialist. —(Interjection)— Yes, I have been reading it with interest.

Mr. Speaker, there were all kinds of governments throughout the western world in 1930' and a great many of them were not socialist. The depression of 1929 had many causes, but socialism was really not one of them. The basic causes were structural weaknesses in the free market system, to the extent that it existed in 1929. Now, Mr. Speaker, the problem is not merely with the fact that the 1929 depression does not substantiate the position of the Member for Morris' because if you go back a little bit in the history of Canada, you come to the period of Sir John A. Macdonald.

Now Sir John A. Macdonald, I think was a great Prime Minister. Sir John A. Macdonald was the founder of this country and he was, of course, a Conservative. At least, I always thought he was, Mr. Speaker. I always thought that Sir John A. Macdonald was a Conservative. But Mr. Speaker, Sir John A. Macdonald was Prime Minister of Canada with one exception of five years from 1867 to 1891 when he died. And for much of that period, Canada was in a state of depression. So, from the argument of the Member for Morris, I must conclude that Sir John A. Macdonald was a socialist, because that must be the only explanation for the fact that we had a depression for much of that period of time.

**QUESTION put on the motion as amended and lost.**

RESOLUTION NO. 10

**MR. SPEAKER:** Did the Honourable Member for St. Matthews have something to say? — (Interjection)— Very well. We are on Resolution No. 10. The Honourable Member for Gladstone.

**MR. JAMES R. FERGUSON:** Thank you, Mr. Speaker. We have had considerable discussion on this resolution. I think it is a very good one and I feel that the Hydro policies are now beginning to come home to roost. They've found out that they are going to need a whole bunch more money and one of the places that they are going to collect it is from the curling rinks and the skating rinks and these people are basically caught in a bind whereby they have no way of protecting themselves, they can't really cut back on the power consumption. They've found themselves in the position whereby the rates have doubled in the last five years and under the stay option of the present government, they were kind of led to believe that there would be support for these facilities.

They're out doing the construction of them due to the fact that the recreational grants, the maximum of \$20,000 or 20 percent of \$80,000 whichever came first, was paid plus the Special Municipal Loan Fund, which is a labour forgiveness, LIP programs, PEP programs and all of these programs were really appreciated. I don't think that there is a community hardly in Manitoba that hasn't benefited to some degree because of them. However, when we find that after being encouraged to use Hydro power and the signs for years said, "It's your power — use it" we find that these signs are slowly coming down and that we are now having to pay through the nose for a utility that, up to this point, was really something that we could all be proud of. We now find that through political tampering and one thing and another, our socialist friends across the way have it in a mess the same as everything else that they touch.

Getting back to demand billing, which is 80 percent of all the peak load and, of course, this again can be overcome, as Hydro says, through sophisticated equipment, but sophisticated equipment means that it is going to cost a whole bunch more and here again we find that Hydro is something that



you can't really shut off in a rink. I have one particular recreational facility where there is a swimming pool, a rifle range, skating, curling and there is just absolutely no way that you can avoid this peak load unless you have somebody running around pulling the switches. This particular facility has put in, or are in the process of putting in, this so-called sophisticated equipment. Hopefully it will save some money during the course of the operation.

The centres are not being used in the summertime. Normally when the switches are pulled around the 1st of April that is the end of the occupation of those rinks. I feel it is very unfair that they should be billed 80 percent. No one has any hangup at all in the fact that we have to pay for hydro and I think everyone is prepared to pay for what they use. The amendment moved by the Honourable Member for Radisson that it be an open-ended subsidy I definitely cannot agree with because when you have a subsidy it is definitely going to be administered by whoever happens to be in power and it always seems to come to pass that someone has the option of either giving so many dollars or not so many dollars or tampering or interfering with it one way or another and I feel that these rules would in no way be excluded if it was put back into an open-ended subsidy. Subsidies I would be afraid of.

We find again that we have been encouraged to use hydro but the indications are now that many of the plants — well, not many but some — there is a trend starting whereby they are putting in their own diesel plants and in this way they are circumventing hydro and simply because they are not in the position to be able to pay the shot that they are expected to pay.

Now, I don't believe I have a great deal more to say on that, Mr. Speaker. I do feel that it is very unfair; I feel that Hydro should take another look at adjusting the rates to what these facilities are using and I certainly, again, am very frightened of an open-ended subsidy. Thank you.

**QUESTION put on the amendment and lost.**

**MR. JOHANNSON:** Yeas and Nays, Mr. Speaker.

**MR. SPEAKER:** Call in the members.

The Motion before the House is the amendment by the Honourable Member for Radisson to Resolution No. 10 by the Honourable Member for Minnedosa.

**A STANDING VOTE was taken, the result being as follows:**

**YEAS:** Messrs. Adam, Barrow, Bostrom, Boyce, Derewianchuk, Desjardins, Dillen, Evans, Gottfried, Green, Hanuschak, Jenkins, Johannson, McBryde, Malinowski, Miller, Pawley, Petursson, Schreyer, Shafransky, Toupin, Turnbull, Uskiw, Walding.

**NAYS:** Messrs. Banman, Bilton, Brown, Enns, Ferguson, Graham, Henderson, G. Johnston, F. Johnston, Jorgenson, Lyon, McGill, McGregor, McKenzie, Minaker, Patrick, Sherman, Steen, Wilson.

**MR. CLERK:** Yeas 24, Nays 19.

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Speaker, I was paired with the Minister of Labour. If I had voted, I would have voted against or in the negative.

**MR. SPEAKER:** In my opinion, the Ayes have it and I declare the amendment carried.

**QUESTION put on the Resolution as amended MOTION carried.**

### RESOLUTION NO. 13

**MR. SPEAKER:** The Honourable Member for St. Matthews.

**MR. JOHANNSON:** Mr. Speaker, the votes just went the correct way on this resolution, however, I think there was a slight problem on No. 8. The Member for Roblin slightly misled our group and the result is that we voted down the Honourable Member for Ste. Rose's lovely amendment and I will have to apologize for the Honourable Member for that little mistake.

**MR. SPEAKER:** Order please.

**MR. JOHANNSON:** We are now talking on Resolution No. 13 by the Honourable Member for Riel. When we last dealt with this resolution, it was spoken to by the Honourable Member for Fort Rouge. The Honourable Member for Fort Rouge obviously had not prepared a great deal for his resolution. I think in all his comments, which lasted a good twenty minutes, he twice touched on the resolution and when he did touch on the resolution, he was wrong in what he said.

He said that the resolution is a good resolution and that he would support it without hesitation. I would think that that would cause the Conservative Party some misgivings because when the Honourable Member for Fort Rouge supports without reservation one of their resolutions, they should think twice about that particular resolution.

The second point he made which touch on the resolution was that he said that the only way that you can really conserve energy was with pricing policy and, at that time, I believe he was referring to petroleum prices and he was specifically referring to an item, Mr. Speaker, over which the province has absolutely no control. The province has absolutely no control over the price of petroleum. If we

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set the price of gasoline at 50 cents a gallon for No. 2 gas, one very simple thing will happen. Every motorist that goes to the pump will, if he can get gas, will have it available at 50 cents a gallon, but he will get no gas because no one will supply gas to the retailers at that particular price. So the province has absolutely no control over petroleum prices because it doesn't control the supply of petroleum and petroleum products.

Now, we have an interesting kind of resolution provided by the members of the Conservative Party. The members of the Conservative Party are continually accusing this government of waste. . .

**A MEMBER:** Overtime.

**MR. JOHANNSON:** . . . and taxing too much. So they propose a whole series of resolutions in this resolution, a whole series of measures, almost all of which either cut taxes or are going to cost money. Now let's have a look at them.

The first item that they are proposing would prohibit the assessment for property tax purposes of any dwelling or other heated structure from being increased because of energy conservation measures. So they are going to prohibit the assessment, an increase in assessment, on any building that has been improved by energy conservation measures. Now, this is cutting a tax; it is not cutting a provincial tax, it is cutting a municipal tax. What the Conservative Party in effect is doing is cutting a municipal tax. It is decreasing the revenue available to every municipality in this province.

The Tory Party continually talks about the need to provide additional financial resources for the municipalities, for local government, and then they propose a measure that will cut the revenues of the municipalities. They don't make any proposal to increase grants to the municipalities but I guess they will have to do that, won't they? If you're going to cut the revenues of the municipalities, you are going to have to provide them with some compensation. In other words, some grants. So here we are talking then' Mr. Speaker, by implication of a grant that a Tory Government would provide to the municipalities as a compensation for loss in revenue.

What's the second thing that the resolution proposes, Mr. Speaker? It proposes to prohibit the assessment for property tax purposes of any dwelling or other heated structure from being increased because of renewable energy collection devices. Again, Mr. Speaker, this is the cutting of a tax but it is not cutting a provincial tax, it is cutting a municipal tax. This will decrease the amount of revenues available to the municipalities. So the second measure proposes again to cut the revenue of the municipalities. That means one of two things: either the Tory Party wants to decrease revenue available to municipalities, or once again it is going to have to compensate the municipalities with a grant of some kind. So we have either of those two options. Either the Tory Party is cutting revenue available to municipalities; it is cutting the tax revenues of the municipalities, or it is proposing a second system of grants that will have to be made available to the municipalities.

The third item, the third proposal, would remove — before I go on to that, the prohibiting of assessment of energy conserving construction improvements would really save very little in construction costs and it would save very little on annual property taxes. It would provide a savings of roughly two percent, and this two percent saving would be provided at the cost of attacking the principle of the property tax and secondly, increasing the complexity of the property tax system even more than it presently is complex. So the two proposals would provide very little in the way of savings. It would decrease the amount of revenue available to municipalities but not a great deal, but it would also on the other hand provide very little in the way of savings. The real savings to be provided from increase in energy saving devices is through the savings in the cost of fuel, in the cost of the annual fuel bill.

Now, Mr. Speaker, the third proposal of the Tory party is to remove the provincial sales tax from all insulating materials and energy conservation products that recognizably improve energy utilization efficiency ' so the Tory party is going to eliminate the sales tax on insulation materials and energy conservations products.

Now, Mr. Speaker, this is another proposal that I can't support, personally. The provincial sales tax on insulation materials contributes about one-tenth of one percent to the cost of construction, one-tenth of one percent on the cost of construction is attributable to the provincial sales tax on insulation material, so this is the great savings that the Tory party is offering to Manitobans. This would have very little, very little impact on deciding whether or not somebody who's about to construct a building will provide proper insulation and energy-saving material in the building. It will have very little impact. It is negligible in its impact.

Even if you apply this, Mr. Speaker, to the ordinary home, for example if I want to improve the insulation in my house, supposing my bill is \$1,000' the cost of insulating my building let us say to improve it to bring up its insulation qualities would be \$1,000.00. By eliminating the sales tax on that you save \$50.00. Now that .00 \$50 will have no real effect on whether or not I make a decision to go ahead and spend the \$1,000, but by spending that \$1,000 if I save \$200 per year on my fuel bill, if I save \$150 or \$200, then I will consider spending \$1,000 on insulation. I will consider spending that amount of money, but the \$50.00 will make no impact one way or the other on my decision, because it is such a small part of the total cost.

Now, Mr. Speaker, the fourth and fifth proposal of the Tory party propose incentives for the upgrading of existing buildings to improve insulation qualities. So again they're providing incentives, they're providing grants . . .

**A MEMBER:** You just don't like that word at all.

**MR. JOHANNSON:** No, I don't particularly like that word. Once again, Mr. Speaker, the Tory party is providing incentives. It is providing grants. And, once again, Mr. Speaker, I wonder about their great dedication to the free enterprise ideology because they never can rely on the free enterprise system to provide the incentives. They always have to bring forth government incentives. They always have to have the government providing the gifts, the incentives for the free enterpriser to behave in the proper fashion within the system.

Now, Mr. Speaker, I still haven't touched on the worst aspects of this resolution, because this resolution is a lousy resolution. It portrays very clearly the confusion, the utter confusion prevailing in the Tory caucus, and it portrays the intellectual inadequacy also of the Tory caucus.

The resolution applies not merely to houses when it's proposing incentives, it talks about all kinds of existing buildings and the Member for St. James specifically mentioned the desirability of including industry and commerce in this kind of program. Essentially what this resolution is providing, Mr. Speaker, is corporate welfare. It is a form of corporate welfare. The buildings that are built in this province vary greatly in the cost. The cost of putting up a new house is perhaps \$50,000; the cost of putting up an industrial or commercial complex will run into the millions, so essentially what you're proposing is a scheme of incentives and prohibition of assessments that will benefit most industrial and commercial organizations rather than the individual homeowner. You're going to provide peanuts to my individual homeowner in St. Matthews, and you're going to provide huge benefits, comparatively, to Eatons or some other commercial organization that is proposing to build a large building. So you are going to have my taxpayer in St. Matthews, my little homeowner in St. Matthews paying to provide corporate welfare to Eatons or to the large industrial concerns in this province.

Now, I have more faith in Eatons and in the industrial and commercial organizations of this province than the honourable members opposite do. I think that they're capable of looking after themselves without getting welfare from my homeowner in St. Matthews. Therefore, I would oppose giving them such welfare.

The problem with the resolution is that it doesn't recognize the reality of things. The reality is that the savings in additional heating costs will be the real incentive for people to make improvements in insulation and energy saving devices. Little tax incentives will have little effect on making their decision one way or the other. What will make the decision will be the amount of money they can save through savings in heating costs.

One final problem with the resolution is that, for example on the question of the provincial sales tax, you can't really guarantee that if you eliminate the sales tax the retailers won't simply tack on a price, an additional amount to the price they're charging now to make the final cost to the consumer exactly the same. There's no way that this resolution controls the final price to the consumer. And so, Mr. Speaker, I intend to vote against the resolution.

**MR. SPEAKER:** The Honourable Member for Lakeside.

**MR. ENNS:** Mr. Speaker, it's just a source of never-ending amazement to me how my honourable friend from St. Matthews can allow ideology — and really it is his ideology that prevents him from understanding a straightforward, timely resolution. Mr. Speaker, I say timely because the President of the world's richest nation is going on national television tonight to address his people about the importance of conserving energy. —(Interjection)— No, that's not the President of Saudi Arabia that I was referring to at this particular time. I was referring to our neighbouring country, the American people who are being addressed tonight, undoubtedly in a similar vein that perhaps this resolution is talking about among other measures that he is going to be proposing to the American people.

But the Honourable Member for St. Matthews cannot understand the resolution. The resolution isn't involving reduction of municipal revenues, provincial revenues or federal revenues. It isn't a question of creating incentives for one sector or another sector to do certain things. It has nothing to do with corporate welfarism. It has simply something to do about conserving energy, that's all, conserving energy. So whatever else flows from it, what may have to be done to make up or replace, there is a displacement of revenues to any sector of government, that is obviously a matter for another resolution. It is obviously a matter for other action but the question surely before us, and what the resolution purports is to draw attention to the fact that we should not be so blind to go on mindlessly, when our technology and our experience tell us better, wasting energy.

The Member for St. James correctly pointed out that it is in space heating that by far the greatest amount of energy is used and consumed. Now this government likes to put on the airs of energy conservation if they can attach political dogma to it, if they can go after the fat cats, the Continental drivers, the Cadillac drivers, the heavy car drivers, then it becomes a very notable and acceptable

measure for energy conservation, except of course that they make little or no contribution to the savings of energy. And for the member's information, a person who is capable of affording a \$15,000 or \$18,000 Mark V Continental doesn't really worry too much about his gas mileage and subsequently is not going to conserve on any energy. And in fact the car sales figures show us that it is the large car manufacturers that are having trouble in keeping up with the demands on the assembly line.

Now, Mr. Speaker, does the honourable member and does the government want to consider energy conservation as an item of priority? Does this party, who on so many other occasions is prepared to follow their leader, who has on so many occasions taken a specific interest . . . In fact, Sir, he likes to, in his off moments, muse as becoming possibly the next energy czar in the country, if he should accept a posting with either a federal agency or with the United States . . . . He has ofttimes expressed his particular concern about the diminishing fossil fuel reserves in this country. That of course is what we are talking about here.

We are not talking about whether it is going to benefit one segment of society or not and in the final analysis, is not that homeowner living in St. Matthews also concerned about the availability of these energy resources in the future, just as much as Eaton's or The Bay is? Is that homeowner in St. Matthews not somewhat concerned that the escalating costs of energy have carried on in a consumptive manner the way they are, that those costs have to be passed on to him, whether it is in the form of the groceries that he buys, the clothes that he buys, the furniture that he buys?

**A MEMBER:** They don't understand that, Harry.

**MR. ENNS:** Can the Honourable Minister not just for a moment forget about the fact that it is them and us and that the question in this resolution is energy conservation? That is all it is, energy conservation. Your First Minister keeps telling us that we are dangerously low on reserves of fossil fuels, that this generation has a specific responsibility, Mr. Speaker. In fact I think I am using his very words in an address that he made just this past week to a gathering here in Winnipeg. — (Interjection)— Certainly.

**MR. SPEAKER:** The Honourable Member for St. Matthews.

**MR. JOHANNSON:** If he also is so concerned about conservation of energy and non-renewable energy resources, why doesn't he simply propose rationing of gasoline, the most direct, simple way of . . . ?

**MR. ENNS:** Well, that is again the typical Socialist response. Their response is forever to contract the pie and make it smaller and smaller and smaller. The fact of the matter is rationing gasoline has about one-tenth of one percent effect in terms of energy conservation that this resolution would have, because you weren't listening when the Member for St. James was speaking. Eighty-four percent of all energy used and consumed is in space heating. Now if we want to talk about rationing gasoline supplies, who are you going to ration it to? Certainly you don't want to ration two of the major users of gasoline, the truckers that bring the foodstuffs up, that haul them up to the northern isolated communities up our winter roads program? You are not going to do that, surely. You are not going to ration the public transport system operating on the streets of Winnipeg because that moves . . . you are not going to ration that. Who are you going to ration? You are going to ration, you are going to suggest, as the First Minister did, that simply if we had less people jet-setting to the south, except of course you want to sell black beans in Cuba . . . . If there were less people traveling to the south, we would have a great energy conservation program on our hands. Oh, how silly can you be. How silly can you be.

Let's come back to basics again. The members aren't listening: eighty-four percent of the heat energy used is used in space heating. So far from being a silly resolution, this resolution tackles it. This tackles the heart of the problem if energy conservation is the . . . — (Interjection)— Don't confuse me with facts now . . . if conservation is the hoped-for result of action taken by government.

See, Mr. Speaker, this is the problem. You know so often right at the very outset, policy-setters like ourselves, lawmakers like ourselves, we lose track of what we are trying to do because of our — and I admit, Sir — the blinders that we all wear. I wear blinders partly because of the party affiliation and the ideology that I tend to support and believe in. My honourable friends wear them. And that is a dangerous thing to happen to us because we sometimes allow preconceived positions to prevent us from getting anywhere closer to attacking the real problems that we are presented with.

And, Mr. Speaker, what I would like to underline with the Honourable Member for St. Matthews is the problem that this particular resolution puts before us. It is very simple: do you want to encourage energy conservation? That is the question. That is the question. And I have to give you, Mr. Speaker, government's response. The government's response is: yes, we are interested. But they are telling Manitobans if you want to conserve energy, we will tax you more dollars. If you want to put an extra three inches of insulation in your home, we will tax you for it. If you want to build some other features into your home that perhaps even begin to start using some of the innovative techniques of entrapping some supplemental heat from solar resources that should enhance the value of your home, we will tax you for it through assessment and everything else, first through materials, second through enhanced value of your home.

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Mr. Speaker, we have to resolve ourselves. Do we want to conserve energy or not? — (Interjection)— It is not even a question, as the Honourable Member for St. James suggests, of paying more taxes. That is another question. It is another question of how we raise the necessary funds to operate those ongoing programs of government, either at the municipal level, provincial level, or federal level.

But let's not get sidetracked from the gist of this resolution. Let's not get sidetracked from the seriousness of the problem of energy conservation. But I would suspect, Mr. Speaker, that hardly without exception, hardly with definable party lines to be seen, most of us have been sufficiently bombarded by enough material — and I suspect that some of us would absent ourselves tonight from the Chamber and decide as to whether or not to listen to our own Prime Minister speaking about the constitutional problems of this country, or to listen to President Jimmy Carter speaking about how he and the American people are proposing to tackle the serious problem of energy conservation and we would tend to find ourselves agreeing with a great deal of what he is saying, that our resources in this area are finite. The technology that I am sure will be developed that will resolve problems for the future are at this stage expensive and some distance away and it behooves us — and I echo the remarks of your First Minister who has spoken on this subject often and eloquently — that it is a particular responsibility to this, our present generation, to husband those resources pertaining particularly to fossil fuels in the wisest possible manner so that it will not be said of us that we in this generation have frittered away, have wastefully spent, more of those valuable fossil fuel resources than all the previous generations put together. And in fact if you believe the figures, of all to come. That is the way your First Minister put it in a speech to a group of Winnipeg businessmen this very week.

So, gentlemen, that is the purport of this resolution, to conserve energy. The significant amount of energy used is the space heat. The technology of cutting down the use of that energy is not far out, is not exotic, is not something that we are experimenting on the roof of this building or waiting for some researchers from some university to tell us about it. No, we know that. Any good building contractor, any building engineer, everybody knows that if we insulate better we conserve better. And I suggest the least that a government body can do, the least that a government agency can do, is to give some encouragement to it.

Mr. Speaker, all we're doing in this resolution, because we are after all, as private members, in opposition, all we can ask you to do is to give consideration to it, consideration to it. That is what the resolution says. "Therefore be it resolved that consideration be given to the advisability . . ." We're not telling them anything. We're not telling them anything. We're asking that they give consideration to the advisability of adopting this approach as being one, perhaps of many, along with the surcharge on Mark V Continental cars, along with the surcharge on heavier weighted vehicles, along with whatever other measures that they have already introduced and plan to introduce. But recognizing, as I've said before, that transportation does not represent the major area of energy users; it's space heating.

Secondly, recognizing there are limited areas where savings can be in effect in our kind of geography, in our kind of economy, the exercise, you know in terms of transportation. We certainly aren't going to cut off our nose to spite our face by cutting back on the trucking industry's transport of goods and services in a province such as this where we face minimal railway service to most of our communities in rural Manitoba, where the north depends totally if not on air freight then on expensive road hauling over northern roads.

And you see, Sir, unlike the Member from St. Matthews, I am not that tied up even though I recognize in the area of transportation, in the amount of actual significant savings from an energy conservation point of view are somewhat minimal, I don't rule that out. If my honourable friends want to be gutsy about it, then impose a 55 mile speed limit on our highways as has been suggested in this House before. Now that would be a little more meaningful effort in terms of energy conservation in the area of transportation. It would be more meaningful than imposing rationing which was suggested at this particular time.

Well, Mr. Speaker, I want to seriously ask the Honourable Member for St. Matthews whether or not he is not prepared to consider that the vote on Resolution 8 was no mistake, in fact, it was right and whether he is not prepared now, again, to consider taking the lead from this side and vote on this resolution in the manner and way in which he was directed by the Honourable Member from Roblin on Resolution 8. He can make no mistake! I tell him, by voting with the Conservative Party on this question. As a matter of fact, Mr. Speaker, he can never make a mistake by voting for a Conservative Party position. — (Interjection)—

Mr. Speaker, the Honourable Member for St. Johns is now late in the debate after myself having deferred to his. Having sensitivities reduced my voice considerably not to disturb him in this late hour of the afternoon, he is now heckling me, Sir, and I want that recorded on Hansard. He will arouse me to greater wrath if he continues this way.

I give the Honourable Member for St. Matthews an opportunity to reconsider his inopportune

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remarks and ill-advised position that he has taken on this resolution and, in fact, come to the side of the right and the righteous and the virtuous on this issue of energy conservation and vote in favour of this bill.

**MR. SPEAKER:** The Honourable Minister for Corrections.

**MR. BOYCE:** Well, Mr. Chairman, I hate to leave all of those remarks left unanswered but perhaps we should call it 5:30.

### **BUSINESS OF THE HOUSE**

**MR. SPEAKER:** Very well. I understand the Honourable Member for Gladstone wishes to make an announcement.

**MR. FERGUSON:** Yes, thank you, Mr. Speaker. I'd like to have a substitution on the Public Utilities Committee tomorrow morning — that will be the Member for River Heights for the Member for Minnedosa.

**MR. SPEAKER:** The hour of supper recess having arrived, I am now leaving the Chair and the House shall reconvene at 8:00 p.m. in Committee of Supply.