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Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

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THE LEGISLATIVE ASSEMBLY of MANITOBA
Monday, April 25, 1977

TIME: 8:00 p.m.

MR. SPEAKER: Adjourned Readings.

MATTER OF PRIVILEGE

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

MR. CHERNIACK: I rise on a Matter of Privilege, Mr. Speaker. I would like the opportunity to correct a misstatement which I apparently made just before the afternoon session ended. I'm informed that I stated that the small business exemption under The Corporation Capital Tax Act defined a small business as one which had a taxable income of under \$100,000.00. If I made that statement, it was incorrect. The definition provides that a small business exemption applies where the taxable capital is under \$100,000.00.

ADJOURNED DEBATES — SECOND READING

MR. SPEAKER: Second Reading, Bill No. 5, the Honourable Member for Birtle-Russell.

MR. GRAHAM: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 14, the Honourable Member for Wolseley.

MR. ROBERT G. WILSON: Stand, Mr. Speaker.

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

MR. JAMES R. FERGUSON: Stand, Mr. Speaker.

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

MR. LYON: Stand, Mr. Speaker.

MR. SPEAKER: Bill No. 57, the Honourable Member for St. Vital.

MR. D. JAMES WALDING: Stand, Mr. Speaker.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable the Minister of Urban Affairs, 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.

MOTION presented and carried, and the House Resolved itself into Committee of Supply with the Honourable Member for Logan in the Chair for Continuing Education and the Honourable Member for St. Vital in the Chair for Industry and Commerce.

CONCURRENT COMMITTEES OF SUPPLY

ESTIMATES - INDUSTRY AND COMMERCE

CHAIRMAN, Mr. D. James Wolding (St. Vital): We have a quorum, gentlemen. The Committee will come to order. I would refer the attention of honourable members to Page 40 in their Estimates Book, The Department of Industry and Commerce, Resolution 77, The Manitoba Housing and Renewal Corporation, (a) General Programs. The Honourable Member for Sturgeon Creek. The Honourable Member for Roblin.

MR. J. WALLY MCKENZIE: Mr. Chairman, I have a brief question of the Minister regarding a statement that was made over the weekend by the chairman of the Norway House Metis Federation that Manitoba Housing and Renewal Corporation are taking over land from the Metis people on tax sales. I wonder, could he elaborate on that?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, I hadn't been advised by my staff of any trustee taking over land. Did the member say the land from tax sales?

MR. MCKENZIE: Land from Metis people on tax sales.

MR. EVANS: No, I'm not aware of that. Was this / land with housing on MHRC, built by Mr. Chairman?

MR. MCKENZIE: Well, all I can do is refer the article, the Free Press, April 23, and the statement was by a Mr. Oliver Monkman, Chairman of the Norway House Metis Federation, who said that the Manitoba Housing and Renewal Corporation is still taking over land from the Metis people on tax sales. So, I suspect that it's land where taxes haven't been paid and it's going back to the Crown, I have no idea.

MR. EVANS: Well, I'm not aware of this, Mr. Chairman, but I'll take the question as notice and look into it.

MR. CHAIRMAN: Resolution 77 (a). The Honourable Member for Roblin.

MR. MCKENZIE: One more question, Mr. Chairman. This concerns Senior Citizens Housing Program whereby many of the ladies that are residents of these senior citizen units find that they can't put these beds back up into the wall, the beds are part of the unit and I'm wondering if the Minister has some other method for them sleeping. They say it's impossible for an average old age pensioner of say 90 or 125 pounds to rattle one of them beds and get it back up. They can get them

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down okay, but they can't get them back up. Is that standard for all the senior citizen housing units or is it optional, or how do you arrive at that?

MR. EVANS: Mr. Chairman, we normally retain the services of an architect who designs the building to suit the needs of the community, depending on the land site and so on. This is very unusual, the situation that the member describes. The common situation is to have either a one bedroom, in the case of a couple, or a bed-sitting room in the case of a single individual for senior citizens' apartments and normally there is quite adequate space, you know, considering everything. This is apart from a separate bathroom and a separate kitchen, so it is not customary to have beds that push into walls or what have you, that is rather unusual. I like to think, although there is some expense, of course, involved in having different designs, we have by deliberate choice attempted to get different designs in the various communities so that people can't say, well, hey, there's a senior citizens' home because, you know, it is of a particular design. We've attempted to have as great a variety as possible although I do think we've got quite a number of plans now that we can start repeating some of them without much problem.

MR. McKENZIE: Well, that was the concern of these people that came to me, that if there was a one bedroom unit where they had a separate bedroom, there would be no problem. They said even some of these that you have to pull apart, it's a chesterfield I guess in the daytime and then you have to pull them apart.

MR. EVANS: Well, that's their own furniture. We don't supply furniture.

MR. McKENZIE: Yeah, I know, but that's the unit. The other one was the location of, as they drew to my attention in the Roblin one, whereby they say the fridge is there and the stove there and here's the cupboards built over top of the stove and the fridge. It makes it, you know, for them, they have to get up on a chair or something to utilize that cupboard space. They wondered if there couldn't be — they apparently have lodged complaints in the area there and it hasn't resolved the problem. In fact, before they moved in they asked for certain changes in the unit. At what stage can this be changed because they apparently, this group of senior citizens went to the local committee and suggested it long before they moved in that they'd recommended these changes but nothing ever happened of it.

MR. EVANS: Well, the local housing authority is charged with the responsibility of administering the unit. They collect the rents. They pay the utilities. They screen the tenants, and they look after the maintenance, but the construction and design is the responsibility of Manitoba Housing. We do consult with the community as much as possible, but I would remind the member again, I think maybe two or three senior citizens' apartments in Manitoba are alike. There are two or three that are probably identical, but apart from that they are all different.

The architects we tend to use are those that have come up with the better designs that are suitable for old folk, and we're very conscious of this, such as putting bars alongside the bathtub and the toilet, etc. They're quite cognizant of the fact that it's not that easy to reach way up to the ceiling, more or less, to get items out of the cupboard. So, if there are complaints after the thing has been built, the housing authority can apply for moneys through Manitoba Housing for some renovations, but I'm afraid it doesn't matter what design you come up with Mr. Chairman, there'll always be some people who are not happy. But, I must say, by and large people tend to be satisfied, by and large, because one of the things that's very unique in Manitoba that you don't have in the other provinces, and that is that the tenants themselves have an opportunity to be on the board. One-third of the board is made up of tenants' representatives that are duly elected by the tenants, so they do have an opportunity to be involved directly in the management. But I just hope that, by and large, the complaints that the honourable member raises are among the minority.

MR. McKENZIE: That's all the questions I have, Mr. Chairman.

MR. CHAIRMAN: Resolution 77(a). The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, we have spent a fair amount of time on these Estimates to date so far, but there is one item that I'd like the Minister to try — in fact I'd like an explanation as to what is happening regarding the proposal system. Now, the Minister must admit that the papers or the media did present quite a bit of comment regarding the proposal system, but not so much the proposal system, as to one very large company getting most of the work that the MHRC have been getting. The comments that were in the paper were rather disturbing. There were some comments made by the First Minister, after this came out regarding questions of it, and at that time I believe that the First Minister said there would be a full explanation as to why this company was getting most of the tenders on the proposal system. I just wonder if the Minister could give us some of the reasons as to why this is happening under the present system with MHRC.

MR. EVANS: Mr. Chairman, I ask a similar question to the member for Sturgeon Creek. How is it when I first became Minister, that one company gets a great deal of the business and the answer I received was that they were very competitive.

As you know the proposal call system is still a system whereby you do compete with other builders, and where you submit proposals, indeed they are put in a safe, etc., and these are only opened when all the proponents, all the companies that have made proposals, are gathered together

at the MHRC offices. So they're all there just as in a tendering system, to see the documentation open. I'm told that that particular company happened to specialize in this type of housing, happened to have sites and happened to have plans and were competitive. They came up with the good prices, so that is the explanation. That's the explanation that's been given to me, and that's the explanation that I accepted, that they did a better job than some of their competitors in offering proposals of adequate housing at sufficient sites, sites that had met our criteria, and with the prices that were right. So they tended to get a greater percentage of the business.

Personally I would have liked to have seen it spread around more, but at the same time the staff said to me, "Well, that's fine but that was going to cost the taxpayers more money." But I can advise the member that we are likely to go for the proposal call system again this year. I guess I indicated that a couple of days ago, Mr. Chairman, for the simple reason that we still don't have sufficient sites in the inner city for family type construction.

MR. F. JOHNSTON: That's okay.

MR. CHAIAN: Resolution 77. The Honourable Member for Pembina.

MR. GEORGE HENDERSON: Mr. Chairman, before we move on on this, it's the policy to charge the people that are in these houses 20 percent of their income, generally speaking?

MR. EVANS: Twenty-five percent.

MR. HENDERSON: And there's a way that they can become locked in for a number of years, and even if their income goes up, they aren't affected by the increase in their income. Is that no so?

MR. EVANS: Mr. Chairman, these are reviewed once each year so the leases can be changed once each year if their income is on the upgrade, which many are because of indexing of pensions, etc. If their income should be reduced for whatever reason, we are prepared to adjust it within 30 days, but normally it's a one-year review, Mr. Chairman.

MR. HENDERSON: Mr. Chairman, I know it's your policy to usually, or to always build new houses and then to rent them back, but I know of several cases in rural areas where there have been other homes for sale at the time that they were building new houses, and the houses that were for sale were really very adequate. In fact, some of our local bank managers were even living in them when they got transferred. They were good homes with oil heat and waterworks, two and three bedroom homes, and could be bought in the neighbourhood of \$11,000 and they were very good homes, you know, they were good enough for the people who were running the bank to be in and to raise their family in, and they were putting \$30,000 homes. I was just wondering, are there not some cases where you can take into consideration purchasing available houses?

MR. EVANS: Well, part of the problem — the honourable member is referring to houses built under what is called the Rural and Native Housing Program. I guess part of the problem is that our banker is banking us for new construction and we have a deal whereby the people who come into those houses can purchase them after 25 years of payments even through they are only paying 25 percent of their gross income. Even though their payments do not meet the full mortgage requirement, plus interest, over 25 years, they will still end up owning them with clear title under the Program. This is a National Housing Act Program, that we have taken advantage of. We pay 25 percent of the subsidy and the Federal Government 75 percent. But those moneys are not available for the purchase of existing houses, Mr. Chairman, and that's why we don't go into Manitou or Miami or any of these towns, or any place in Manitoba, and buy existing houses. At least that has now been our practice until now and the money is not there from CMHC.

MR. HENDERSON: Mr. Chairman, the point I wanted to make is, I know it hasn't been the practice but I think in many cases it would have been a mighty good one to have practised because in rural areas homes don't sell for near the price that they do in the city. There's a lot of homes that could have been purchases for around \$15,000, \$20,000 which are very good homes yet. Sometimes these other homes are built by the government and the people move into them and they rent them. As a result we find that people even who had these homes are finding it more difficult to sell their own home if they move out because the government is providing housing. I'm one of these ones who think it's no wonder we're going to have a shortage if the government is going to build it all and subsidize it and not let the free market operate at all.

MR. EVANS: Mr. Chairman, there are, I'm advised, some cases where by special permission we were able to buy a few existing units, but normally we're stuck with this Program. I shouldn't say "stuck," but that's the terms of reference of that program. As the honourable member is aware, most of what we build is built with money that we borrow under the NHA from CMHC, and we pay it back over a period of years and the moneys are not available for the acquisition of existing properties.

But the member has a point. I can see the point you are making. Actually we shouldn't be building in towns if there is an excess of housing. Normally we should only be building if there is a need for more housing. We shouldn't be going in there adding houses where there isn't a need for that, we should be buying or acquiring — I agree with you — we should be acquiring existing housing.

But the problem does go back to the financing arrangements; that's what I understand.

MR. HENDERSON: I know that it just doesn't work as good in a small town as it probably does in

the city because we find these people who can rent homes for about \$100.00, you know, and I'm sure that if they move into one of these new homes and if they're paying 25 percent of their income or if they're working, they should be paying \$100.00 too. But somewhere or the other they can't get any money to buy these homes that are there. So, well, 25 percent, even though it's a fair amount to them, they can't get the money to buy a place. I would say that if you people could get together and do the purchasing, you could have an appraiser go out and appraise the place and if it was a real good buy, why couldn't you buy it and let somebody move into a . . . home?

MR. EVANS: We have a program called the Rural Mortgage Lending Program which is strictly a provincial program, there is no Federal money in it. We do this in co-operation with the credit unions that want to participate. Under the Rural Mortgage Lending Program, we will permit somebody to buy an existing house, acquire a used property and we will finance it. But we finance it under normal financing conditions, the current interest rates, etc. and a ten percent down payment being required, whereas the Rural and Native Housing buildings are much more easily obtained, there's a smaller down payment requirement and as I said, there's a subsidy. But we do, under our own Rural Mortgage Program, we do this, we do provide money for people who do want to buy an existing building.

MR. HENDERSON: Do you just do this through co-ops or do you do it sometimes through banks, too, or just through co-ops?

MR. EVANS: It's only done through the Co-operative Credit Unions, because they have indicated the willingness to put up quite a bit of the capital funding, I think it's 50 percent, and we put up 50 percent and then they act as our agent for the collection of the mortgage money, etc.

MR. HENDERSON: That's all. Thanks.

MR. CHAIRMAN: Resolution 77(a)—pass; Resolution 77(b) Canada-Manitoba Northlands Agreement—pass. Resolution 77: Resolved that there be granted to Her Majesty a sum not exceeding \$16,915,000 for Industry and Commerce—pass.

I refer honourable members now back to Page 38, Resolution 73(a) The Minister's Compensation. The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, I would like to make a few remarks with respect to the Minister's salary, and to a large extent it comes as a result of the speech he made today to the Enterprise Development Seminar.

I would like to, if I may, express a rebuttal to some of the things that he said, not in terms of rebuttal in terms of the purpose and aims of the Conference, but with respect to the statements that have been made. To begin with, the Minister has indicated, and I quote: "Because small business plays such a large role in our economy, it's one of the principal vehicles through which we hope to achieve our industrial goals."

Mr. Chairman, I don't think there's ever been a statement by the government of what their industrial goals are. We have in Manitoba what I would now refer to as a persistent high unemployment, which would indicate, I believe, the fact that there is not sufficient job formation in this province. It's not just peculiar to this province, it's peculiar to Canada. And the question that I would have to put to the Minister is: In terms of the industrial development goals, what job formation does he see for the year 1977-78; what does he see for the following year; how does he see Manitoba business reaching those goals; what will the shortfall be; how many people are going to have to migrate out of Manitoba; and how will small business alone achieve the goals that he is talking about?

Mr. Chairman, until we have something specific, all we really have then is insights that the Minister has with respect to this industrial development goal program and with respect to the economy. I suggest, Mr. Chairman, in listening to him as I did in the Question Period today, and asking for accuracy as far as the figures and facts that he is mentioning, it would seem to me that his insights are based on impressions and those impressions are wrong about the economic climate in Manitoba and they are wrong with respect to the attitude of small business to government, with respect to small business in its expansionary potential in this province.

Mr. Chairman, I don't believe that we in Manitoba are going to be able to create sufficient jobs in this province just through the expansion of our small business enterprises. I believe that they are a component part of the total requirement for job formation in this province, but a great deal of it will occur in the area of mining development and the future developments to occur with respect to that, and the future developments that can occur in northern Manitoba, and in the future processing that can take place in Manitoba provided we are able to attract to this province new companies, not just the expansion of existing companies. What I am afraid, though, Mr. Chairman, is that the Minister who is talking in this speech of the rhetoric of the need to assist and help small business in their fight to stay alive in a competitive world in both Manitoba and in North America and in Canada does not really hit the heart of the problem. The inability to be able to marshal capital to be able to do the things that are required, to become productive, to apply technology, and that inability comes as a result of the high degree of taxation levelled on small business both by the Federal Government and

by the Provincial Government and the requirements that are needed to assist small business to be able to, out of their profits, hold sufficient money and apply it for the expansion that is needed to at least provide some of the job requirements that I believe they can make which are part of this total industrial goal development that he refers to.

Mr. Chairman, I don't believe that a province that provides a capital tax, that has a surtax on corporations at this time, that is not prepared to take that surtax off when the AIB controls are lifted is really a province that is committed to small business. Everything that happens in this province that the government has undertaken has been detrimental to the growth of small business' has in fact chased small business out of this province and those who have a capacity to set up elsewhere have, in fact, set up elsewhere or have looked at other provinces and have used their ingenuity and their energy and whatever resources they have available to try to put themselves in a different situation. Not because they want to leave Manitoba, not because they believe that Manitoba would be detrimental in terms of its geographic location and in terms of the whole freight rate structure, but basically because it is impossible for them with the tax loads that have to be carried to be able to marshal sufficient capital or to gain sufficient income out of their own earnings to be able to use those earnings with additional borrowings to be able to do the things that are required.

What I see is a bunch of gobbledegook in this statement which recites the rhetoric of a commitment to small business but which, in fact, in practice has never been demonstrated by the government. Notwithstanding all the words that the Minister would like to use and notwithstanding the fact that occasionally he produces statements from people who have been assisted by the Department — sure they have been assisted and sure there are some efforts that have been put forward — but the reality is at this point, small business is penalized; it is not encouraged; it is not nourished; and it is not something that can find in this province a sense of achievement.

Now, Mr. Chairman, this is not just this year — this is really a culmination of eight years of activity of which the Minister has played probably the most prominent role — and what I find in here is statements which are really inconsistent with the actual effort and they are not consistent with anything that has been produced.

Now, the Minister made a statement and I questioned him today, that there is currently a shortage of investment capital for new enterprise development generally and the problem is particularly acute for small business. Now, what does he mean by this? Does he mean that those loaning institutions will not provide money for small business here? Does it mean that those people who have money to invest will not invest in enterprises here? If he means the first, if he means that the loaning institutions will not provide money — can I ask him where is his statistical data to prove that? Other than the insights that he believes he has and his sort of closet prejudice with respect to large enterprises, large financial businesses whose purpose is to loan money to industrial enterprise, who in the past have not loaned money but who at this point are saying that the problem with loaning money in Manitoba is the lack of stability with respect to the enterprises that will be undertaken because of their inability to compete because two elements that are important to stability in industry do not occur. One, is stability with respect to wage rates and secondly, the whole tenor of the government's attitude and its taxation approach to business generally.

Our problem at this point is that the small businesses we have are fighting hard to stay alive and the reality is that many of them are not going to be able to survive in the competitive world. We are getting to a point where we are going to live under nothing but big government and big corporations. The NDP of all parties should have been one of the parties to recognize this but in the statements that have come by the Ministers of Finance in the past and the statements that have been made and in the policies that have been enunciated, I see nothing which would indicate the kind of commitment that the Minister would like to present in this speech before a number of businessmen who are hungry for a government which will provide for them the opportunity to be able to stay alive and to grow. With all of that, the maintaining of the jobs that exist today and the encouragement and development of new jobs. I say to the Minister if you are going to talk about industrial development goals, talk in specifics now, not in generalities. If you want to make statements with respect to the loaning practices of large industrial institutions, then come in with specifics, not with prejudices. If you are going to talk about a program which will assist small business in a direct way, now let's see some proof and action following the words that have been said. What I am suggesting to you at this point is that if that happens, then we can deal with something.

What has happened in the past has indicated only one general tenor: that you believe that small business should carry as big a load as big business. That's your basic feeling. You know I can remember the Minister of Finance's speech of a year and two years ago when they talked about the necessity of taxing the wealthy corporations and what did they do? They taxed all the corporations. Now the capital tax is essentially an expropriation of money, not based on income, it is based on borrowings. Small businesses who have very little capital to be able to put together, to be able to carry on a business, have to borrow money and by borrowing money they now have to pay an additional tax to the government. On what basis? On what justification can that be argued? Well, the

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Member for St. Johns argues that it can be justified because Ontario did it. I suggest to you that Ontario is wrong and I suggest to you here that Manitoba is wrong but the difference is that Ontario has many small businesses that are going to be able to survive because of the markets that they have, because of the basic support that they have had over the years and because of the development and growth that has occurred. We're not in that same position and our businesses can't afford it and our businesses will not be able to absorb it so this lack of stability in the economic climate is a real factor and all the seminars that the Minister may produce and all the speeches that he is going to produce are not going to, in effect, accomplish his result. Unless he is in a position to indicate chapter and verse which would support this position, this is a bunch of gobbledegook.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, if I have my prejudices, so does the Honourable Member for River Heights. You know, he makes a subjective statement and I think very categorically, you know, that it is high levels of taxation that are the major inhibiting factor to the prosperity and development of small businesses in Manitoba. Or if he doesn't say that, then I think this is the gist of his statement. I would submit that obviously any business, in fact any person, would prefer to have less tax rather than more tax. There may be some instances where certain taxes may be inhibiting the development of an enterprise but I would submit, Mr. Chairman, that by and large, that is not the major problem facing small business in Manitoba. I would agree with the member, incidentally, that one should not only be concerned with small business and we do try to attract other sized businesses in Manitoba and we have helped other businesses in Manitoba, larger ones, if we can be of some service, if it's going to create jobs.

We talk about small business today because this was the objective, we were dealing with small business people and their problems. But I would submit that it is not the degree of taxation or the level of taxation that is the major inhibiting factor for small enterprise in Manitoba. The honourable member asks, well never mind giving us this gobbledegook and generalizations, give us examples of how you have helped companies, give us precise information, give us specifics. Well, Mr. Chairman, we did this a few days ago and the honourable member wasn't here. We talked about individual companies, I named names, I named locations, I indicated the number of jobs that were involved, the type of processes and I gave examples of what we did to help them. Everything from searching out sources of finance to helping them get a DREE grant, to giving them some advice on acquisition of land or what-have-you. I don't have the details with me this evening but we did go into this and I am prepared to discuss specifics of how we have helped small enterprises in a very very concrete, very individualistic way. They have all got various separate problems and some of them are not that small either.

There is a case that comes to mind of Inventronics Ltd. in Brandon which is now, I think, well over 50 employees, probably closer to 70 employees. —(Interjection)— That's a prosperous town in Western Manitoba, a prosperous city in Western Manitoba. We were engaged in a number of measures to assist that particular company. The Rivers Seed Cleaning Co-operative is another example and there are companies in the Pembina Valley area but as I said, Mr. Chairman, we went into these specifics. I made my statement about the lack of capital. What I am suggesting, what I was intending to suggest there was that the normal financial institutions, the existing financial institutions were not prepared to take risks with the small ventures simply because the level of risk taking was higher and . . .

A MEMBER: Prove that.

MR. EVANS: Prove it? Well, Mr. Chairman, I'm going on statements made to me by staff; I'm going on information that the staff provided. I can't give you statistics, I'd ask you to prove the opposite.

MR. SPIVAK: . . . prove your statements.

MR. EVANS: I'd ask you to prove the opposite.

MR. SPIVAK: I don't think you can prove your statement at all.

MR. CHAIRMAN: Order please.

MR. EVANS: Mr. Chairman, the member will have to take my word that my statement is based on information provided to me by the staff who are dealing with virtually hundreds of businesses at any one time in any one day of the year and this is the message that we get, that a lot of financial institutions are not prepared to take the risks with the new ventures, particularly the new ventures, those that are trying to get started. The money is just not there; the risk is very high.

I am not suggesting that financial institutions should take limitless risks. Obviously there has to be a cut-off someplace but this is the message that I get and that's the message that I translated today, that's one of the items that we referred to today as a problem facing the development of small enterprise in the province.

Mr. Chairman, the honourable member refers to the level of job formation, where are the estimates, where are the statistics and so on? These can be supplied but I would state, Mr. Chairman, that I do recall in terms of migration from the province as opposed to migration into the province that

there was a lot more migration out of the province, net migration out of the province in the 1960s than there has been in the '70s, year for year, and indeed there have been more jobs created in the '70s than had been created in the '60s. The Member may not like this but those are what the statistics indicate. I haven't got them in front of me but I will be glad to Get them and quote them to the member.

But really, Mr. Chairman, if the member read my speech, he will note that I made reference to some of these very major parameters that were facing us here in Manitoba. These are the fundamental factors that are affecting any kind of economic development in the business community and these are factors that are very all-pervasive, that I would suggest are more important than various kinds of taxes.

I refer to the national freight rate policy. Even the Economic Council of Canada has vindicated our position and has stated that the freight rate policy, the national freight rate policy in Canada, is inhibiting the development of manufacturing and value added in processing in Western Canada. I don't want to go into all the details but one can quote various freight rate anomalies whereby we have difficulties, the short-haul, long-haul rates, you know, where it is just about as cheap to ship from Toronto to Vancouver as it is to ship canned goods from Portage la Prairie, from the Campbell Soup factory in Portage to Vancouver, hardly any more expensive shipping out of Toronto to Vancouver. We call it discrimination, the long-haul versus short-haul rate comparison. As long as this sort of rate structure is in existence, it is a major inhibiting factor for the growth of manufacturing in Manitoba.

The same thing is true of the rates on shipping out raw materials as opposed to shipping out finished products. It is cheaper to ship out livestock on the hoof than it is to ship out finished beef or finished meats and, therefore, there is not the incentive to further process animals and meat products in the Province of Manitoba or other parts of Western Canada. So there is a whole series of freight rate anomalies that work against the development of industry in Manitoba.

I would submit also that the national tariff structure is geared essentially for central Canadian industry, it is tailor-made for central Canadian manufacturing and by-and-large it works to the detriment of industry in Manitoba. I am thinking particularly of machinery and equipment that our manufacturers require for processing that they have to buy under a protective tariff situation and therefore have their input costs raised enormously over what it should be or what it would be if some of those tariffs weren't in place.

I refer to — and I didn't refer to it in the speech but I refer to it now and I have in the past — the policies of the Department of Industry, Trade and Commerce where we know darn well the aerospace industry is a classic example but there are other examples where the Federal Department of Industry, Trade and Commerce has put tens upon tens of millions of dollars into a particular industry and I am thinking of the aerospace industry, Canada Air and DeHavilland and hardly a penny for Saunders or for some of our other aerospace companies. In comparison, we have simply not had that beneficial preferential treatment that Industry, Trade and Commerce has given central Canadian industry and I think, therefore, what they are doing, the Federal Department is enhancing the status quo. It is making the rich richer, so to speak, it is enhancing the concentration of industry, particularly in Ontario and that's what the figures show and this is what I stated publicly today. More than ever before do we have a concentration of manufacturing in Ontario.

Another area that is very important is the whole area of purchasing power and I think the Honourable Member for River Heights is aware of this item as well, as former Minister of Industry, that the Federal Government buys hundreds of millions of dollars of items a year and again we see evidence which shows that they could be buying more in Manitoba and if this were the case, we would have more jobs in Manitoba.

But it is some of these major federal policies, some of these institutions that we have to face, that they are put in place, that we as a Provincial Government cannot effect. Yes, we can effect certain provincial rates but I submit that these are marginal items. They don't take the big bite, the big bite is taken by the Federal Government, not by the Provincial Government. In any income tax structure, the big bite is by the Federal Government, not by the Provincial Government. I would say that this is a marginal item that the member is talking about. Certainly business would be happy to have certain taxes removed and maybe some of them would benefit. I am not sure but I don't think that's nearly as important, it's not nearly as important an item in the prosperity and health of enterprise in Manitoba, whether it be big enterprise or small enterprise. But, having said that, having said that, and recognizing that we have high levels of unemployment, higher than any of us would like to see, I simply state again that in the '70s we have done much better than in the '60s in job creation in Manitoba.

MR. CHAIRMAN: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Chairman, what the Minister is saying with respect to the aerospace industry is that the Federal Government should have given Manitoba some welfare so that Saunders would have been able to have existed for some . . .

MR. EVANS: Well, you could call it welfare but they sure gave it to Canada Air and DeHavilland.

MR. SPIVAK: Yes, but Canada Air at least is producing something. What was Saunders going to

produce after they gave them money?

MR. EVANS: They were producing competitive . . .

MR. SPIVAK: In reality, maybe the Federal Government has saved the taxpayers of Canada a lot of money by not giving Manitoba welfare with respect to Saunders and maybe that was a pretty smart idea on the part of the Federal Government. Maybe they should not be criticized but actually thanked by the taxpayers because that would have been another loss down the drain.

I say to the Minister, what are your industrial development goals? What kind of job formation do you expect in 1977? This is pretty basic because I would like you to tell me what job formation you see for 1977 and how much of that job formation small business will provide.

MR. EVANS: Mr. Chairman, I wish I had a crystal U ball. I wish I could tell the honourable member. But I don't have that foresight, nor are we a province living as an island unto ourselves. The honourable member talks as though we had perfect control over our economic parameters. Mr. Chairman, we don't, we don't operate the Bank of Canada. We don't effect the money supply. We don't effect, therefore, the general interest rate levels. The member knows that, that's very fundamental. We don't have the fiscal capacities the Federal Government has. We don't control the national tariff structure, as I said. We don't control the national railway freight rate structure. We are not in a position to effect, in any, I say, fundamental and lasting way, the economic parameters within which we work. We are not an island unto ourselves. We are a province in a Confederation, in a federal system whereby the Ottawa government controls the money supply, and where the Ottawa government, the Federal Government, has the bulk of the fiscal capacity. So, if he was asking me this as a Minister of a national government where we control these factors, where we control the tariffs and the freight rates and all these other items, we might be able to make some predictions. Sure, I can make some predictions, but I simply say that we are very limited. I don't care which party is in power, that party, in whichever province including wealthy Ontario, is very limited in being able to predict exactly what's going to happen to job formation because that government does not have full control over some of these very important factors that effect the economic well-being of the nation.

MR. SPIVAK: I wonder if the Minister can tell us what the industrial development goals of the government are.

MR. EVANS: Mr. Chairman, they are the same goals that we've stated many years back and we've repeated them for years.

MR. SPIVAK: Well, let me quote what the Minister said. "Because small business plays such a large role in our economy," and that I mean, we'd have to really analyze to see the accuracy of that statement. "It's one of the principal vehicles for which we hope to achieve our industrial development goals." Now, if we don't know really what our industrial development goals are, if we don't know what the job formation is expected to be, how are we going to possibly know what the small businesses' role is and try to achieve a target or a goal?

What the Minister is essentially saying is that, somehow or other, everything that is happening is really out of his control. It's effected by the past history of the development of the economy in this country, by the tariff structure, by the role of central Canada, and by freight rates and rail costs. And nothing is new. Every Minister that I know of, of Industry and Commerce, has said the same thing, even going back to the Campbell government, they didn't say it any differently.

The problem here is the reality that in terms of expansion, the expansion in the potential of small business which is really the thing that, I think, you are trying to address yourself to, the failure on the part of the Minister and the government is to recognize that growth occurs as a result of the ability of small business to be able to retain earnings, to be able to invest those earnings, and to be able to borrow on the basis of the earnings, for the expansion that is required, for the technology that has to be developed, and to be able to invest in productivity. And if the tax bite is too high, and if there is a discouragement as a result of the tax levels that are levelled by the government, by the Provincial Government, that what happens is the earnings are that much less, there is not the ability to be able to borrow, and there is a reluctance to expand.

As a result, there is a retrenchment, and that retrenchment means that job formation does not take place, and that's one of the problems we're facing in this province right now. You can argue all you want that it's an actual situation, I suggest to you that in Manitoba it is going to remain as a much more persistent kind of situation than appears today. There's an assumption that somehow this is going to go away when the national situation changes. I don't believe that that is going to happen because I don't think that small business in this province has the capacity to be able to handle the job formations required in this province' that there will have to be an extremely high out-migration, and further, unless there is major exploration and development in the north there is not going to be the ability in this province to be able to hold our people. And to a large extent that is because of the failures of a few years gone by when the government failed to recognize the necessity of nurturing small business. What we are doing now is really talking about tokenism insofar as small business is concerned because to a large extent it has passed you by. And those who had the entrepreneurial skills, and those who had the desire to expand, have in fact set up branch plan operations in other

provinces, or have left. And that's been the problem.

So unless we talk in terms of specifics, instead of generalities, unless you can come and show us some kind of pattern which will indicate, "These are the job formations that we are looking for for this coming year. And this is what we expect to occur in every sector of our industry. These are goals; we may not achieve them." Unless you give us some basis on that, then, really this is gobbledegook and we can't be talking about very much, and to blame the Federal Government for this, I think, is just a failure. The Federal Development Bank has invested in Manitoba. The Federal Development Bank has loaned substantially to small business. Its record can stand scrutiny and stand discussion. And the Federal Government can take credit for that, it's not as if they've let Manitoba down in this respect. Now I am saying that to start charging the institutions, and I don't think that the lending institutions of the province have always looked at Manitoba with the most optimistic attitude. And I think to a large extent they've been responsible in the past for inhibiting us. But at the present time, I don't think that they can be the scapegoat for the failure of the proper expansion of small business which is both in the manufacturing sector and in the service sector.

This will lead me into another phase, Mr. Chairman, but it really involves the Minister of Tourism, because I think his failure at this point to do anything is also very significant because this is another factor in terms of the potential job formation in this province. All I am saying to the Minister is that the speech is good outside of the House. It would be good inside the House except it doesn't tell us anything. I think that the problem we face is that it just appears to be language and nothing else. You are hoping that the federal situation will change, you're hoping that conditions in the economy of the country would change, and as a result Manitoba will benefit. I'm suggesting to you that there is a very real need to examine Manitoba's situation and Manitoba's unemployment picture right now, and to recognize that there are factors that are going to contribute to high unemployment in Manitoba for years to come because of the failures in the past. I make this as a prediction now and in months to come we'll see whether I'm correct or not.

Unfortunately, it is again to a large extent because of an attitude that the government has taken, not for the encouragement of small business, but for the placement of small business in the same way or in the same category as that of big business, and for the expectation that they could live up to the standards that were going to be set for big business. Big business in a national scope is in a very different position. It can move personnel, it can move its emphasis, it can change its direction. Small business is captured in this province because its potential is here and its flexibility is limited. And the problem is that in the kind of economic climate that existed, and with the tax levels that were levelled, both as a result of the changes in the Federal Government legislation, and with respect to Manitoba, it has made it very difficult for them to manage. And many of them are just keeping their heads above water. And that's a fact. The margins of profit that they had before are narrowed to a point where it's just in existence. That existence is not sufficient for the kind of expansionary effort that has to be put forward to try and create the kinds of jobs to be able to hold our people. And that problem is with us, that problem is not going to go away by the Minister's statement, and that really, is a legacy of his administration.

MR. EVANS: Well, Mr. Chairman, I would like to make a couple of observations. First of all, as to goals and job creation, I would say simply put what my objective has always been is to provide at least sufficient jobs that would maintain our natural rate of population growth. This is, in other words, where you maintain all the natural rate of population increase with zero migration. In other words there is a net zero migration. That's the minimum goal. And then from that population estimate you can work back to how many jobs are needed to keep that level of natural rate of population going with no loss of population. And we've got numbers, and we've got estimates, and we've got forecasts, and God have we got studies, and have we got forecasts, and have we got statistics. But you know, I repeat again. Try as we may, for one reason or another, we have not in Manitoba, not just in our administration, but in previous administrations under other parties, both Liberal and Conservative, we have not, I submit, experienced the rate of job creation, the rate of economic expansion that we would like to see that is optimum for this province.

I say to the honourable member if he thinks taxation is so great, so important and so significant why was it that during his administration, during the administration of Duff Roblin, that we didn't have more jobs created than we did? Because I say again, Mr. Chairman, that there have been more jobs created in the seventies than there have been in the sixties year for year comparisons proved. And if their tax policies were so good, why did they not create more jobs than we are creating, than we have seen created in the 1970s. If your tax policies were so great why were there people leaving Manitoba in droves. In one year, there were as many as 18,000 people that left the province. That's a net loss of people, higher than we have ever experienced in the seventies. If you were so great, if your policies, or if our policies, putting it another way, were so bad in terms of taxes or whatever kind of fiscal policy or whatever kind of policy we have here, why is it that we have a greater level of job creation than we experienced in the 1960s.

And I say, too, why is it that some other provinces in Canada, who have lighter taxes on business,

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have higher levels of unemployment and lower levels of income and slower rates of economic growth than the Province of Manitoba. Look at the Maritime Provinces, look at Quebec and you may see what you may describe as more favourable tax situations for the small business, and indeed, even the large business in those areas. And why is it that they have more unemployment in spite of that favourable tax situation? Why is it that they have slower rates of economic expansion? And why is it that they have lower levels of income? Because they have got better taxation policies, presumably, than the NDP Government in Manitoba. So what I'm saying, Mr. Chairman, is if you look at the sixties and see what has happened in Manitoba under the Conservatives, you look in other provinces of Canada today where there are, presumably better tax situations than we have in Manitoba — I'm not so sure, but this is what's being alleged — why don't they have a better job creation picture than we have in Manitoba. And the answer is simple. The answer is the answer that I was giving the honourable member a few minutes ago. And that is, that there is some very fundamental structural items, there are structural factors that will work here, that are far more pervasive than any tax policy that any provincial government of any political stripe could ever imagine. Far more important is the degree of population concentration; that is, far more important is the market levels that we have for our companies here. The fact is that we are remote from major market areas and this is an inhibiting factor. I explained other inhibiting factors as well previously. And there are others that we could go into as well. One of the most fundamental is obviously the geography with which we work, and the climate in which we live. Give me the oil and gas of Alberta and I will show you development, and I will show you job creation, and I will show you population expansion if that's what you wish.

But I am simply pointing out, Mr. Chairman, that there are more fundamental factors that effect business development, business prosperity, and job creation, than tax policies that are levied by any provincial government. And the fact is, if we have a higher level of unemployment in Manitoba today than we had a year or so ago it's simply because we are the victims of a North American economic recession, and particularly a Canadian economic recession, because while our levels are higher than any our government would like to see, and I'm sure any Manitoban would like to see. The fact is that the Canadian level is higher than it ever has been and it has been higher in the Maritimes than it has been for a long time and it's higher in Ontario, it's higher in British Columbia. In fact, it is even higher in Alberta and Saskatchewan. It's higher right across Canada, than it normally has been, even compared to a couple of years ago when we had a bit of an economic recession. The fact is that we are experiencing the dampening effects on a downward swing in the business cycle. Whether we like it or not, we live as part of a Confederation, as part of the North American economy. We trade with our major partner to the south and what happens there is very significant as well. If Ottawa decides that they're going to tighten the money supply or raise interest rates or if they're going to cut back on spending in Manitoba or whatever they may do that may be inhibiting, it will be inhibiting.

Again, I say, Mr. Chairman, that talk as we may like about taxation policies, these are not the significant policies that are going to effect the rate of economic growth in Manitoba, because the proof is that during the sixties, under the Conservatives, when I presume that we had nirvana in terms of taxation policies, we had fewer jobs created per year than we had in the seventies. The fact is that in the Maritimes, in Quebec and in other provinces, we see a lower rate of job formation, lower levels of income, and higher levels of unemployment. And they, presumably, had better tax rates than we have. So I submit, the proof is right there, that those taxation rates are not that important in the total scene in Manitoba. There are far more important factors that were far more pervasive, far more fundamental.

MR. SPIVAK: Mr. Chairman, the lead time for industrial development and the results that occur are, in many cases, several years apart. That is, from the time of announcement of policies to the time of results. The government of the day, this present government, benefited from the policies of the /Conservative government of the past. As a matter of fact, in the initial years one of the reasons for the growth was the fact that what was really occurring were the developments that were taking place as a result of the effort of the Conservative Party of the past. And I say that very directly.

Now we are at a time when what we are dealing with is the results after the lead time of the present government's administration. Now, with the exception of a policy that was enunciated by Dr. Weldon when he was here, which in effect was a policy to take Manitoba during a period of time, in both Manitoba and Canada, when there was high employment, by priming punning the public sector — which is what he did — and ignoring the private sector. And there was a deliberate policy which took us through that period of time, and was, in many respects, the lead to what the Federal Government did afterwards. It was initiated here by him and it took us through that period of time. That period is over. So we had a period of good results as a result of the Conservative administration before, not to the credit of the present Minister, a policy of public involvement in the public works program . . .

MR. EVANS: Give us some examples Sidney.

MR. CHAIRMAN: Order please.

MR. EVANS: CFI?

MR. SPIVAK: As an example, it is an interesting thing. Today at the seminar, Triple E were present. They were present as entrepreneurs who were successful in Manitoba. But the Triple E development occurred as a result of the efforts of the Department of Industry and Commerce prior to that. And the Minister took credit today on the basis of the Triple E's development. Well, I am going to have to tell you that that didn't occur because . . .

MR. EVANS: It expanded many times.

MR. SPIVAK: It expanded many times, but it expanded as a result of the efforts that came forward initially from the initiatives that were taken in the department before. And I can give you other examples.

MR. EVANS: I give more credit to the company than I would to the department.

MR. SPIVAK: Well, as a matter of fact, you may give credit to the company but the company has given credit to the government of the day, the government before. And that's a fact. Directly.

MR. EVANS: Well, I'll give you testimonials from businessmen today if you want. We've got stacks of letters . . .

MR. SPIVAK: Well, you can give us testimonials. I suggest to you that to a large extent, the job formation that occurred in the early part of the seventies was a result of the efforts of the latter part of the sixties, and the lead time working to the result. The problem we have today is the high unemployment which, to a large extent, reflects the national scene. I think it's something that is much more severe for Manitoba than the Minister is prepared to acknowledge and I wouldn't want him to acknowledge it at this point before an election, but the reality is that unemployment is going to be with us for a long time. The temporary kind of programs that are going to benefit the economy, which is what he says will be beneficial to both the business community and the provincial economy, will only be again a partial make-work situation to take care of an immediate problem but will not solve the long-term problem. And the long-term problem really will be the permanent job formation that has to occur and part of which has to occur as a result of small business, but in no way can small business generate that sufficient job formation.

I think the Minister knows that, and that's why I say to him, show us those figures. He mentioned that he's got reports and studies. That's interesting — where are they? Has he ever produced them to the Members of the Legislature? Where are they? Does he keep them to himself and then make the judgments and we're supposed to assume that they are correct? Show us these facts and figures. Show us the studies. In fact, I dare you to show it to us, because I want to tell you what they are going to show. They're going to show basically what I'm saying, that we are in a very critical period, that that critical period is going to remain, but the job formation is not going to occur because several years ago when the kinds of activities that should have taken place could have taken place, they didn't because they were inhibited simply because of the lack of stability of the economic climate, to a large extent of tax policies, wage policies and the whole problem of not knowing the consistency with which the government was going to deal with small business.

That's a problem and we're facing those results now and it's not going to go away. The people of Manitoba who may believe that somehow or other the temporary situation which we are in now is really partly a fault of the national scene are mistaken. There has to be such a massive effort to be able to hold the jobs that we have and be able to develop the jobs that it's phenomenal. It's not the kind of effort that we're talking about now and it's not the massive influx of public works or government funding for a short period of time. We're really talking of the service industry getting to its maximum potential; we're really talking of the potential of a pipeline which we've lost that should have come through all of Manitoba and the implications of what that \$5 billion would have meant; we're talking about the development of new mining exorations; we're talking about the rolling back of the north by the development of all the services that are essential and necessary. All of these things have to be done, along with a dedication and a commitment to small business which will be real — not in the kinds of "nothing" statements that have been made here, but in reality in the kind of specific things that will help them and get our entrepreneurs back into a position of believing that they have an opportunity of staying in business in this province and of being able to build and being able to hold, not having to put themselves in a position where they have to go outside of the province to be able to take care of all the succession duty problems, the insurance problems that are involved in this.

The Honourable Minister hasn't any idea of what small business goes through in this province. He hasn't the slightest idea of the kinds of pressures that are involved with respect to trying to be able to marshal for capital in this province. I suggest that quite honestly. I don't believe he has.

You know, his one experience has been with Saunders where he has been able to write a blank cheque on the public. Well, most entrepreneurs can't write blank cheques because the bank stops it, and most entrepreneurs have to work within the limited capital that they have, and most entrepreneurs have to provide for every contingency, including death. And they have to provide for themselves and their family and the risks that are involved. Many of them have to risk their homes, many of them have to sign everything that they have away to try and develop and this is to be able to maintain their businesses and to be able to meet the payrolls that they have to meet to be able to keep

the jobs.

The difficulty in the kind of climate that we have built and developed in this province is that it becomes much more difficult because in effect there are additional costs. There are costs of insuring because of succession duties to protect in those contingencies; there are additional costs because of taxation; there are additional costs because no one knows what your power costs are going to be in the next period of time, what your energy costs are going to be; there are additional costs in trying to be able to meet the whole series of charges that are charged, both by government and by the private sector, with respect to business operation.

What I'm saying is that in terms of the small business, you know, economic development thrust, in trying to be able to work a strategy for today, not for 1968 or 1969 or the early part of 1970-71, there is a need for that kind of comprehensive small business development program. I don't see it. It's not in this statement and I guess the frustration for me is to recognize that what really is going to happen, and it won't make any difference who is going to win this next election, is that many of the entrepreneurs are not going to be able to exist in this climate because they are not going to be able to recover fast enough and as a result you will have the two or three things that are occurring: small business will sell out to big business as one way of liquidating and of getting out and salvaging what they can; or they will pick up and leave and go to other provinces. Those are the options that are open to them. And that's sort of ridiculous for this province which has to nurture small business and has to recognize that this has been really responsible, to a large extent, for our growth.

And it's happening all over. If you want me to name chapter and verse, I can. You know this as well as I do; that's our problem. So it's not good enough to simply say that, you know, it hasn't been a problem, or to refer to the past. A lot of things have happened in this past period of time and a lot of things have happened that no one could have foreseen five years ago and to a large extent we have benefited as a result of certain things that have occurred.

But having said that, our problem at this point is that the small businessman who, in fact employs a hundred or less employees in this province, and who has a tough road always, has not had it easier as a result of government policies. The government has not encouraged it. The government has in fact discouraged it. It may not have realized it, but I'm suggesting that it has and as a result, the changes that are going to have to occur, even if they occur in the next little while, are still not going to be sufficient, in my opinion, to be able to provide the opportunity for many of them to carry on and the job formation that is really necessary isn't going to be there. We are in a serious problem and it's going to remain with us.

MR. EVANS: Mr. Chairman, I'm sure I'll not convince the honourable member, nor will he convince me, and we are talking in terms of philosophies and generalities and so on, which is fine. I'm quite happy to do this. I don't know whether we'll resolve very much; I just can't accept a lot of his generalizations, I'm afraid. You know, he talks about rapidly rising energy costs. I would submit, Sir, that energy costs are rising rapidly all over the continent. As a matter of fact, I would say there is probably more instability in areas of Canada such as the Maritimes than there is here in Manitoba.

You know, you make blanket statements about losing a pipeline. I don't know whether he realizes or not, but there is no guarantee that that pipeline will ever be built. Whether Manitoba put any money into the initial feasibility studies or not is beside the point. There is no guarantee whatsoever that that pipeline will ever be built in Manitoba and the reason is that the company hasn't even proved its technology yet and this is admitted by people in the industry. I would like to refer the honourable member to the statement made by the Chairman of the Board of the Trans Canada Pipeline last November, 1976 in which he stated in a public document, a public speech, that being a member of both the Polar Gas and the McKenzie Valley consortia, of both groups developing these two different pipelines systems, that in his unbiased opinion, because they were interested in both, that the McKenzie Valley line would have to come first, and secondly the Polar Gas. And the Polar Gas he indicated would be a long way into the future and furthermore, there were other indications, and these were from other sources, that the technology of putting pipeline over vast bodies of water — large channels of water — simply hasn't yet been developed. It may be more economical to take that gas out of the north by liquefying it and taking it out in tankers. That's a possibility and there are many people who are simply not convinced that a pipeline will ever be feasible, whichever route it goes, right through the spine of Manitoba in the Interlake, or whether it cuts across the northern portion over to Long Lac.

Let's assume that there is a pipeline to be had in the near future, and if one comes, I might say, Mr. Chairman, it will be a long way into the future, maybe 25 years from now, maybe. But regardless, our participation in the initial feasibility studies has no bearing, I would submit, on the decision to be made by that company because they are going to build the line where they are going to minimize their transportation costs and there's a very significant difference in operating costs, one line versus the other.

Again, I say that energy costs are no more unstable in Manitoba than they are anywhere in the country. We seem to forget that not only natural gas and oil but also electricity rates are rising rapidly

all over the country. It's not peculiar to Manitoba. People are always looking at what's going on in Manitoba as though we are living in a world unto ourselves and nothing is rising elsewhere. The fact is that electric utility rates are rising all over the continent.

With regard to instability of wages, again, I don't know what the honourable member is talking about. The fact is that wage levels, and I'm not necessarily proud of this nor am I making any substantial point justifying this, but I simply say that the statistics show that wages in the manufacturing sector and in fact most sectors in Manitoba, are lower here than they are in Alberta and Saskatchewan, even comparing the cities. If you compare the City of Winnipeg with the City of Regina or the City of Saskatoon, the wage level in manufacturing is lower in Winnipeg than it is in those other cities, for whatever reason. I don't know what the member talks about therefore when he talks about instability of wages. I sometimes wish that they were a lot higher than they are. But I don't know what he talks about when he talks about instability of wages.

He talks about government spending as though it is purely wasteful, as though it has no buoyant effect on the economy and I submit the contrary is true. The fact is that the government has invested moneys in various types of programs that have been expansionary for the Manitoba economy, whether it be in Manitoba Hydro or whether it be in a farm program to help farmers put water and sewer in their farm homes, or whether it be the municipal loans to the various municipalities in Manitoba, or whether it be programs for northern fishing co-ops, or whatever it might be. The fact is that the government has spent considerable sums of money in new programs helping farm diversification, bringing in other types of programs that have, without doubt, been a stimulus to industry. In fact I know some of the manufacturing companies in Manitoba that have increased their output because of these programs and I know darn well, therefore, that that type of spending has assisted the provincial economy.

It has assisted the people who are direct benefactors of that program and it has also assisted the various manufacturers who happen to manufacture those products, those goods that the program calls forth, whether it be water pumps or whether it be some facility that municipal governments may require for their public works operations.

Mr. Chairman, I also refer to some of the other programs that we have had in the past — some people call "make work" — I submit that most of the programs we have been engaged in in the past, Mr. Chairman, have been very meaningful. They have been helpful to the communities concerned, to the community associations, to the municipalities, and I would say that they put money into the economy, they created jobs, albeit for a few months. I recall one of the first Winter Works Projects we had in the winter time — I think it was in the winter of 1971 — we put 5,000 people to work, in the winter time. Okay, for a few months, but don't tell me that that didn't help business development in Manitoba, because it darn well did. It provided a stimulus to the economy in the province. It took people off the welfare rolls, took them off unemployment insurance, and it put them to work, whether it be repairing skating rinks, whether it be repairing community halls, whether it be building new arenas or whatever it might be, whether it be in the service sector as well, the fact is that that did have a significant positive impact on the economy at that time and we had fewer people unemployed on account of that. I submit, Mr. Chairman, that that's far better than having them sitting at home watching their television sets and drawing unemployment insurance or a welfare cheque.

MR. CHAIRMAN: Resolution 73(a). The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I just have a few more comments on the Minister's Salary regarding the MHRC. I would like to thank the Minister for his answers that we have received during this discussion but I must say that there are a few observations which are pretty glaring regarding the Corporation. Mr. Chairman, the organization of the Corporation is, as far as I can see, set up in a structure, according to their report, which is geared to do a very good job within the area of MHRC but unfortunately it has not been working out as well as we would like it to have.

Mr. Chairman, the situation that we have just discussed earlier in the past week of the LAB, the Land Evaluation Branch, is one that is absolutely undermining the whole structure of this particular Corporation. It's something that has to be settled within the government because it is a battle between two departments of this government and I believe the Treasury Branch and the Ministers have an obligation to straighten that out.

We say, Mr. Chairman, that there is nothing wrong with the MHRC deciding today that five years from now they are planning to put houses here, here, and here and here in the Winnipeg area, if they absolutely believe that that number of houses is needed within that area after certain planning has been done they should be there. There is nothing wrong with them having a real estate department that can go out and start to negotiate on land to put property together where they want to put houses, if they feel there is a need. After that purchasing or that land is put together, then you bring in your architects, or you hire your architects, to work on that particular piece of property; then your construction people become involved — while the construction is going on — to see that it's built right according to your specifications; and then the renting.

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Now, that is being inhibited at the present time because of a battle going on between two departments of government. I personally think that they should have a five-year plan at all times which is revised every year. And there is no question, there is no question that they can be, what they should be in this province, a major force in the housing industry. But they are being held back because of a structure that has to be cleaned up by the Cabinet itself.

Mr. Chairman, the position of the proposal system is also having to be used and as the Provincial Auditor says, it's one that should only be used when it's necessary. It's a system that has to be used because MHRC are not at liberty to put together pieces of property or proposals of their own. Why are we having construction companies give us proposals? The MHRC should be making the proposals to the government as to what they are planning in the next five years.

And the MBS situation, I assure you that we've touched on it about three times — the Minister has really not given a complete answer as to why it happened — but it's a disgusting situation when we find this type of statement being made in the press regarding a Corporation, and insinuations being made that leave people thinking there is something wrong. That type of a situation has to be cleaned up.

Mr. Chairman, the tendering system is one that has been proven over the years in the construction business and the other night when I said, why — Is that in your specifications? — do you say that the building should not be more than ten storeys high and I ask — when I drive down Broadway Street — why it's eleven storeys high. I am told that the proposals come in and then there is negotiation. I quite frankly can't understand how that negotiation can take place. Then you really have to turn to the other contractor and say, "If you can put another storey on would your price be any less?" It's a poor system of negotiation when the tenders are opened if that's the type of thing that is going on and it is only because of the proposal system.

Mr. Chairman, in the area of Neighbourhood Improvement, I am fully aware of what it takes for Neighbourhood Improvement in this particular area or any other particular area. When I was an alderman in St. James, I was the chairman of the Urban Renewal for the Brooklands area that I am sure that many people in your corporation know about. That particular plan was to build housing in an area where land was available, we could then move people from those houses into the houses we built, we could then start to redevelop other places and go along which was over a ten year program for that particular area. As we all know, urban renewal was sort of put by-the-boards but I must say that in the Brooklands area, now that the drainage is done in there, there are many many homes have been put in that area. I frankly see really nothing wrong with your proposals that are going down in the core of Winnipeg into the Midland area. You are going to be building houses there; you will be moving people out of poor housing and hopefully your plans are to try and fix up that poor housing and make room for more people but don't get the idea, as the MHRC or the government seems to have, that you are the only ones in this business. There are people within the business that will spend their own money without any loans from anybody and they will spend it if the district is made right for the people to live in.

It will only be made right when the MHRC goes in as the starter of the program, that they put the proper type of formula in there which makes good housing. I could refer to the Guidelines to the Seventies if I wish and another report in here where the previous Minister has said, that housing must be such that the atmosphere is away from row-type housing because we will only accomplish what we have now.

So, Mr. Chairman, I think in those bases they have to keep working towards that but don't forget that there are other people that will come in with their own money and they should be encouraged to if the district is made right.

Your Land Banking Program is such that your land is just too far away from the program that is planned for the expansion of the City of Winnipeg and it has tied up a tremendous amount of money. Your land has to be in closer but the corporation seems to have the instruction from the government to just buy land, it doesn't matter where it is, buy land, and that is not going to be a satisfactory situation. It is something that has to be looked at from a very serious point of view because, as I told the Minister, Mr. Chairman, the program objectives of the Land Banking is an object to break the control of the land by private developers, the control of at least one-third of the developed land by public sector to ease the land situation in Winnipeg. Now that's just not going to happen when the private developers at the present time, at the present time, own a tremendous amount of land and the only possible thing that can happen is that MHRC become a person that works with these private developers. MHRC has its place for houses in the market, private developers have theirs and there has to be a working together of these corporations and this corporation has to be part of that working organization or it is just not going to function properly. It can't be an organization which is in competition to everybody else around because they just aren't going to survive that way because they don't own all the land around Winnipeg.

Mr. Chairman, the situation of the Minister being the chairman of MHRC. I don't say this detrimentally, in fact, I would say that I don't think that the Minister is any more of a housing expert

than I am and I assure you there are men within this province that are experts in the housing area. They are experts in construction and they are experts in development in this particular area and, for some reason or other, MHRC has always had a chairman who was working out of this building. I believe that is the case. It was a deputy before and now it is the Minister and the corporation should be at a further arms length; they should be giving their five year plans, they should be upgrading them every year and the Minister should be monitoring the amount of money that they should be spending through the Cabinet and there is no reason to go out and say we have to spend all this money. All it does is you are every year, every single year, you are having to make new plans and no corporation of this size can operate that way. The corporation has to definitely be put into a situation where they are operating on their own more than they are at the present time. As I said earlier in the Estimates, I think that there has to be constraint on money but that is something that can be done when they present their proposals to you.

There is no reason why, because the Federal Government says here we have a lot of money, that you have got to run out and spend it. And the only reason that I can say is that it seems to be the NDP philosophy, not MHRC's philosophy, but the NDP government's philosophy to buy up every single piece of land they can get their hands on whether it is within the proper area of development of the city or not.

Mr. Chairman, the whole situation of MHRC, I say that they have built a lot of houses, but they are going to be running into more problems daily, more problems daily, if there is not a sitting down and a complete appraisal of what they are going to do in the next five years, what they are going to do within the market that is around Winnipeg and also, Mr. Chairman, they have to be allowed to do most of their land buying on their own. As the Minister said, the answer to my question is, "What other housing corporation has to live under these conditions in Canada?" The answer is, "None." And that has to be gotten away with.

So, Mr. Chairman, I say that the corporation has a place and there is no question about that. The opposition has never said that the MHRC should not be building houses in this province to help shelter people but they cannot do it all and the attitude of the government is that they want to be the biggest — I don't think that you are going to accomplish that in any way, shape or form.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Well, Mr. Chairman, I thank the member for his remarks. I think he has made some of these observations before and I think I have attempted to — well I have attempted to provide answers.

I just want to make a couple of points and I will try to be brief. In the Land Banking, yes, I would agree with the honourable member that, you know, it would be more suitable in a sense to buy land closer in than farther out because if you are wanting to develop serviced land at close to cost and thereby make housing a bit more affordable for consumers, particularly our young families and so on, yes, we should try to get land closer in. The problem is to get land closer in, we have to put out more money and I guess there is a limit — well, there is a limit to how much money we want to put into this type of investment.

But I don't want the honourable member to go away with the impression that we are completely at odds with all the developments that are taking place in the Winnipeg area. In fact, the reverse is true and in many instances we are co-operating with other developers, BACM on Leila, for example, and Ladco and Metropolitan in the South St. Boniface area and Qualico in joint land bank in St. Vital. So, you know, we are not living in a world unto ourselves and — (Interjection)— well the fact is, Mr. Chairman, to bring certain land onstream you have to co-operate with your neighbors and if it happens to be BACM, well so be it, and if the City of Winnipeg happens to own the land, well so be it. At any rate, we have been able to bring on land that has not been in the Winnipeg development plan through negotiation with the City which includes this area in northwest Winnipeg now which was not included in the original Winnipeg Development Plan and I submit that we do hope to bring onstream quite a bit of additional land, many hundreds of acres through this negotiation process.

The member referred to my holding the position of chairman of the board. I want him to know that this is not new in Manitoba; it's not new in other provinces. The Honourable Howard Pawley was Chairman of MHRC a few years back and in Alberta, I don't think the Minister is Chairman of the Housing Board but — (Interjection)— he is the Chairman of the Housing Board in Alberta. I know my friend, Dr. Horner, the Deputy Premier and Minister of Transportation of Alberta is Chairman of the Board of the Alberta Northern Railway. I don't know what he knows about railways but he is Chairman of the Board. I know Jack Davis, the Minister of Energy and Transportation in British Columbia is Chairman of the B.C. Energy Commission and that is an energy commission that does have legal authority to control energy supplies in that province.

So there are many examples in other jurisdictions where the Ministers, for whatever reason, have been chairmen of the board and it is really a matter of administrative arrangements. As far as I am concerned, it is much more convenient to translate government policy to the corporation by having the Minister chairman of the board. As I said, this is not a new setup, there are many other examples around the country and indeed in our own province.

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I just want to say in conclusion that with regard to how much housing we build, well we will build to meet the social need. As long as we have senior citizens who are badly housed, as long as we see people in the north, in the countryside, in the City of Winnipeg, who are badly housed, I think we have some obligation to do something about it. I am not suggesting that it is only by public housing. As a matter of fact, I would remind the honourable member that we have many programs and social housing or public housing is only one of them. Albeit, that is a very significant program but we have spent millions of dollars helping homeowners repair their homes under the Home Repair Program. In fact, there have been over 30,000 homes in Manitoba that have been repaired at least to some degree through this program. These are grants to homeowners. They live in and own their own house. This is not public housing, this is a grant to a homeowner to fix up his home.

We have a Rural Mortgage Lending Program. We have the Rural and Native Housing Program which enables people to buy their own home. They put a small down payment and after 25 years at paying mortgage payments which are equivalent to 25 percent of their income, they are the owners; they have full title to that property and they do receive a subsidy, 75/25 federal-provincial but, nevertheless, that is the Homeownership Program.

In addition, we have other programs that are geared to improve the housing stock in Manitoba and, Mr. Chairman, as I indicated the other day, there are some new ones that we are looking at to cope with certain problems that we see at the present time. So how much do we spend? How far do we go? I say, Mr. Chairman, that we have to go as far as we need to in order to improve the housing stocks so that all Manitobans can see the day where they live in decent housing and, I am sorry to say, we have a long way to go.

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek.

MR. F. JOHNSTON: Mr. Chairman, I just have one comment to make. The Minister keeps mentioning new programs. I can remember back several years when the Metro program came out and they said that the City of Winnipeg would be 800,000 people by 1980, I believe, and you know, we're just not going to make it, we're just not going to make that projection.

Now I assure you that when the Minister keeps talking about different programs and at the present time I think the MHRC should be solidifying the programs that they are doing now and getting themselves in the position to operate them right and running into new programs for the sake of running into them is just something that's not going to be feasible and, as a matter of fact, the Minister during the Estimates said that because of growing pains, we did make some mistakes that were costly to the taxpayers of Manitoba. Now, I think it is time that there is an assessment to be made of where MHRC is going instead of jumping into new programs every single time something comes up.

The opposition in this House is not going to criticize the fact that we are trying to get people housed in Manitoba but the way we do it has to be the proper way and a foundation way that is going to be lasting and seeing this corporation last for a long time as a major force within the housing in the Province of Manitoba. To just keep going from one day to the next to new programs and budgeting yearly on the basis of this is what we're going to get from Ottawa, and maybe we should try this, is something that is just not a good sound basis for a company to operate under.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Well, Mr. Chairman, I can agree with the honourable member that we should plan as much as we can; I agree with him that we should be as rational as we possibly can and, you know, I, as still a relatively new Minister, I say that I can agree with him that we should try to plan as best we can. I think the problem has been that we have got so much to do that we have pulled out all the stops to go as quickly as possible to overcome some of the housing problems that we see and our problem has been to attempt to get as many dollars as we can out of CMHC for some of this programming, not all of it because some of it comes under the Critical Home Repair, and I might say the plan there is one whereby we employ between \$4 and \$5 million a year for Critical Home Repair and that has been a pretty even amount in the last three years and this looks to be in accordance with the applications received to be about a pretty good level on which to operate, given the availability of various tradesmen, etc., because there are limits to the abilities of our tradesmen to deliver the goods, so to speak. But we do have estimates of housing need and this gives us our overall objectives and we do try to look ahead as much as possible.

I want to agree with the member, we want to be as prudent in this as possible, we want to provide the housing at the lowest possible cost with a given quality and I think by and large we have done a pretty good job. It is not perfect but I think there are many thousands of senior citizens and families that are housed today much better than they were a few years ago because of these programs and I think that . . . I hope that the honourable member will agree with this, I think he is, that we should proceed as expeditiously as possible and as prudently as possible, trying to fulfill this objective of housing needs.

I want to say, in terms of new programs, I have indicated the other day, the Member for Fort Rouge expressed some concerns and I was responding to them about the situation in downtown Winnipeg,

the dilapidated apartment blocks, etc. and that type of housing crisis that we seem to have on our hands now. This is what I was referring to in terms of new programs. I only use that as an example.

Emergency housing is another example. It seems to me that every week that goes by there is another problem in housing, and given the type of housing stock that we have in the province, it seems that we are at our history where a lot of the old stock is on the verge of deteriorating and it has to be replaced. Some of it is of a condition that cannot be repaired. Hopefully some of it will be or can be, but a lot of it cannot be, just because of the type of material that was used when they were constructed, maybe 75 - 60 years ago. That's based on decision that were made long before many of us in this room were born, but that is a fact.

Therefore, various surveys on housing conditions show that Manitoba has a relatively poor quality of housing stock, but it goes back to — I would think, Mr. Chairman, to the history in this province, to the great development that occurred here back around the turn of the century and where the province was literally filled with thousands upon thousands of new immigrants, thousands of people coming from Ontario and elsewhere to build up Manitoba and Western Canada.

At any rate, we are attempting to cope as best we can with the problems as we see them and it's our intention, where necessary' to develop new programs if that's what is called for to cope with the problem as we perceive it.

MR. F JOHNSTON: Mr. Chairman, I would only say that I agree with the Minister that you have a lot to do, and I would say that you can do it, but you can't do it overnight. It's just as simple as that.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Chairman, I don't intend to recap all the torturous by-ways through which we have traversed over the last several hours of discussion.

I have one question for the Minister which arises out of the announcement of the Premier last night, and today in the House concerning rent control. The Premier indicated that he is prepared to go into a Third Phase Program, but also seemed to indicate that he wants to cut that program off as soon as he possibly can. You know, and I know that he cannot cut any form of major rent control program off until we have a proper supply of rental housing. The fact of the matter is that since 1973 we have been running at a net deficit of rental housing at upwards of 2,000 units a year in the City of Winnipeg. In other words, that the actual numbers that we build compared with demand is 2,000 short, and if you add that to the apartment units taken out of the market which range any year from 500 to perhaps a 1,000 or 1,500, depending on whose sources you use, I would estimate that if that rate continues we would have a net deficit of 15,000 rental units in the next 5 years. In other words, there is in place no program to overcome that net deficit. Even the accelerated public housing program this year fell far short of even meeting demand by close to 1,000 units.

Therefore, the question is this, that if the rent control program is going to continue, what have you, as Minister Responsible for Housing, decided to put as an accompanying complementary program to substantially increase the production of apartment units in the City of Winnipeg, so that we can get the vacancy rate up to four or five percent whereupon and under which those being the only conditions under which the rent control program can be altered or adjusted or turned into another form of program. I've heard nothing in these Estimates to give any indication that there is any program in place other than the ones that we've gone over and over again, that will overcome that deficit that has now been in existence since 1973.

I believe Mr. Chairman, that it's the old classic case, that the Premier took one shoe off and dropped it at (a), we're waiting for the other one to drop. That is, what is the government going to do to stimulate sufficient housing production in the rental area, so that we can stabilize the rental market at a rate of adequate vacancies, so that the market can begin to exercise some price control, and not have to rely upon artificial restraints? End of question.

MR. EVANS: Well, I don't know whether I have a full answer for the honourable member. I want to make this observation, Mr. Chairman, that up until recent times one did not think of the province as a source of housing, or as even taking a leadership in the supply of housing.

As a matter of fact, Mr. Chairman, I worked for Central Mortgage and Housing in the prairies. I was the Prairie Regional Economist and I can tell you that in the Province of Manitoba no one looked to the — other than the odd bit of elderly and infirm persons housing, or the Lord Selkirk Park development, the urban renewal scheme, but there the initiative was really with the City of Winnipeg, I would submit — one did not look to the province to resolve all the housing problems. One looked to Central Mortgage and Housing Corporation. We looked to the Federal Government, because they have the bank. They have the supply of money and as the honourable member well knows a great deal of our initiatives in MHRC are financed. We take the initiative but we are financed by Central Mortgage and Housing Corporation.

We will proceed, hopefully, to carry on a high level of production of housing units including rental units in the inner city. Hopefully we will have a program that may be in excess of \$60 million. We are, as I indicated also, looking at the possibility of renovating housing stock so that it may not be demolished, or raise the quality at least so that it's more livable.

But I would submit that there are many federal programs in the field of taxation, and so on, that have a bearing on the supply of housing stock. The Federal Government has the greater ability, I would submit, than the provincial government to make it attractive for the private sector to invest funds in housing. It goes without saying, of course, that rent controls tend to inhibit housing investment, depending on how those controls are administered, and we do have a policy of exempting new constructions for five years from rent controls. Therefore, we would hope that that control policy would not be an inhibiting factor. However, it's difficult to say. It may have a psychological impact on would-be investors and therefore, that's a possibility but I hope it is not.

So I simply say that we are going all out this year again to build a high level, hopefully a record level, of rental accommodation. We're going to hopefully have a record level of housing renovation beyond the home repair program. That's something we intend to do or hopefully will achieve. I can't say that at the moment we have magical answers to go beyond that.

I know there could be suggestions for grants and incentives for the private sector, but I would submit that there are a series of these already in place and maybe the member is familiar with these. They're in place by the Federal Government.

MR. AXWORTHY: Mr. Chairman, I didn't intend to ask another question. Let's just say that this is an extension of the same one arising out of the Minister's remarks.

I point out to him first, when he indicated that it was not so many years ago when the province took no responsibility for housing. I would also say that it wasn't so long ago that the province didn't take any responsibility for automobile insurance either, so that I don't know if one argument holds against the other.

Furthermore I would also suggest that in the last seven or eight years all levels of government should have come to recognize that we're entering into a very different housing market and if the trends continue, what we are heading into is a basic decline and perhaps death of the private rental apartment market in Canada, right across Canada, exacerbated and perhaps most heightened in the City of Winnipeg where the private apartment rental market is almost at its sickest. It is really the sick man of housing in Canada in many ways. One reason which I would suggest is that the Manitoba Government has not taken the opportunity or full advantage of the range of Federal subsidy programs, like the ARP program and so on, to build upon them or piggy-back upon them to provide stronger incentives or opportunity in those areas. Unlike several other provinces, which I don't need mention, there is no accompanying stimulus on the provincial level as there is, for example, in British Columbia, Alberta, Ontario, etc. in terms of forms of rent supplement programs, loan guarantees, second mortgages, etc.

All I'm simply pointing out, whoever you want to blame, is that I know that the Federal Government has a primary banking function, but they put a billion and a half dollars into housing last year. And it looks interesting that of the 230,000 units built, over 100,000 of those were subsidized by the Federal Government. So we're already getting to the point where most of the housing is already being subsidized in one form or another. So obviously something is wrong there.

I'm not, Mr. Chairman, trying to put the new Minister in the point of view of being the villain in the piece. I am saying it's an identifiable problem, and all the signs and symptoms of terminal disease in the private rental housing market are there. What is discouraging is that very little is being done about it by any level of government, including the provincial government, but also the City Government and Federal Government that the efforts to arrest that fatal set of symptoms is pretty meagre and minor compared to the rapidity with which the decline is setting in.

All I'm saying is that I didn't hear any clear enunciation that that was seen and perceived as a major problem, and I am disturbed by the fact that the First Minister and the Minister of Consumer Affairs, who are responsible for the Rent Control program, would see fit to make announcements which are incomplete announcements, which are partial announcements, which are fragmentary announcements, because they do not get to the heart of the problem.

I would, I guess simply then say that there has to be in place a serious stimulus for supply. I think, Mr. Chairman, that I've repeated myself more often than I'd care to remember about ways about which that stimulation could be made in terms of changing private flows of capital into the housing market and also at the same time ensuring that those who are not able to pay the price are afforded the opportunity of a much more extensive rent supplement program than we have in the program, so that even as rents begin to rise their incomes are not sufficiently registered.

I — and I'm just digressing for a moment — I just finished reading a report that was prepared by a member of the Planning Secretariat who indicated that he estimates that some 40 percent of people who pay rental in the rental market are paying above 30 percent of their incomes for housing. This is considered to be the measurement that you should use and that, in fact, a much higher percentage, particularly those who are older people, are paying 50 percent of their income for rental housing, even under rent control situations. That simply means again that the diagnosis is a very incomplete one and to just simply lay on the Third Phase Program without announcing at the same time an accompanying housing program to stimulate the construction and production supply of rental

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housing, I think is a serious error on the part of the government. And that is one reason why I'm asking the Minister if he intends to produce very shortly an accompanying piece or program or policy to at least indicate that they are going to be tackling the problem in a much more aggressive way than has happened up to this point.

MR. EVANS: Mr. Chairman, I did indicate earlier that we were looking at some new programs. The member has some good points and some good suggestions. There is a problem. The problem is how much, how far should a province go? How much money should we supply? Where do we draw the line? The Member from Sturgeon Creek, I believe, was sort of getting at this question. How far do you go? How much money do you put into it? Where is the limit?

So I can say we are looking at some of these suggestions that the honourable member is talking about. We've thought about them. We've talked about them. We have some of our Research Staff looking at these and they're not unknown to us. They are being given some consideration, such as rent supplements. We could have a rent supplement situation for existing structures for people on low incomes. In other words, instead of saying to an elderly couple, "Well you've got to wait until we build a public housing apartment block before we can subsidize your rent to 25 percent of your income, it is possible that we should go in and supplement their income right where they live. Now, that's assuming, of course, that they're not going to get ripped off by their landlord with excessive rents, so that the taxpayers pay an arm and a leg to keep them housed. There is a problem. With rent control that is true, you know, if you have a rent control system. So it is something that's worth pursuing and there are some of these ideas that are being investigated. I can report that, Mr. Chairman. I can't say anything beyond that at the moment.

MR. AXWORTHY: Well, Mr. Chairman, I would then only just probably conclude by saying that I think though that where the Minister should be looking to address the problem, in addition to some of the new things that he talked about — I believe it was last Thursday or Friday when we were in the discussion — is to use the leverage that exists through certain capital that the government has at its disposal, both in terms of where it locates that capital, the lending institutions that it uses, and also using that leverage as front-end money to roll it over and then provide for entrées for capital to move in.

I can give an example of some cases which are now proving very successful where there are new forms of tenure and joint enterprise areas in the field of housing, where in some cases the public partner will provide for the front-end financing of rental units and then transfer them over a period of time for longer term holdings by private financial institutions, and use their leverage of where they bank their money in deposit to ensure that there is co-operation on the part of private lending institutions. And I would suggest that there are a number of techniques that could be explored in how you get private market to more effectively and successfully become involved as a partner in many ways as opposed to a combatant or a protagonist in this field that have not been exploited in this province, which would provide a very genuine added supplement to the efforts that the government itself has taken. I just don't believe you use your capital wisely in that respect.

I would suggest that I have always felt, for example, that some \$80 million of capital that comes into the province through the Canadian Pension Plan deductions should be primarily devoted towards social goods, which also have an economic benefit in terms of housing production no less, rather than the economic development programs that we've been using them in. I would suggest that there is a fresh pool of capital that will at least continue until about 1979 or '80 before it runs out and the payments start exceeding out goes. But the fact of the matter is that I would simply like to see that that CPP money be reallocated, and I would hope the Minister would take particular position and set up their own sort of form of housing development bank in this province that would provide a variety of housing loans from soft to hard for a variety of purposes and use that money to combine different mixtures with private capital for development purposes. I think in that way you get a much further use out of your capital than you presently do. And I would leave that there.

MR. EVANS: Yes, I've noted the idea. Quite often there is reference made to capital being put in investments which have not paid, but there's been a lot of publicity given to that type of investment. But I want to assure the member that there are millions of dollars of public investment funds going into hospitals and schools, etc., through the Public Auto Insurance funds, but this goes unsung and unheard of I suppose, but moneys are being made available for all kinds of social uses. Savings that are generated through the institutions, well, particularly Autopac or the Public Insurance Corporation of Manitoba.

MR. CHAIRMAN: Resolution 73(a)—pass. Resolution 73: Resolved that there be granted to Her Majesty a sum not exceeding \$1,397,700 for Industry and Commerce—pass.

That concludes the discussion of the Department of Industry and Commerce. Committee rise.

ESTIMATES - CONTINUING EDUCATION AND MANPOWER

MR. CHAIRMAN, Mr. William Jenkins (Logan): I would refer honourable members to Page 17 of their Estimates Book. We are on Resolution 44(b) Youth Secretariat (1) Salaries \$1,178,300.00. The Honourable Minister of Continuing Education.

HONOURABLE BEN HANUSCHAK (Burrows): Yes, by way of introduction, firstly I would like to remind the honourable members that the Youth Secretariat was organized in 1970 and that it has provided policy direction in dealing with youth concerns and it has provided an administrative base to government youth programs. The primary goal of the Youth Secretariat is to encourage and assist the youth of Manitoba in participating in the economic, social and political life of the province. Since its inception, the Youth Secretariat has concentrated much of its efforts on youth manpower and education.

In the field of youth employment, two examples illustrate the Youth Secretariat's operations in this area. One, the Manitoba Student Employment Program, or MSEP, has the objective of employing secondary and post-secondary students for the summer months and thereby helping to alleviate student unemployment and providing meaningful job experiences and allowing students to save money to continue their studies.

One component of the Manitoba Student Employment Program is STEP which employs students in Civil Service positions for the summer. The government departments benefit by using the students' wide range of skills, talents and enthusiasm to undertake special short-term projects and support of existing long-range goals.

The Employment Services Office is the central placement and referral operation for both the Civil Service and students for programs such as STEP. The Employment Services Office co-ordinates all the hiring within the Civil Service and provides a central location for post-secondary and secondary students seeking summer employment within the Manitoba Government. Provincial departments then have access to a ready pool of talent for summer work.

The Youth Secretariat also operates the High School Student Job Centres which is a placement, referral and counselling service for High School students and private sector employees. This year there will be eleven job centres operating throughout rural Manitoba.

Combining education and employment, the Work Study Program provides employment opportunities in provincial government departments, corporations or commissions for students requiring financial and academic assistance. Work Study is a direct response to the large number of High School students who drop out of school for economic and/or academic reasons. The program employs high school students who are referred to the program because of financial and academic needs, as well as providing tutorial work in the student's problem subject. The tutoring is provided by recently certified Faculty of Education students.

Beyond their ongoing programs, the Youth Secretariat can muster a corps of students on short notice to meet emergency needs such as floods or insect infestations. A great many of Manitoba communities have benefited from the Youth Secretariat's Student Employment Program.

That's just a brief overview, Mr. Chairman, of the Youth Secretariat programs and I'm sure that . . . Well, if honourable members have any question insofar as the details of any specific program or any other questions with respect to the Youth Secretariat, I'll attempt to answer them.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. EDWARD MCGILL: Mr. Chairman, I deferred to the Minister when I saw him rising at this stage because I thought he had some information to give us in connection with the new Secretariat. I see that he has given us word for word exactly the same information which he gave us in introducing his Estimates. So, Mr. Chairman, really he has indulged in a repetition. I don't know whether the Minister is attempting to extend the time taken in the consideration of Continuing Education Estimates, but certainly it seems to me it was somewhat unnecessary to put on the record in an exact fashion the comments that were made in the introduction of the Estimates. Mr. Chairman, I think we can proceed now with — perhaps the Minister has something in addition to that which he has given us twice on the record.

I wanted to ask the Minister, Mr. Chairman, in connection with the appointment of the Director of the Youth Secretariat, in addition to the questions that were asked about the manner in which this appointment was made. Mr. Chairman, without in any way questioning the credentials and the competence of the person who was appointed to this position, it seems to me that there might be some explanation of the reason why the Civil Service Commission found it impracticable to conduct the usual competition for the determination of the successful candidate. We have asked a question or two during the Question Period on this matter, but, there hasn't been any really specific explanation given in that connection. Again, Mr. Chairman, this is not to question whether the person involved is competent. We are not making that point. We would like to know why it was considered necessary by the Civil Service Commission or considered impracticable to have the usual competition to fill this position.

MR. HANUSCHAK: The previous Director of the Youth Secretariat, who was seconded from the University of Manitoba, and had been with us on a seconded basis for some three, possibly four years, last year he had decided to return to the Faculty of the University, from which he was seconded, but in the interim he did continue in an advisory capacity on a part-time basis, and with that vacancy created an Acting Director was appointed and the Minister responsible for a department has the power, has the authority under the legislation to appoint an Acting Director, and the person so appointed continued in that capacity for a period of practically a year. If it is less than a year then it will be just a matter of months or weeks less than a year. It comes very close to a year that he acted in that capacity. And during his term of service in that capacity, I and the government were quite satisfied as to his performance and it became quite apparent — and of course prior to that he has had a number of years of experience within the Youth Secretariat in a senior administrative capacity — and having performed his job well in an acting capacity, it became apparent to myself and to the Civil Service Commission that the logical thing to do would be to grant the acting director, regular, full appointment and allow him to continue as such. Hence the Civil Service Commission did not hold a competition for that particular job, but rather recommended the appointment of the acting director to a full director's status.

As frequently happens in many departments, and I am sure that in the history of the public service of the Province of Manitoba this is probably, goodness knows, the thousandth such appointment that may have been made.

MR. SPEAKER: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, the Minister's concluding remarks really capsulize our problem here. He says as frequently happens, this appointment was made without proceeding through the usual channels. And it seems to us that this is all too frequently the case that their reasons are given, that it is not necessary or it is impracticable to have the usual Civil Service competition. That is an easy, sort of policy to fall into and I would suggest that it is not one that lends itself to any degree of confidence from those who are examining constantly and who are concerned with the way in which the civil servants' appointments are made. — (Interjection) — Well, Mr. Chairman, this is not at all peculiar to this particular administration, we agree. But we have seen that this administration is too prone to adopt a short method of concluding appointments particularly in key positions in the civil service. So I would merely like to say for the record, Mr. Chairman, that we have examined this one, we have questioned it, as we will many of the others that have been made in the same manner.

Mr. Chairman, one of the comments that was made by the Minister in respect to the program undertaken by the Youth Secretariat was that it was encouraging and assisting the youth of Manitoba in participating in the economic, social and political life of the province. Mr. Chairman, what does the Minister mean in terms of the participation of the Youth Secretariat in the political life of the province? I see that word is not used in any way in his Annual Report of the Youth Secretariat. So, naturally, I am sure many of the members of this Committee would like to know what kind of political activity is being undertaken by the Youth Secretariat. This would become a particularly important subject in the year in which there is likely to be a provincial election. I picked the word out because it's used by you, the Minister, in your explanations. It's not used in your Annual Report. Perhaps you can elaborate on that particular function of the Youth Secretariat.

MR. HANUSCHAK: They're over 18 and I'd hope they would all vote socialist, Mr. Chairman, but I'm sure that is not going to happen than it ' no more happens in any election, at any time, at any particular year. Political activity takes a variety of shapes and forms. A student council activity is a form of political activity, and the Manitoba Association of Student Councils comes under the jurisdiction of the Youth Secretariat, which is a form of political activity in a sense. It is student government.

MR. CHAIAN: The Honourable Member for Swan River.

MR. JAMES H. BILTON: Just to elaborate on what my colleague is endeavouring to extract from the Minister, I want to point out that I have had the experience with these students at election time, and I know very well . . . I recall very well, indeed, in going into an Indian cabin, or the family of Indians and so on — four students in there, and that's all they were doing — talking politics for the NDP. And I hope that this sort of thing is not going to happen in this oncoming election.

Mr. Chairman, it would seem to me that the Minister endorses this sort of thing. And it would seem to me for some \$4 million assistance, that they're going to be pretty well provided for financially and in every other respect, and I think that is a public disgrace if this is what it is going to be. I would like the Minister's assurance that under no circumstances would the youth of this province be sponsored to go out and fight the battles for the NDP. We are quite capable of fighting you people standing up' without a lot of youths in this province being used for that purpose. — (Interjections) —

MR. CHAIRMAN: Order please. The Honourable Minister.

MR. HANUSCHAK: Mr. Chairman, this is very interesting. I wish the honourable member would be good enough to explain in what manner the Youth Secretariat assisted in sponsoring this battle for the NDP' other than happening to overhear four students speaking in favour of the New Democratic

Party. Mr. Chairman, in speaking to youth, I've heard all sorts of profane conversation. Some people even have the nerve to speak in favour of the Conservative Party.

A MEMBER: Oh, no. — (Interjections) —

MR. CHAIRMAN: Order please. The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, the Minister is quite capable of using the English language to satisfy himself, but he knows of what I'm speaking. And for \$2 million, I suggest to him that he spend it in the manner that it is intended to be spent' and not to further the fortunes of the party he represents.

MR. CHAIRMAN: Resolution 44(b)(1), the Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I think the point that was raised originally by the . . . the reference here to the activities of the Youth Secretariat and the social, economic, and political life of the province is one that can reasonably be expected to be explained by the Minister. We would certainly have some concerns about the activity in this field, and that we would trust that any kind of activity sponsored and paid for by the appropriations to the Youth Secretariat, would be done in a non-partisan fashion. This becomes particularly important — it is important at all times to use public funds in a way that could not be construed as having any partisan political motives. So, what we are asking for here is assurance of the Minister that these programs are being carried out in a way that no criticism can be directed towards the government and to the use of the taxpayers' money in a manner that would be unacceptable to all of the people of the Province of Manitoba. — (Interjections) —

MR. CHAIRMAN: Order please. Order please.

MR. HANUSCHAK: Mr. Chairman, I can assure the honourable member that none of the funds assigned to this particular program of my department are used for any form of partisan activity. I can give every member of this House that assurance. The Honourable Member for Swan River is nodding his head in the negative, I think, and if the honourable member is aware of the expenditure of as little as one cent of public funds for partisan activity, I wish, Mr. Chairman, that he would stand up in his seat and tell us and give us some more concrete evidence than merely happening to walk into someone's home and overhearing four students speak favourably in favour of the New Democratic Party. Mr. Chairman, you know as well as I do that that is not proof or evidence of the nature of, or type of any Youth Secretariat program, just because a certain youth expresses his political views. I would hope, Mr. Chairman, that perhaps it didn't happen in the days when the Honourable Member for Swan River went to high school. But I would like to think that at that time, the youth had certain political views, certain political attitudes and no doubt from time to time they expressed them' even though at that time when the honourable member was in high school, it's quite unlikely that there was any public support for any youth activity other than the minimal support that the public school education program received. And surely if the honourable member in his school days may have expressed political views and the fact that he expressed political views that that was not necessarily indicative of some support of government of the day for that type of activity. So really, Mr. Chairman, I don't see the connection between the Youth Secretariat programs and what the Honourable Member for Swan River happened to overhear. Now perhaps that creates a problem for him, I don't know in how many homes he overheard that type of conversation. I'm glad to hear that there are numbers of young people who speak favourably of the New Democratic Party, but that, Mr. Chairman, has absolutely nothing to do with the Youth Secretariat program and the honourable member knows that, he knows it full well.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Let's quit horsing around. — (Interjections) — Let's quit horsing around. I take it we are discussing the matter of Student Summer Employment. That is the Item. — (Interjection) — Right.

MR. CHAIRMAN: \$1,178,300.00.

MR. BILTON: Now wait until we get down to Student Summer Employment.

MR. CHAIRMAN: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Chairman, I've just come in. I don't know if the Minister has indicated to the House, under this Item I see that appropriations are decreased from last year and I do believe that we have a serious situation as far as the student employment is concerned in this province. Every day I get calls and letters from students right now that had jobs last year and are second and third year students and fourth year students and apparently are unable to have those same jobs this year or be able to secure jobs. I am getting quite concerned when I see the appropriation decreased as far as the student summer employment is concerned. I would like to hear from the Minister, to give us some indication how successful the program was last year how many students were able to secure jobs and on the Item under Salaries of \$1,178'300, whose salaries does it pay, how many people are employed in the department. I would assume that is what it is for, the salaries, but as far as the Item under the Student Summer Employment I would assume that's some jobs that have been created through perhaps either the STEP program or various other government departments. Can we have some more information from the Minister?

I think this year this Program can be of great asset to many of the students, but I would like to hear from the Minister just how effective it was last year and what is the course of action of the government

this year? It seems that the government is talking quite a bit about creating jobs, but according to this Item here either the program was not successful last year' did not operate to the advantage of many students and maybe that is why the appropriation is down. If that's the case I would like to hear from the Minister and I would also would like to know how many students did secure jobs through this process last year, and if it was successful then I would like to know from the Minister why the appropriation is down this year because we have some real serious problems. I am sure the Minister doesn't have to hear it, he knows himself, where every day there is somebody indicating that it will be

MR. CHAIRMAN: I wonder if we could discuss that Item under (3). We are on (1) right now for the information of the Honourable Member for Assiniboia. We are on Salaries (1).

MR. PATRICK: Okay, I'll deal with the Salaries. Can the Minister give me then the information and the answers under the Salaries.

MR. HANUSCHAK: Mr. Chairman, you know, I am in your hands. I have the answers to the honourable member's questions and I concur with you that it may be more appropriate to discuss that under the third sub-appropriation. I would prefer to answer the question then and I will give the honourable member the detailed breakdown. —(Interjection)— Yes.

Under Salaries this is the staff which co-ordinates the entire program. The staff complement level is approximately the same. There was a slight reduction. Last year it was 40, this year it is 36. I should add that of the 36, that is in the administrative area, a portion of them are students who are hired for term assignments for the summer months. So really there is a very small component that works the whole year around, but to deliver the summer employment programs we need an administrative corps at the Youth Secretariat office and throughout the province. So the reduction is only one of four SMYs. That is as far as administration is concerned and whatever slack that may create no doubt will be picked up elsewhere.

But then in terms of providing employment insofar as a breakdown of the number of applicants per jobs and numbers that we are able to place, and so forth, I think, Mr. Chairman, it would be preferable to deal with that under Assistance under Student Aid, that is the third sub-appropriation.

MR. PATRICK: Mr. Chairman, also under Salaries, the Minister gave us 36 staff members. Is that 36 staff members all year around and was it 40 staff members last year or is there a higher proportion of staff members during the summer holidays?

MR. HANUSCHAK: No, that is 36 staff man years, Mr. Chairman, which means that in the months of November, December, January, the number may be less than that. But then at this time of the year or perhaps commencing a month or two prior to this period in the year when the organizational activity commences, when we start gearing ourselves up for the summer employment program, the number of staff may increase but which works out to 36 staff man years.

MR. PATRICK: Another question, Mr. Chairman. Unless my arithmetic is wrong wouldn't the salaries be quite high for 36 staff members? You know, \$1,178,000.00. The Minister indicated to me that's average, there would be less members during the wintertime and he said during the summer it may increase, but that is average over the year. Perhaps the Minister can indicate to us what is the highest salary paid to the staff members and perhaps what is the lowest salary because certainly the total appropriation, his arithmetic doesn't come out.

MR. HANUSCHAK: No, for salaries . . .

MR. PATRICK: Well, give us an average.

MR. HANUSCHAK: Yes, \$1.78 million. I should have mentioned, Mr. Chairman, the administration component is \$460,000.00. And then there is the Work Study Program contained in there of \$439.3 thousand, and the Summer Education Program of \$279,000 which totals to \$1,178,300, as shown in the Estimates. The Work Study Program and the Summer Education Program, all the salaries paid within those two programs are, in fact, student salaries. Those are 100 percent student employment.

MR. PATRICK: Can the Minister indicate the average salary?

MR. HANUSCHAK: Probably average ten to twelve thousand dollars.

MR. PATRICK: How much?

MR. HANUSCHAK: Ten to twelve thousand could be the average.

MR. CHAIRMAN: Resolution 44(b)(1)—pass; (b)(2) Other Expenditures - \$285,100—pass; (3) Student Summer Employment \$2,934,300.00. The Honourable Minister.

MR. HANUSCHAK: I promised to give the honourable member a breakdown of the Student Summer Employment Program. Last year there were 10,000 applicants. The number of placements was 3,800, broken down into 2,400 in various provincial government positions and 1,400 with our assistance were hired directly by departments through their delegated hiring authority. And then the placements break down in the following manner on a Winnipeg, Rural, North distribution — about one-half in Winnipeg, perhaps slightly less than one-half and the other in Rural Manitoba and the North as follows: In the North 448 placements, in Rural Manitoba and really that takes in all of Manitoba excepting Winnipeg and excepting the North, of course, 1,472 and Winnipeg 1,880.

Now we also did a follow-up on the 6,200 applicants that did not receive employment through our office and the results were as follows: 75 percent of the 6,200 found employment on their own, 75 percent of the 6,200 so you're looking at a figure of close to 4,800, 4,700 or so. In doing the survey 15 percent could not be contacted, so one cannot really say, you know, of the 15 percent who could not be contacted, which accounts for 900, 1,000 or so, it is quite likely that a certain percentage of them found employment. Eight percent were either travelling or attending summer school and two percent could not secure employment. So really it can be said that the Program was really very successful in our dealings both with the employers in the Province of Manitoba and with the students.

This survey was taken after the completion of last summer and the same survey had been conducted for the past three years and the results for every year were practically identical. That was roughly the breakdown on a proportional basis.

MR. PATRICK: Mr. Chairman, the 10,000 applications, that was just through the Youth Secretariat — there were probably as many applications or more through ManPower and other offices. Out of 10,000, 3,800 were placed, is that correct?

Is the Minister considering expanding the Program in view of what is happening as far as employment this summer for students, they are getting into very extreme difficulties, where part of the slack would be picked up by what the Minister of Finance the other day indicated. Can the Minister give us some indication what will really take place, because unless I'm the only that is getting a lot of requests and pressure, but I am sure the other members are. You know, we only placed 3,800 last year and I think that this year the pressure is going to be that much greater.

MR. HANUSCHAK: Mr. Chairman, this is something that one cannot predict in advance as to what the requirements in this area will be. This is something we will have to watch very closely, practically on a day-to-day basis, and pace ourselves accordingly.

At the time of the Estimates preparation it appeared that this is the level of support for this Program that we ought to include in our Estimates for this year. If it should turn out within the next few weeks that there will be justification for an increased level of support, then I will have to go back to my colleagues and ask for additional assistance, and then at that point in time we'll have to prioritize my needs with the needs of other departments, whatever they may be at that time.

MR. PATRICK: Mr. Chairman, I have one more question. I know last year the Minister indicated to the House that there would be so many jobs created by the various government departments and government agencies. Can the Minister be more specific, approximately how many jobs will be created by, say, different government departments for the summer for the students, and various government agencies. Will it be the same as last year — will it be 3,800 or 4,000 or 4,500? Is there any kind of figure that the Minister can give the members of the House? I believe we did have those figures last year.

MR. HANUSCHAK: Excluding those hired directly by departments, which was 1,400 of last year's 3,800, which left a figure of 2,400, at the present time we are looking at a figure of about 1,900 to 2,000, about 1,900 not quite 20 percent less than last year.

MR. PATRICK: So in place of 2,400 last year, you are dropping it down to 1,900 this year.

MR. HANUSCHAK: Yes.

MR. PATRICK: Okay.

MR. CHAIRMAN: The Honourable Member for Swan River.

MR. BILTON: Mr. Chairman, continuing what I mentioned a little earlier with regard to these young people spreading the political gospel on behalf of the government. I would like to make this point, Mr. Chairman, and so far as I understand or understood at the time, these young people had an assignment and they were talking to the Native people about human rights and their welfare rights and the several provincial grants, and so on. But primarily in my opinion this is all to the good. But again, primarily I feel that for some reason or other they were preaching the gospel of the government in office, whether the Minister likes it or not. And I am simply pointing out to him that when I see that he has got 448 students in Northern Manitoba under the present program, I'm just talking of the tip of the iceberg, Mr. Chairman. Barrows and National Mills and Westgate is just the tip of the iceberg, that is where the North begins. And it is all very well for the Minister to be coy about this whole thing and when I mentioned it a little earlier he gave me the impression that he condoned it, that if these young people accept the philosophy of the government in office that is all to the good. In fact he inferred it. And I take issue with that. I don't think these young people should be used in that manner. There's no question but what they have been indoctrinated, and I ask the Minister to see to it that this doesn't happen again. He says to me, "Give me the evidence." Well, I'll give him the evidence, Mr. Chairman. The first three elections I won both those polls, and after those young people went through Barrows and Westgate and so on, I lost them. So, there's your evidence. Do you want anymore?

MR. HANUSCHAK: Mr. Chairman, in my riding the Tories haven't taken a single poll for the last three elections, whatever that's supposed to prove about the Youth Secretariat's activity, if anything.

MR. CHAIRMAN: Order please. Resolution 44(b)(3). The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, the Minister explained that there would be 11 job placement centres

in this program in rural Manitoba. I gather that that's a reduction from the previous year in the number of job placement centres. I wonder if the Minister would explain just which centres have been eliminated, and the reasons for that reduction in the placement centres. I would expect that the program and the requirements would be even greater perhaps this year than last year. So it's somewhat difficult to understand why the number of placement centres has been reduced for this year.

MR. HANUSCHAK: Yes, Mr. Chairman, I had indicated about three weeks ago, more than three weeks ago, on the first of April, that at that time I named the centres that will be created. The centres that are dropped, Mr. Chairman, are the Winnipeg centres. Here we have a close liaison with the Canada Manpower centres as we do elsewhere, except that in rural Manitoba there is need to have outreach points as it were, extending beyond the Manpower Centres. So, the eleven centres will be in the following communities, which will be opening in less than a week's time, or about a week today: Dauphin, Killarney, Melita, Morden, Neepawa, Portage La Prairie, Russell, Selkirk, Steinbach, Swan River and Virden.

MR. MCGILL: The Minister indicated, I think, in his remarks that the number of centres in Winnipeg have been reduced. Last year, according to the annual report, there were six centres in Winnipeg and 13 in rural areas, making a total of 19. Are there still six centres in Winnipeg, or has that been reduced as well?

MR. HANUSCHAK: There are no Winnipeg, just the 11 rural.

MR. MCGILL: Mr. Chairman, I didn't get that comment.

MR. HANUSCHAK: There are no Winnipeg, just the 11 rural.

MR. MCGILL: Well what's happened to the program then? I think 19 high school job centres were established to encourage and facilitate the development of jobs for high school students in the private sector and to provide placement and referral services at the local level. This is the Annual Report for '76-'77. Six job centres were located in Winnipeg and 13 in rural areas with the sites selected on the basis of high student unemployment levels and/or student labour shortages. Now the Minister tells us there are none in Winnipeg. How can he reconcile that with last year's activities?

MR. HANUSCHAK: Mr. Chairman, the figure of 19 may have included satellite centres, where one was a sub-operation of a larger one in the same general area, but the point still remains that the Winnipeg centres will not be operating, but the 11 rural ones will.

MR. MCGILL: Mr. Chairman, then how will the placements in the Winnipeg area be handled without the operation of the previous six? Were they surplus to requirements last year? Were they operating without an effective job placement record? And is that the reason why the Minister has eliminated them?

MR. HANUSCHAK: Mr. Chairman, the honourable member did criticize me a few minutes ago, for being somewhat repetitious when I attempted to refresh his memory on the Youth Secretariat when the debate on this item commenced, and I must repeat my answer which I gave him two minutes ago when I thought that I made the point very clear, that in the urban communities the Manpower requirements, insofar as the employment of youth is concerned, will be handled by the Canada Manpower Centres, and they've expanded their staff to look after our needs.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Mr. Chairman, the answer of the Minister then raises another question. Is the Minister telling us that Canada Manpower only operates in the urban area in Manitoba, and the rest of Manitoba is ignored by Canada Manpower?

MR. HANUSCHAK: Mr. Chairman, we weren't debating the role and function of the Canada Manpower Centre. If he wishes to debate that point, I think he'll have to go to Ottawa.

MR. GRAHAM: Well, Mr. Chairman, the Minister obviously must have some relationship or rapport with Canada Manpower then. Is he saying that his department, through the Youth Secretariat, will look after rural Manitoba, and Canada Manpower will look after the urban part of Manitoba? Is that what you're saying?

MR. HANUSCHAK: Yes, I will repeat again that insofar as youth employment is concerned, on a co-operative basis with Canada Manpower Centres, the Canada Manpower offices will look after the employment needs of the urban community. Insofar as the rural community is concerned we find that it's more practical to move into the schools, into the communities that I've mentioned and operate from there, wherein Canada Manpower Centres are not located within the schools in these areas. In Winnipeg, for example, there's no need to set up an employment centre in a school, which may be across the street from a Canada Manpower Centre. It's preferable to work out some co-operative arrangements with the existing Manpower Centre and work through it.

MR. GRAHAM: Well, has the Minister entered into an agreement with Canada Manpower in that respect and if he has, is he prepared to table that agreement in the House?

MR. HANUSCHAK: Yes, Mr. Chairman, I've entered it into an agreement. I'm not prepared to table the agreement. There is no formal agreement to be tabled. This is a co-operative arrangement which we've agreed to and all indications are it will work very well, as many other co-operative

arrangements at the staff level have worked out amongst various levels of government.

MR. GRAHAM: Well, Mr. Chairman, the Minister may very well talk about informal agreements and all the rest of it, but here we're looking at an expenditure of roughly one-third or more for administration, \$1,178,000 — (Interjection) — to provide. . .

MR. CHAIRMAN: Order please.

MR. GRAHAM: Mr. Chairman, the Minister can get very exercised if he wants to, but we're spending over a million dollars in administrative costs to administer less than \$3 million worth of Student Aid.

MR. CHAIRMAN: Order please. The honourable member is on the wrong item. We're on 44(b)(3) Student Summer Employment. We've already passed the item that the honourable member is talking about.

MR. GRAHAM: Mr. Chairman, I am talking about the less than \$3 million that the Minister is going to give to students, and the cost of administration of that is over a million dollars. So we are going to be spending over 35 percent of the total amount of money just for administration.

The argument here, Mr. Chairman, is exactly the same as we find in northern development, in all the rest of the programs of government where a large proportion of the taxpayers' money doesn't get to those that it is designed to help. In fact it is used up in administration. . .

A MEMBER: It doesn't seem sensible to me.

MR. GRAHAM: And this is the only point I'm trying to bring out. For that amount of administration costs the students are getting very little return.

A MEMBER: I think he's got you.

MR. HANUSCHAK: I don't know whether the honourable member was in the House four or five minutes ago. I think that he was, and it's regrettable, Mr. Chairman, that he did not hear me give the breakdown of the one point million dollars which has just been approved, which includes much more than administration. About a third of that is for administration. But now the honourable member gets up in his seat and accuses the government of spending over a \$1 million just on administration. I'll repeat again, nonsense! Get your damn facts straight if you're going to debate in this House.

MR. GRAHAM: Mr. Chairman, if the facts are not as he puts them here then there's misrepresentation to this House of the appropriations that we're voting on. The figures here — there's over a million dollars in salaries — over a million dollars in salaries. . .

A MEMBER: Including what?

MR. GRAHAM: Mr. Chairman, over a million dollars in salaries to give the students in this province \$3 million worth of aid. Now that is a fairly rich type of program, which doesn't in my estimation give the student very much of the money that we, the taxpayers, are voting for that particular appropriation.

MR. CHAIRMAN: Resolution 44(b)(3) Student Summer Employment \$2,934,300—pass; Resolution 44(c) Special Programs (1) Special Projects \$1,949,800. The Honourable Minister of Continuing Education.

MR. HANUSCHAK: Yes, Mr. Chairman, in dealing with Special Programs and I must touch on Special Projects to an extent I suppose, New Careers rather, which is related to it. And I want to draw to your attention, Mr. Chairman, that because if you find in the Estimates, there's Special Projects appearing under (c) and then once again appearing (d), one is under the Canada-Manitoba Northlands Agreement and the other is the Special Projects for the rest of the province which is not contained within the Northlands Agreement, but essentially we are talking about similar types of programs.

Now in this area of activity, Mr. Chairman, I am pleased to say that I am, and the government is particularly proud of the record of the Special Projects branch as it in turn reflects upon the record of my department. I want to add also that the programs which we'll be discussing here under this Resolution have a place that is particularly close to my heart, and I'm speaking of the progs which are designed to serve the disadvantaged throughout the province, because the long and the short of what the special Special Projects is all about is to deliver programs designed to assist the disadvantaged.

I want to speak about these programs for a minute or two, Mr. Chairman, not only because they have attracted attention and favour across Canada and in other countries, not only because they represent the best form of co-operation between government departments, between government and universities in the case of some programs, not only because they are soundly administered and cost effective, but also because these programs were conceived, nurtured and have matured under this government, because these programs exemplify in the clearest possible terms, this government's commitment to the provision of educational opportunity for all Manitobans, because these programs recognize that to achieve that aim, people need special supports, that they need programs that are designed to accommodate their needs, and because these programs have been eminently successful.

Now, Mr. Chairman, I must admit that over the past few days I have been somewhat amazed to discover that on a number of important issues the honourable members opposite have been vociferous in their support of a number of this government's programs. In the unlikely event of the divided and confused opposition ever forming a government they would retain the Public Automobile Insurance. We've heard them tell us that. They would retain Medicare. They would retain Pharmacare. And just last Friday, the Honourable Member for Virden was praising, and the praise was deserved, our Student Aid system. Now, I would like to give credit where credit is due. Perhaps I thought that the Official Opposition — at one time I did — I thought that they had a policy that reflects support for the kind of education and training programs I have mentioned, and of whose achievements I am so proud. At least I thought I might find out if they don't support this type of program, at least I might find out what policies the Official Opposition has in regard to Adult Education and to Continuing Education, which again is what Special Projects is all about. It is a form of, and many of the programs contained within it are a form of Adult and Continuing Education.

And what did I find, Mr. Chairman? I found nothing. I found no policy. I looked for some reference to the Opposition's concern that Native people and women be trained for positions within the Civil Service, and I found no reference. I searched for a policy regarding provision of programs for northern Native people, and people from remote geographically isolated communities and again I found nothing. I searched for a reference to some means by which adults may begin to determine their individual and community educational needs and the result again was nothing. The section on education in the PC policy paper of a few weeks ago is distinguished by its general lack-lustre quality and by its total disinterest in the real problems of education. Apart from a few token nods to the universities and colleges and a few pious phrases in regard to serving "other groups" or to a "wide use of school buildings", it is totally silent. And we must assume that the silence indicates a callous disregard. It is totally silent on the matter of adult education.

The Tories, Mr. Chairman, are obviously not aware that an educational system which serves only the urban young is no longer sufficient to the needs of a great majority of the residents of this province. They have not heard the international clamour for an educational system which is more responsive to adults and particularly to those adults who have never had the chance of a sound or useful post-secondary education. In fact, it is quite apparent, Mr. Chairman, that the PCs are ignorant to have wilfully disregarded what is plain to all who wish to see, that the percentage of college and university graduates from low income areas is smaller with regard to total population than for high income areas, that the percentage in rural areas is lower than in urban areas, in fact, that there are areas of our province where it is a safe bet that no one will get a post-secondary education unless they are provided with some form of assistance which may be appropriate to them and are given a means of achieving that type of education through the assistance of programs such as come under Special Projects.

The Members of the Opposition on some occasions are not only conservative but obviously reactionary in their supposed policy and program statements. Take for example, their promise to increase the Patient Air Transportation Service, increasing this service is an archaic and reactionary means to deal with health needs of remote communities. For the past seven years we have been developing means to not just respond to medical emergencies but to deliberately promote the health and well being of people in remote communities. And my department, in co-operation with the Department of Health and Social Development, has developed a Community Health Worker Program an example of a new area of service being defined from a traditional professional role.

MR. MCGILL: Mr. Chairman, on a point of order. I just wanted to be certain that I understood the Minister when he stood up, he was going to tell us about Special Programs of which he was proud. Mr. Chairman, would you consider that the remarks of the last ten minutes related to Special Programs of his government and this appropriation?

MR. HANUSCHAK: I just mentioned a couple I mentioned one about ten seconds ago and I am sorry that it escaped the ears of the Honourable Member for Brandon West. I will repeat to him again, for his benefit, and apparently for the benefit of a few others who seem to have missed this point. What I said, well I used the comparison that the — and for the benefit of the Honourable Member for Morris because obviously he has forgotten what I have said — when I said that all you are concentrating on is on what to do after the fact, when you spoke about patient air transportation and I said to you that we, in conjunction with the Department of Health and Social Development, have developed a Community Health Worker Program in recent years to do the type of preventative health work which is necessary to maintain as high a standard of health, of medical care and so forth in the communities locally as may be necessary.

Now, the Honourable Minister for Morris missed that point so I have repeated it for him. I mentioned it twice and if the Honourable Member will read Hansard tomorrow he will find that I have mentioned it once and now I am mentioning it again and I will repeat it for his benefit a third time but I am afraid the Chairman may rule me out of order. —(Interjection)—

Isn't it strange, Mr. Chairman? You know, any notes that anyone referred to have been written by

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Herb Schulz. If Herb Schulz could only —(Interjection)— he must be, he must be, he must be. You know, to prepare all the speeches, all the notes for everybody, you know, so they all read the same, from the pen of Herb Schulz. He must be an outstanding, a very versatile individual.

And for our Community Health Worker Program, local persons are recruited from and trained to deliver primary health care in isolated northern communities. The community health worker is an indigenous para-professional usually of Indian or Metis background who is trained to recognize, treat and prevent complications of common accidents and ills of northern communities. Training is based, not on an academic model, but rather on the existing facts and patterns of health and illness in the community where the worker is active. The role of the health worker is that of a new worker in the system, it is not structured into the nursing hierarchy. The workers learn the ability to recognize and differentiate needs and enables them to treat, refer or to evacuate as necessary. Community health workers practice in conjunction and consultation with professional personnel, providing ongoing primary care in communities that, without them, would receive itinerant service a maximum of two days a month.

The types of activities that they may have to undertake may vary but there they are, on the spot — in the absence or until such time as medical assistance arrives if there is need for medical assistance, there is someone available in the community to give immediate attention as well as to do a general health education program which is a form of preventative medicine.

Later in my Estimates, when we come to dealing with New Careers, I will be able to indicate to the honourable members the success of our New Careers program and the expansion of our New Careers program. In this area, one of the breakthroughs which we have made this year of which we are particularly proud is the arrangement with the Manitoba Telephone System for the training of employees for New Careers.

We have three teacher training programs delivered through Brandon University and time permits only reference to one, The Brandon University Northern Teacher Education Program, or known as BUNTEP. Honourable members might not know that there has been an unacceptable rate of teacher turnover in Northern Manitoba. Teachers have been recruited from the south and even from overseas to teach in the north; they have little knowledge of the north and have little knowledge of language and culture of the north and the result is that they leave their teaching positions after a year. Now, however, by training northern native people in the north, we are establishing a permanent, fully qualified teaching force in the north and for the north. At the same time, Mr. Chairman, by virtue of the way in which the students are educated, we are improving the standard of education in the north, enabling the education program to become more relevant by providing our schools with a teaching staff that is more responsive to the needs of the northern students. At the same time, Mr. Chairman, by virtue of the way in which students are educated, we can see the reflection upon the general quality of the performance of the students enhancing the program and developing a base upon which the education program can be further enriched for years to come.

The Impact Program and the Winnipeg Centre Project are achieving the same goals in rural areas and in the Inner City of Winnipeg respectively.

Then we have three special Mature Students programs, one at the University of Manitoba, one at the University of Brandon and one at Brandon General Hospital. In addition, my department will be establishing a special Mature Student program this fall at Red River Community College.

Then there is the Focus Program. The Focus Program is now an integral part of adult education and training and provides disadvantaged and remote people the chance to study the social sciences. By popular demand, these courses have become a combination of political science, history, economics, philosophy and law. This program and its courses are highly regarded because people use this education to help themselves, to help themselves to critically evaluate their community or situation *vis a vis* the rest of society. And these courses are given by a highly mobile group of itinerant teachers who use radio, closed circuit T.V. as teaching aids to overcome the problems of distance and remoteness. Now, although the programs main emphasis is a northern remote native communities, there has been substantial demand in rural Manitoba. The Members for Roblin and Swan River will be pleased, no doubt, to hear that there have been several requests for Focus courses in their constituencies and that these requests will be supplied through the Parklands Program.

Further on, when we come to (e), I will be able to talk about the Parklands Continuing Education Program because that is included in that sub-appropriation.

When I spoke on the Speech from the Throne, Mr. Chairman, you may recall that I quoted the number of statistics testifying to the effectiveness of our programs. But at this moment' Mr. Chairman, rather than speak about statistics, I would rather speak about people — for example, the person who recently wrote to me on behalf of the students at the Special Mature Students Program at the University of Manitoba. Within that letter, he makes reference to having been pushed around from pillar to post as it were, all through his life, for a good many years, for over thirty years, and through our special projects program, he —(Interjection)— yes, he finally did find a pillar that he was able to lean on and gain some support from and eventually to be able to stand on his own two feet which he

had not been able to do prior to 1969 because prior to 1969, the government of the day would not have dreamt of developing and offering such a program for the assistance of the disadvantaged.

A MEMBER: Very few people had peat fires in 1969, we recognize that.

MR. HANUSCHAK: I am proud of these programs, Mr. Chairman, because I have personally met people who are taking advantage of them and it is obvious to all that they are benefitting from them. I have seen people who never believed that they would have a chance to learn, grasp the opportunity with two hands and work, and I am proud that it is this government that has provided such opportunities to all sorts and conditions of people which previously were not provided to them.

If I just may make reference again, Mr. Chairman, to . . . you know, if one has a strong enough stomach to go through that garbage again, that P.C. Policy Paper which sets out objectives, and then it lists the approach that the party hopes to take to meet those objectives; and to find a political party and program completely void of any reference to education, completely void of any reference to assisting the disadvantaged. So it will be most interesting, Mr. Chairman, in the debate of my Estimates, to hear that side of the House, to hear that party state to the people of the Province of Manitoba what its position is on programs for the disadvantaged. The people of Manitoba will want to hear what commitment there is from that side of the House to support the types of programs which we had innovated, which we had established, not the previous government but which we have established since 1969.

Mr. Chairman, that, in brief, is what —(Interjection)— yes, because I can go, I can go on for another . . . if honourable members want. I can go on and talk about Special Projects for the rest of the evening. There's much more to tell and I hope that the response is with questions from that side of the House, and I hope that there will be questions. I hope to tell the rest of the story with respect to Special Projects because we are proud of it. The people of Manitoba are proud.

MR. CHAIRMAN: Resolution 44(c)(1) Special Projects. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, the Minister I am sure, would rather debate the programs and the policies of the Official Opposition than he would . . .

MR. HANUSCHAK: You have none.

MR. MCGILL: . . . explain his own programs. I gather those portions of his remarks that were devoted to the Estimates of his department, were covering both (c) and Canada-Manitoba (d). I imagine that Special Programs and Northlands Agreement was involved in the programs that the Minister was explaining — if indeed that was an explanation of his programs and not as it appeared to us at times to be a demand for us to state what programs we had in mind. But again, Mr. Chairman, I would just like to remind the Minister that we are here tonight to examine the appropriations that he is putting before us and to decide whether or not they are to be approved.

One program he did mention was the Community Health Worker Program. I believe that comes under Item (c) under Special Programs (1) Special Projects. He also mentioned Special Mature Students Programs, the BUNTE programs, IMPACTE Program and so on. But I am not certain these fall particularly in the Special Projects under (c) Special Programs or whether they come under (d) Canada-Manitoba Northlands Agreement, but they have been introduced so we will proceed to question the Minister in those areas.

I wonder if he could tell the committee how many students were on the Community Health Worker Program; what the total cost of this program was as it is contained in this figure of \$1,949,800; what the total cost was so that we can determine what the cost per student was of that program.

MR. CHAIRMAN: The Honourable Minister. Order please.

MR. HANUSCHAK: . . . because I want to give you an exact answer — if I give you an approximate answer, you wouldn't be satisfied with it. Community Health Worker Program, graduating in northern Manitoba this year and 12 have already graduated, so that will make it a complement of 18. And the operating cost for this particular program is \$10,000.00.

MR. CHAIRMAN: Resolution 44(c)(1). The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, six are graduating this year and 12 have already graduated. This is one year's complement in the course, I take it, a total of 18 students. What is the length of the training period the students go through?

MR. HANUSCHAK: Two years.

MR. MCGILL: Mr. Chairman, how many are on course in any one year?

MR. HANUSCHAK: At the present time there are six.

MR. MCGILL: The total cost, then, of training six community health workers is, I take it, \$10,000.00. Is that the total cost? Does that include every expense relating to the training of six workers this year?

MR. HANUSCHAK: To the delivery of the program, yes.

MR. MCGILL: Mr. Chairman, I asked for the total cost. Would the Minister give me an answer to that question?

MR. HANUSCHAK: Well, there's a living allowance that's added to that.

MR. MCGILL: What, then, Mr. Chairman, is the total cost? Would he give me the total living allowances and delivery costs that are contained in this particular appropriation for Community Health Worker Program?

MR. HANUSCHAK: The living allowance varies with the marital status of the student because it's paid in proportion to — I shouldn't say in proportion to, but the number of dependents that the student has is taken into account. In other words, the larger number of dependents the higher the allowance. So it would vary. I don't have the figures for that particular group of trainees but I can no doubt obtain that for the honourable member. We could single out the trainees as community health workers and get the total of living allowances paid them. Because offhand I don't know whether the community health worker trainees, whether they are of single status, or whether they have one, two, three, four, five or six dependents. I don't have that information before me.

MR. MCGILL: Mr. Chairman, is there no total accounting, then. Does the accounting for the training carried out by the department not include all expenses of that training? Does it not have some way of determining the total amount of money that is paid out to provide for the living allowances of students? Surely we know what the total costs are. This is an important figure for the consideration of the Committee.

MR. MCGILL: Mr. Chairman, I should mention that the community health workers — it's under the general appropriation, it's included within the \$3.3 million, but this comes under New Careers and in New Careers we train for a variety of occupations, not only people for the Department of Health, but also for Corrections as well as for Renewable Resources, Tourism and Recreation, and so forth. I do not have that type of breakdown, what it costs to train the trainees for Tourism and Recreation, what it costs to train the trainees, I don't have that before me for Health and Social Development, or Corrections, or whatever.

MR. MCGILL: Mr. Chairman, how much of this \$1.9 million we're looking at now is for BUNTEP and how much for IMPACTE? I understand that these programs extend over the next two items, (c) and (d), so perhaps we should have a breakout of \$1.9 million for the programs that are contained in there.

MR. HANUSCHAK: The increase for BUNTEP is \$948,000; for Special Mature Student Program at the Brandon General Hospital — that's a nurse education program, \$73,000; Special Mature Students, University of Manitoba, \$30,000; Special Mature Students at Brandon, \$20,200; for a total of \$1,070,000 is the increase over last year.

The reason for the increase in BUNTEP is largely due to the increase in the number of students from 70 - 80 students to 130 for the forthcoming fiscal year. So that accounts for the increase.

MR. MCGILL: Mr. Chairman, I wasn't asking for increases in program appropriations. What I asked for was a breakout of \$1,949,800.00. Amongst the various programs that are contained in that item, could he give me the name of each program and the amount for each.

MR. HANUSCHAK: The teacher training programs, or what is generally known, and this includes more than teacher training, but access to the profession — last year the total amount for access to the professions was \$1,487,500; this year \$1,588,000, an increase of about \$100,000.00. I will get a breakdown on program by program, Mr. Chairman.

As I indicated to the honourable member previously, one of the problems that we are having is because in some items we have a total figure and in other items it is broken down into two parts. Because we really have to look at (c) and (d). For example, we are now dealing with Special Projects which totals \$4.8 million. That is, for the North and for the rest of Manitoba BUNTEP is about \$2 million; IMPACTE \$560,000; Winnipeg Centre \$520,000, that is for the current fiscal year; Special Mature - University of Manitoba \$480,000; and Special Mature - University of Brandon \$470,000; and the RN course \$120,000.00.

That total figure will break down roughly into — yes, the \$1,949,000 under (c) and the balance of \$2,855,000 under (d).

MR. CHAIRMAN: Resolution 45(c)(1). The Honourable Member for Brandon West.

MR. MCGILL: Well, I gather, Mr. Chairman it is not possible to break down \$1,949,800 separately. What he has given me is a total of \$1,949,800 under Item (c)(1) and under Item (d)(1) \$2,855,900. Do the figures that the Minister has now given me by program name total the total of those two figures?

We have been putting to the Minister what we consider to be normal questions relating to the breakdown of the amounts for which he is demanding or asking approval and he is supported by people from his department, who presumably are there to be able to give the technical answers. We don't expect the Minister to be able to give us detail on the actual costs of each particular course, but surely Mr. Chairman, the whole reason of this exercise is for people from the department to be able to provide this information. Now if it is going to take this kind of fumbling and passing of papers for each one of these items asked, I don't see any real point in the whole operation. Surely we should be able to get answers to questions such as we have been putting to the Minister with some reasonable accuracy and some fairly prompt delivery.

So, Mr. Chairman, I feel that this is not going to be very useful to the Committee. We are going to

be waiting for calculations that seem to me should be available immediately because they are questions that are normally asked about the individual items in each appropriation. It is quite evident that we are not going to get those answers and so I feel, Mr. Chairman, that really there is not much point in proceeding with this kind of an investigation.

MR. CHAIRMAN: Page by page? Resolution 45(c)(1)— pass; 45(c)(2) New Careers \$1,373,800— pass. Resolution 44(d) Canada-Manitoba Northlands Agreement, (1) Special Projects \$2'855'900— pass; (2) New Careers \$1,600,400—pass; (3) Northlands Youth Travel \$119,200—pass; (4) Northlands - Focus \$198,300—pass. (e) Community Education (1) Salaries \$18,900—pass; (2) Other Expenditures \$114,300—pass; (3) Focus - South \$188,500—pass. Interprovincial Training Agreements \$606,500—pass. The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Could the Minister explain this program?

MR. HANUSCHAK: This is the program for the training of veterinarians, optometrists, and dental nurses. One veterinarian is at the University of Saskatchewan, optometrists are at the University of Waterloo and dental nurses at Regina. At the present time we have 35 students enrolled at the School of Veterinary Medicine, 48 in dental nursing and 3 in optometry. And for the forthcoming year, we're budgeting for 40 students in veterinary medicine, 77 in dental nursing and 6 in optometry. I should explain that the dental nursing program is a relatively new program. This is only its second year of operation, and the and the enrolment is still gradually being built up. For example this year we have 33 dental nurses in their first year; next year we're expecting 45, for a total of 77. The same thing in optometry. The intake will be roughly about three a year, and this is the first year of the operation of the training agreement with the University of Waterloo for the training of optometrists and three students were taken in. So next year there'll be those three plus three first year students for a total of six.

MR. G. JOHNSTON: Could the Minister tell us with respect to the dental nurse program, are there any graduated and where are they employed.

MR. HANUSCHAK: The intent is to graduate nurses for employment in the Province of Manitoba. I cannot tell the honourable member where our dental nurses are employed any more than I could tell him where teachers are employed or graduates in law school or any other faculty or any other school in the Province of Manitoba. That information could be obtained but I do not have it as part of the information I have for dealing with my Estimates. The majority of them are employed in the public health field.

MR. G. JOHNSTON: Could the Minister also tell, because it's a provincial government supported program, where are the optometrists employed? I just ask a breakdown of the public or private sector, and the same with the veterinarians.

Also when the Minister is up, perhaps he could answer this question. He's enumerated three different programs, the veterinarians, the dental nurses and optometrists. Does Manitoba train, under the same sort of an agreement, other professional or technical people here in the province for other provinces, and if so what are they?

MR. HANUSCHAK: Yes, Mr. Chairman, we do the training for other provinces in the area of nuclear medical technology, and at Red River Community College we have a program for training the deaf, offering them technical training.

With respect to optometrists, as I've indicated, this is only the second year of the program and optometric training is a four-year program, so we don't have any graduates from this program at the present time. But there won't be any restriction where they go. They'll be quite at liberty to go wherever they wish in the Province of Manitoba and the same applies to veterinarians. One of the factors that prompted us to enter into this arrangement with the University of Saskatchewan is recognition of the fact there is a need for veterinarians in rural Manitoba. In the selection of students it is hoped that the majority of them will take up the practice of veterinarian medicine in rural Manitoba as opposed to urban communities, but there again the graduate will be at liberty to practice his profession wherever he wishes, and practice it in whatever manner he wishes to practice.

MR. G. JOHNSTON: When the Minister was giving out the figures — he can correct me if I've taken them down wrongly, but he did say this current year 25 veterinarians are in training in Saskatchewan. Is that correct?

MR. HANUSCHAK: In total 35 are registered for the '76-'77 year and the breakdown is as follows: 9 in the first year, 8 in second year, 12 in third year, and 6 in fourth year. And the reason for the increase of 5, from 35 to 40 next year, is the fact that this year's graduating class is quite small, being only 6. The third year class is quite large so the small class of fourth year students will be out. The third year class will be in fourth year and we're expecting to admit 11 into first year, so that will give us the increase of 5.

MR. G. JOHNSTON: Mr. Chairman, the point I was going to base the question upon was, if we have 35 under veterinarian training in the four different years and 48 dental nurses in training and 3 optometrists in training, that's roughly 85 or 86 people. Is the \$606,000 strictly for their university and professional fees, or is there other money, a subsistence or what?

MR. HANUSCHAK: No, that's the charge. That's paid to the training institution. That's the cost. The University of Saskatchewan calculates the cost per student for the training of veterinarians and that works out to, a little for the current academic year better than \$6,000 per student; \$6,031. That's the cost to the university, which we pay the university. And similarly for dental nursing, it's \$3,900; and optometry, the cost is \$2,858 per student. Now the figure for the year '77 - '78 reflects an increase in the costs. As we are able to obtain from the three institutions, Saskatchewan, Regina and Waterloo, the training costs for veterinary medicine will go up to \$6,634 per student, so that increase plus times the increased number of students gives you \$260,000; and dental nursing, the costs there will also increase by about \$400 to \$4,344, so given the increase and given the increase of 30 in enrolment, that gives us a total cost of \$328,000. And optometry, the costs there will increase by practically \$300 per student, from \$2,858 to \$3,144; and then doubling the enrolment gives us a figure of \$18,500, for a total of \$606,500.

MR. G. JOHNSTON: Could the Minister advise the committee, what does the student pay himself? Is it fully subsidized or does he pay part, or is it based on some formula? I'm talking about all three categories now. Also how is the selection process carried out? Is this done directly with the three universities? Do they do it or does the government have some input into the selection process?

MR. HANUSCHAK: I must repeat again, these are the costs to the university. As far as the student is concerned, he pays the same costs as any other student from wherever appearing on the doorstep of the University of Saskatchewan. He pays tuition fees and buys his books and everything else. Now, if he's in need he can apply for Student Aid and receive Student Aid in the same manner as any other student can in any other faculty. So these are the costs to the university. For example, at the University of Manitoba, the tuition fees that students pay probably account for something in the order of 15 percent — I would think a bit less than 15 percent — of the total cost of offering a university education. So, if a student pays \$400 or \$500 tuition fees or whatever, depending on the faculty, there's an additional cost of . . . could be anywhere from \$3,000 to \$4,000 per student over and above that which the university has to meet out of other sources of revenue. Over here, it's the Grants Commission. So these are the costs to the university. I should mention also that actually this is really one-half of the total cost to the university because we must remember that a post-secondary education is also funded about 50 percent by the Federal Government. So this is really the provincial share. What the University of Saskatchewan and University of Waterloo say to us, "Okay, we have these students from the Province of Manitoba. They're not our students. . . the cost is \$12,000 a year or \$6,000 a year." They claim half from the Federal Government and the other half from the province sending them. But then, insofar as the cost to the student, he pays them in the same manner as any other student and is eligible for student aid. Now, the honourable member asked me another question . . .

Mr. G. Johnson: The selection process.

MR. HANUSCHAK: The selection process. For the dental nurses students, the selection is being done by the Department of Health. The optometry students and the veterinary students, the selection is done by the receiving institution. The University of Saskatchewan selects the applicants that it chooses to admit from the applicants from the Province of Manitoba, and Waterloo does likewise with optometry students.

MR. CHAIRMAN: The Honourable Member for Portage la Prairie.

MR. G. JOHNSTON: Mr. Chairman, we are talking about interprovincial training agreements. With respect to the medical school at the University of Manitoba, is there an agreement there to take students from other provinces? And if so, how many per year are taken in? I believe it used to be 44 places that are available every year. Perhaps the Minister could tell us the exact number that are available every year and how many come from other provinces and what is the cost to the Province of Manitoba. Is it a similar program where a fixed fee is charged? And if so, could he tell us?

MR. HANUSCHAK: There is no agreement between the Province of Manitoba and the University of Manitoba and any other jurisdiction of a similar kind for the training of dentists. — (Interjection) — For doctors? Nor for doctors, I do not believe. No. I'm advised that there isn't a similar program. So if there is any student from outside the boundaries of the Province of Manitoba, that's strictly a policy decision made by the university, but not as part and parcel of any agreement between the province and any other jurisdiction.

MR. CHAIRMAN: Resolution 44(f) — pass. Resolution 44 — Resolved that there be granted to Her Majesty a sum not exceeding \$18,526,400 for Continuing Education and Manpower — pass.

I would refer honourable members back to the Correction Sheet which we are dealing from. Resolution 40(a) — Minister's Compensation — Salary and Representation Allowance — \$7,800 — pass. Resolution 40 — Resolved that there be granted to Her Majesty, a sum not exceeding \$370,000 for Continuing Education and Manpower — pass. That completes the Department of Continuing Education and Manpower.

MR. CHAIRMAN: Committee rise? Call in the Speaker.

The Chairman reported upon the Committee's deliberations to Mr. Deputy Speaker and

requested leave to sit again.

IN SESSION

MR. DEPUTY SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW: Mr. Speaker, I beg to move, seconded by the Member for St. Matthews, that the report of the Committee be received.

MOTION presented and carried.

MR. HANUSCHAK: Mr. Speaker, I just wish to remind the members of the Committee that when the House next goes in Committee of Supply, we will be dealing with Tourism, Recreation and Cultural Affairs.

Mr. Speaker, I move, seconded by the Honourable Minister of Consumer Affairs, that the House do now adjourn.

MOTION presented and carried and the House adjourned until 2:30 p.m. Tuesday.