

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 20 April, 1982

Time — 2:00 p.m.

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Hon. D. James Walding (St. Vital):** Presenting Petitions . . . Reading and Receiving Petitions . . .

## PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES

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

**MR. JERRY T. STORIE (Flin Flon):** Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report same and asks leave to sit again.

I move, seconded by the Honourable Member for Concordia, that the report of the committee be received.

**MOTION presented and carried.**

## MINISTERIAL STATEMENTS AND TABLING OF REPORTS

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

**HON. VIC SCHROEDER (Rossmere):** Thank you, Mr. Speaker. I would like to table the Report of the Minimum Wage Board, dated March 3rd, 1982.

**MR. SPEAKER:** Notices of Motion . . .

## INTRODUCTION OF GUESTS

**MR. SPEAKER:** Before we reach Oral Questions, may I direct the attention of honourable members to the gallery where there are 100 students of Grade 9 standing of the Carman Collegiate. These students are under the direction of Mr. Jeff McEachern and they are from the constituency of the Honourable Member for Pembina.

In the loge to my right, is the Member of Parliament for Dauphin, Laverne Lewycky.

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

## ORAL QUESTIONS

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

**MR. JAMES E. DOWNEY (Arthur):** Mr. Speaker, in view of the headline in the Brandon Sun of last week, could the Minister of Agriculture tell the House and tell the people in the livestock industry in Western Canada that his concept, or his proposal, to introduce a Beef Marketing Board or a Beef Marketing Commission has nothing to do with the uncertainty that the cattle producers in the organization that own those stockyards have in their decision whether to rebuild or not rebuild that facility.

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

**HON. BILL URUSKI (Interlake):** Mr. Speaker, the question from the Member for Arthur with respect to the decision to build or rebuild that facility is in the hands of the Board of Directors of Manitoba Pool. Mr. Speaker, we have been asked to assist them by providing some technical help and staff, which we have indicated that we are prepared to do. In fact, some of the considerations, as I understand, that are being considered by Manitoba Pool are looking at different concepts of marketing such as assembling all the cattle in terms of selling them on a slaughter weight basis and having them sold on that basis on a rail grade basis, Mr. Speaker. Those are some of the considerations that are being looked at, as I understand, by Manitoba pool.

**MR. DOWNEY:** Mr. Speaker, what I'm hearing the Minister say is that there are discussions taking place with the Department of Agriculture and with Manitoba Pool Elevators Board of Directors, is that correct? Do I understand him correctly, as to whether or not that will become a government marketing agency at Brandon versus a privately owned farmers' organization, is that what he's saying?

**MR. URUSKI:** No, Mr. Speaker, I'm not saying that. I'm saying what I said to the honourable member, and I will repeat again, is that Manitoba Pool Elevators has asked for some assistance in terms of staff input into getting some alternatives looked at, but in terms of whether to build or rebuild that facility is entirely up to Manitoba Pool Elevators who have been, of course, supplying cattle to the plant in Brandon and to the rest of the province.

**MR. DOWNEY:** Mr. Speaker, could the Minister of Agriculture assure Manitoba Pool Elevators and those people who are going to be reinvesting in that facility, if they decide to go ahead, that his Beef Marketing Board will not take away products so that, in fact, it would not influence the returns of that new operation if rebuilt, would be able to attain?

**MR. URUSKI:** Mr. Speaker, decisions of where farmers will decide to ship of the like will be made by individual producers who will decide or not decide to join the program as well. Mr. Speaker, I wanted to tell the honourable members, I see a need for a facility in the western part of the province, as there has been for many years, because that has been a main gathering point for cattle in the western part of the province. If there is any success in this plan, that market can be there.

**MR. DOWNEY:** Mr. Speaker, would the Minister agree that if his program is successful that he has introduced to support the beef industry and the majority of beef producers sign up to the program there in fact would be no need at all for that facility in Brandon?

**MR. URUSKI:** Mr. Chairman, there will be a need for a facility in terms of the market that is there in Brandon for the slaughtering facilities and that will be a decision — and in fact I should tell the honourable member that Manitoba Pool Elevators are examining — (Interjection) — Mr. Speaker, the honourable members don't wish to hear the answer to my question because they have made up their minds on this very issue. Mr. Speaker, the Manitoba Pool Elevators themselves are now examining all aspects of, and alternatives to, marketing in terms of the facility that they have in Brandon. They will be making that decision as to whether that facility is rebuilt and how it will be rebuilt and how it will serve the producers of Western Manitoba.

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

**MR. G. W. J. (Gerry) MERCIER (St. Norbert):** Mr. Speaker, my question is to the Minister responsible for the Workers Compensation Board. Mr. Speaker, in view of the Minister's recent statements that the Board is in need of reform, could he identify the problem areas and indicate what action he proposes to take?

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

**HON. JAY COWAN (Churchill):** Mr. Speaker, over the course of the next number of months, I will certainly be identifying in specific and providing much detail in respect to the reform areas which I believe are necessary. I might add that they are not my beliefs alone, that they are shared by many who have come in contact with the Workers Compensation Board and there are areas where that system can be improved. By saying so, I'm not suggesting that there is anything out of the ordinary in respect to initiating and accomplishing these sorts of reforms. At any given time, any body such as the Workers Compensation Board can use some improvement and some reform. So, over the next period of a couple of months, I would suggest to the Member for St. Norbert, we will be addressing those reforms both in this Legislature and outside of this Legislature.

**MR. MERCIER:** Mr. Speaker, could the Minister indicate whether he plans to introduce legislation at this Session in order to deal with some of these problems and the concerns of the Widows and Workers Heart Attack Association?

**MR. COWAN:** Yes, if legislation is found to be necessary in respect to those reforms which we want to accomplish right away, I would do everything in my power to ensure that it is brought before the Legislature as soon as it is possible.

**MR. MERCIER:** Mr. Speaker, could the Minister give us a date as to when he will table in this House his amended version of the private inquiry into the Workers Compensation Board?

**MR. COWAN:** Yes, without accepting the premise of

the Member for St. Norbert or, at least, the inference in the premise of the Member for St. Norbert that there is anything inappropriate in respect to our rewriting the report to maintain the general thrust of the author of the report, but at the same time to remove specific references to individuals who gave their participation to that review under confidential terms.

I would indicate to him that I hope to be able to provide a copy of that report to the Legislature in the very near future, at which time we will have an opportunity to review those observations and summaries which were brought forward by the person undertaking the review, and I will indicate to the Member for St. Norbert once again, as I have many times in the past, that I will be checking with the person who undertook the review in order to assure myself and, by doing so, I will assure the House that, in fact, the report which is provided to the House does reflect accurately his personal and his professional observations and summaries, and that the only difference between the report which this House will see and the report which I saw will be the difference in respect to names and individuals being referenced.

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

**MR. HARRY ENNS (Lakeside):** Mr. Speaker, I direct a question to the Honourable Minister of Natural Resources. It's my understanding that the Winnipeg Floodway is once again demonstrating its usefulness to the people of Winnipeg and that it has been in operation for the past day-and-a-half. Can the Minister indicate to us the scale of the operation, any difficulties encountered with the raising of the gates that puts the floodway into operation and/or any other information that he may have as to the number of cubic feet per second now being diverted around the city through the floodway?

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. AL MACKLING (St. James):** Mr. Speaker, the honourable member is quite correct. Both the Red River Floodway Diversion and the Assiniboia Diversion facility are in operation and it is my understanding they are working efficiently. There may be some adjustments that are made from time to time, but they are working to the satisfaction of the Province of Manitoba.

**MR. ENNS:** I would thank the Minister for that answer. Just one supplementary question, has the Minister been made aware of any difficulties as sometimes have occurred when the Floodway initially is put into operation in those areas immediately adjacent to the Floodway gates?

**MR. MACKLING:** Mr. Chairman, I had the pleasure of touring the facility on Assiniboine and I was assured that everything was working well there. I haven't yet toured the Red River facility. I expect to be observing that within the next day or so. It is my understanding that everything is working normally. There are complaints by residents upstream in the Red River Valley

that the effect of the gates is to create a ponding action of Red River water to their detriment. That has not been established by engineering staff in Manitoba to date although those concerns are still evidence to me.

**MR. SPEAKER:** The Honourable Member for Roblin-Russell.

**MR. J. WALLY McKENZIE (Roblin-Russell):** Mr. Speaker, I have a question for the Honourable Minister of Finance. I wonder, is the Minister of Finance prepared to comment or respond to the several news items, briefs, and letters that are crossing many members' desks from communities such as Roblin, Russell, and other towns and municipalities along the Saskatchewan border, extremely concerned about the proposed increase in the sales tax in this province and also extremely concerned about the huge tax cuts that our neighbors are bound to enjoy in Saskatchewan after Monday's election in that great province.

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

**MR. SCHROEDER:** Yes, I understand that the Government of Saskatchewan is proposing to eliminate a substantial portion of education taxes over the next four years. I would hope that we could have found ourselves in a position when we took office to have the kind of capital construction program going on here that they have for 1982-83 in Saskatchewan of \$4 billion of investment in that province.

We had a bit of a problem here with four years of doing nothing government and so we're starting somewhere back. So, we are in a position where we are in fact behind Saskatchewan in terms of our ability to come up with tax revenue. Now, the member asks what my response is to that particular concern. As he well knows, I have met with people from the Chambers of Commerce from Western Manitoba; I have been writing letters to them; I have been reading the letters that they have written to me. We have their concerns under advisement and, as the member well knows, on Budget day he will find out what exactly it is that we are able to do.

**MR. McKENZIE:** Thank you, Mr. Speaker. I wonder, Mr. Speaker, can the Honourable Minister advise the House if he or any members of the Treasury Bench are prepared to hold discussions with the new government in Saskatchewan after next Monday's election or before he brings down his Budget to make certain that the proposed tax cuts in Saskatchewan will not destroy the business community and the business climate of many towns and municipalities that touch the border of our great province to the west.

**MR. SCHROEDER:** Well, Mr. Speaker, we've been talking with the Government of Saskatchewan since we were elected. In fact, some of us were over there in Saskatchewan last summer and we gained some valuable lessons over there and over a period of time, we hope to be in a position where we will have the kind of economy where we can be lowering taxes like the Government of Saskatchewan is doing. I would hope

that my friend on the other side would do whatever he can to ensure that happens.

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

**MR. DAVID R. (Dave) BLAKE (Minnedosa):** Thank you, Mr. Speaker. My question is directed to the Minister in charge of the environment. I wonder if he could report to the House the progress being made in disposing of the carcasses from the fire at Brandon Co-op Stockyards.

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

**MR. COWAN:** Mr. Speaker, it is my understanding that the number of dead livestock from the Manitoba Pool Stockyards is now estimated to be 600 cattle, 200 hogs and approximately 10 horses. Those are the same figures which we had been providing except for the addition of ten horses at this time. It's difficult to estimate exactly how many livestock are involved because the carcasses are in some disarray as a result of the fire, but that's the best estimate that we could get as of our final count on April 17th, when the cleanup was completed.

There were 65 truckloads of carcasses which were taken to the Brandon Waste Disposal Ground. There was a pit excavated at the ground on Wednesday of last week, but because of rainfall and the road becoming inaccessible as a result of that and the pit filling up with water, it was determined at that time to choose a second site at the Brandon Waste Disposal Ground which was in what is called the "active area." The active area is a trench in which solid wastes are currently being held. The dimension of that active area is approximately 700 feet long, 100 feet wide and 25 feet deep below the grade. To date, approximately 25 feet of garbage has been buried at the active area.

The pit for the burial was located at the middle of the trench and approximately five feet of buried garbage was excavated to create the pit. The approximate dimension of the pit is 100 feet long and 50 feet wide. The actual area that was used for the burial of the dead carcasses, however, was 50 feet long by 50 feet wide. Prior to the unloading of the dead stock at the pit, the bottom of the pit was spread with lime and then they would come in and put a truckload of carcasses or they would try to spread a layer of carcasses and then another layer of lime and then spread a layer of carcasses and a layer of lime and they compacted that together.

I might add as Minister responsible for the Workplace Safety and Health Division, that personnel spreading the quick lime were protected by use of vinyl suits, gloves, dust masks, goggles and appropriate respirators.

Special monitoring of the buried livestock is not considered to be necessary at this point because there are already methane probes and there is groundwater monitoring which is ongoing as a result of this being a normal waste disposal site. Both groundwater contamination and methane gas hazards were addressed in the preparation and the development of this waste disposal plan and monitoring wells

have been established as a result in the normal operation of the pit.

We would be more concerned about the methane gas except that the soil in that area is surficial soil which consists mainly of sand and gravel and for that reason is porous. Methane gas is primarily a problem where you have it contained, and we feel that it will seep up and not present a hazard for that reason.

**MR. BLAKE:** Thank you, Mr. Speaker. I wonder if maybe the Minister might provide us with the name of the truck driver that delivered the animals from the site and also, I understand the bulldozer operator that excavated the area was not schooled in metric and that's why he is giving us the dimensions in feet and inches of the particular site.

To be a little more serious, Mr. Speaker, I wonder if the Minister could inform the House the names of the rendering plants that were contacted in an effort to dispose of the animals in another way, rather than having them disposed of in the waste disposal site?

**MR. COWAN:** The member should be aware that it is the Pool who would be making the contact with the rendering plants and that the Environment Management Division's involvement in that respect would be to advise the Pool and the rendering plants and the operators of the Brandon waste disposal site as to our concerns, if any, in respect to the disposal of those carcasses. So, I can get the specific detail for the member if he wishes me to provide it to him at another date, but I can assure him that he would probably get just as accurate detail if he contacted those Pool officials who are responsible for contacting the rendering plants in order to determine if they would take these carcasses for disposal.

**MR. BLAKE:** Mr. Speaker, while the member may be getting the information on what plants were contacted, I wonder if he would ascertain from Manitoba Pool why the rendering division of Canada Packers was not contacted?

**MR. COWAN:** Well now, the member is telling me that Canada Packers was not contacted. I want the record to be clear that I have not indicated that and that I have indicated to him that it was up to the Pool to, in fact, contact whomever they thought it was necessary to contact. It was the role of the Environmental Management Division to ensure that whatever disposal took place, took place in respect to the regulations which are in place and in an environmentally sound way. I think if he wants to know why it is the Pool did contact or did not contact a specific rendering plant, then perhaps he should ask that question of them. I would not presume to speak on their behalf.

**MR. BLAKE:** A final supplementary, Mr. Speaker. Originally, the Minister showed some concern as to what a problem this was, might create health hazards and various other hazards, and how concerned he was with finding a solution to this problem as quickly as possible. I would have felt that his departmental officials would have been working very closely with Manitoba Pool and offering every suggestion on methods to dispose of those animals at somewhat of a

profitable method, supposedly. I am surprised that the department officials haven't offered that information to the Pool, that there are other avenues available to dispose of those animals.

**MR. COWAN:** Now, the member seems to be today full of presumptions which are not based upon information which is being provided to him in this Legislature. I did not say that our officials had not been in contact with the Pool; I did not say that our officials have not addressed this in the most urgent way and in the most comprehensive way in which they can. As a matter of fact, I have said that they have addressed this whole issue in that way. I can assure the member and assure the members of this Legislature and the general public that I have shared that sense of urgency in this regard and that I have shared their concern that this be done in the most environmentally sound manner.

However, I have not indicated that I wish to speak on behalf of the Manitoba Pool Livestock Yard. I would think that would be presumptuous on my part and I would not want to do so. If the member is asking what contact we have had with rendering plants or what contact we have had with the Pool, I would be more than pleased to provide him with that information because it is something which comes under my area of responsibility, but if he's going to ask me what contact an outside body has had with another outside body, then I will attempt to find that information out for him and pass it on to him. However, I would only suggest to him that it would be more appropriate and probably somewhat quicker to contact those individuals directly to discuss the specific concerns with them, but if he wants to find out what contact we've had with different groups, I will provide that to him. I had indicated to the Member for Tuxedo that I would provide a technical report to him once that became available on this entire matter and I can make that part of the technical report and I am certain that the Member for Tuxedo will share it with the Member for Minnedosa. If not, I can make two copies and forward both copies to those individual members.

**MR. SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. A. BRIAN RANSOM (Turtle Mountain):** Mr. Speaker, my question is for the Minister of Education. Last fall, during the election, the New Democratic Party promised an immediate start on the music building at Brandon University. I wonder if the Minister of Education can advise the House whether or not construction has begun on that building?

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

**HON. MAUREEN HEMPHILL (Logan):** Mr. Speaker, yes, I can advise the House that construction has not begun on the music centre at Brandon University. The university has significantly changed the plans, Mr. Speaker, from the original plans that were submitted to the University Grants Commission. The amount of space that is presently being requested, Mr. Speaker, is three times the original request and three times the

dollar amount. The commitment of the previous government and this government was for the amount of \$1,600,000.00. The \$1 million is being held in trust waiting for the process to continue that has the University submitting their plans and requests through the University Grants Commission and receiving approval for those plans.

There is one other component to the beginning of the construction. The Brandon University Board have committed themselves to raise the additional funds. This was not a commitment for full funding by the government, only the 1.6 million. They have committed themselves to raise \$4.5 million. They have begun their Fund Raising Program. It is not clear how far they are along, but I would assume they would have to raise a significant amount of the money before they break ground.

**MR. RANSOM:** Mr. Speaker, can I ask the Minister then, is it simply the commitment of the previous government that is being carried out?

**MRS. HEMPHILL:** I think I am pleased to communicate, Mr. Speaker, that we are not always in disagreement, nor should we be. The Brandon University is recognized as a centre of excellence for music and we are prepared to indicate that publicly and to fund on that basis. We are in agreement with the position they took about the benefits gained for that university in the music program for the whole of the province.

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

**HON. HOWARD R. PAWLEY (Selkirk):** Mr. Speaker, last week the Member for Swan River asked me to report on my meeting that would be taking place in Swan River with the town and the municipality. Mr. Speaker, I declined at that time to give the Honourable Member for Swan River a report until such time as I had opportunity to first discuss the school tax situation in the Swan Valley with the appropriate municipal people and I have had now an opportunity to do so.

I want to report to the Member for Swan River and all members of the Chamber that there was, it's quite clear from the meeting, a general agreement that the difficulties that are confronting the rate payers of Swan River in connection with an increase in their taxes this year directly relate to the inequities of the program that was passed by the previous administration in the Province of Manitoba last year. Mr. Speaker, it was indeed recognized at that meeting that there was a very important factor that had not been recognized in the formula that was developed by the previous government in regard to the new school support program. The missing link was the fact that the previous government failed to provide for any grant pertaining to declining enrolment, and it was pointed out to me at the meeting yesterday, and I shared with those at the meeting, that there had been a 3.6 percent decline in respect to enrolment in the past year, that this had brought about a decrease in connection with per pupil grants to the Swan Valley School Division. There was no provision in the program that had been enacted by the previous government to provide for assistance in situations such as this.

Mr. Speaker, I pointed out to those present, and it was concurred with, that this government had provided some \$26 million by way of special assistance in and above the support program that was provided for by the previous government last year. Of this \$26 million, some \$154,000 was paid to the Swan Valley School Division that would not otherwise have been paid to the Swan Valley School Division.

I want to also report to the honourable member that those present were pleased with the information that the Minister of Education is undertaking a one-year review of education financing in the Province of Manitoba in order to attempt to ensure a more equitable system of financing of education in the Province of Manitoba, particularly in regard to school divisions such as the Swan Valley School Division in which there is, indeed, a low assessment base and a high expenditure per pupil situation.

**MR. SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. RANSOM:** Yes, Mr. Speaker, I'd like to ask my supplementary question which I was not able to place before I was interrupted by the First Minister. The Minister of Education stated that 1 million of the 1.6 million was placed in trust. Can she advise whether the other 600,000 has been transferred to Brandon University?

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

**MRS. HEMPHILL:** No, Mr. Speaker, the other 600,000 has not been transferred to the Brandon University, nor has the initial million been transferred. I think that we are awaiting the approval of the plans and the successful fund raising program by the Board of Governors of Brandon University to be able to continue their program.

We are being pressed every day, Mr. Speaker, about spending too much money and about not spending money unnecessarily. It would have been folly for us to have put \$600,000 into our Budget this year that we believe there was no possibility of being expended. It would have added unnecessarily to our deficit and would have been a very poor move.

**MR. RANSOM:** Mr. Speaker, do I understand the Minister correctly then that the \$600,000 in the '81-82 Budget has been allowed to lapse and that there is no money included in the '82-83 Estimates?

**MRS. HEMPHILL:** We have made the commitment for the 1.6 million. We are ready to meet that commitment as soon as they are ready. The 1 million is held in trust. We will meet our other responsibilities and commitments as they are required, Mr. Speaker.

**MR. RANSOM:** Mr. Speaker, can I ask the Minister of Education then whether she will be able to identify that \$600,000 in her Estimates when we get to discussion of them?

**MRS. HEMPHILL:** No, Mr. Speaker, we will discuss this in Estimates, they are coming up very soon. I can

say now that I will not be able to identify the \$600,000 in this Budget, in these Estimates, because we did not expect to expend or to have to give out the \$600,000 during this year. It would be silly to put \$600,000 into a Budget and have it lapse and add to your deficit when you have no intentions of spending it.

**MR. SPEAKER:** The Honourable Member for Tuxedo. Order please, order please.

**MR. GARY FILMON (Tuxedo):** Mr. Speaker, my question is to the First Minister in follow-up to his report on the school tax situation at the Town of Swan River. Can he confirm that between 1980 and 1981, as a result of what he calls the inadequate program in education support that was put forward by our government, the mill rate for farm and residential purposes for Swan River decreased by 2.5 mills, whereas this year between 1981 and 1982, with his so-called new improved program that everyone is supposed to applaud, that same mill rate for Swan River increased by 15.1 mills for the farm and residential mill rate levy?

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

**MR. PAWLEY:** Mr. Speaker, what I do know is that from 1977, for three years, there was a virtual freezing insofar as the provision of monies for our school divisions in the Province of Manitoba under the previous administration. I do know that in the one year prior to the election there was a releasing of funds to the school divisions of the Province of Manitoba. I do know, Mr. Speaker, as a result of the information that was given to me by the reeve of the Municipality of Swan River yesterday, that the foundation levy in the school division insofar as the municipal residents were concerned in Swan Valley had increased by 600 percent last year, despite the additional funds that were provided for as a last-year effort by the previous government in the Province of Manitoba.

**MR. FILMON:** Mr. Speaker, I wonder if the First Minister would consult with his Minister of Education, who earlier this Session reminded me that there is no such thing as a foundation levy in this province any longer. That might clarify his thinking about this unfortunate contradiction but my question, Mr. Speaker, is again to the First Minister. Can he confirm that the three-year commitment that was put forward as part of the new Education Support Program announced by the former government provided for school divisions, for their support, to receive an increase annually from the Provincial Government that was equal to the cost of living index. That addition amount of \$26 million, that he says his government put in, was only what was required of them by the program instituted by our government.

**MR. PAWLEY:** Mr. Speaker, what I do know, in response to the honourable member's question, is that this government provided additional funds that not otherwise would have been provided for under the previous program directed towards school divisions of low assessment, high expenditure per pupil, monies that would not have been available under the previous program. I do know because this government pro-

vided those funds, Mr. Speaker, that the school division of Swan Valley received funds that they would not otherwise have had. That I do know, Mr. Speaker.

**MR. FILMON:** Mr. Speaker, can the First Minister confirm that when, as he says, there was a 600 percent increase in the so-called foundation levy, which is now called the Education Support Levy under the new system, was increasing by a total of 27.7 mills last year in Swan River. The special levy was decreasing by 31.2 mills which made a net decrease of 2.5 mills on the overall education financing for those people. So, in fact their school taxes went down under what he calls an inadequate program whereas this year it's going up by 15.1 mills.

**MR. PAWLEY:** Mr. Speaker, I want to say in response to the question to the honourable member, I would sooner listen to the elected representatives in the Swan Valley; to the mayor of the town of Swan River; to the Reeve of the Municipality of Swan Valley than to listen to comments being raised for obvious purposes in this Chamber by the member from Tuxedo because I have confidence enough in the local people with the information they provided to me that there had been a virtual freezing for three years insofar as assistance. Then, there was a program which was provided for last year out of desperation by the previous government, a program that did not provide the kind of assistance that should have been provided to the people of the Swan Valley School Division as well as the people of many other school divisions in the Province of Manitoba. We're moving, Mr. Speaker, to undertake a review to remove those inequities that should never have existed in the first place if the previous government had done their jobs properly.

**MR. FILMON:** Mr. Speaker, can the Minister indicate as part of the funding that he is now providing for school divisions throughout the province when the previous government had indicated an intention to reduce the burden on the property tax credit that instead of carrying through with the proposal of the former government in taking that additional \$26 million out of general revenues, his government took the unusual step of adding 4.2 mills across the board to all rate payers in this province, so that they now all pay higher taxes because of his new improved program.

**MR. PAWLEY:** I don't know whether the question is in order or not, but I appreciate the honourable member making that statement to give me an opportunity to respond. The \$154,155 provided to the Swan Valley School Division reduced the special levy that would otherwise have been charged to the Swan Valley School Division by 4.3 mills.

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. ROBERT (Bob) BANMAN (La Verendrye):** Well, to the First Minister then, I wonder if he could confirm that the school levy for the businesses in the Town of Steinbach is going to increase some 17.1 mills and that we are looking, in the Town of Steinbach, at an increase of 21.8 percent for school purposes only.

**MR. PAWLEY:** Mr. Speaker, I find that it is very well to take these questions as notice. I am pleased I took the question as notice in respect to the Swan Valley School Division, so I could provide members with what actually had happened last year under their program. I would be delighted to take this question in connection with Steinbach as notice too, Mr. Speaker, because I suspect very well that this question also may reveal certain very interesting facts as to the nature of the program that was passed last year by the previous administration.

**MR. BANMAN:** Well, in light of the promises of the First Minister during the election campaign, I wonder if he could inform the House whether he thinks a 21.8 percent increase to businesses in the province which are already suffering under the programs and the lack of programs of this particular government and who are suffering from high interest rates, who the First Minister promised would not suffer from high interest rates, if he considers that a 21.8 percent increase for school tax purposes on a small businessman struggling in this Province of Manitoba is fair and equitable.

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

**MR. PAWLEY:** What I do know, and honourable members across the way obviously do not wish to acknowledge this because they are uncomfortable with the facts, is that this government this year provided more additional funds towards education than that previous administration did in the Province of Manitoba during the first three years of their administration, Mr. Speaker.

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

**MR. CLAYTON MANNES (Morris):** Thank you, Mr. Speaker. I'm wondering if the First Minister could confirm or he may want to take it as notice that in fact in the Morris McDonald School Division that the special mill rate has gone up some 46 percent, that in fact the balance between the special levy and the education support system is an average of 25 percent, meaning 15 to 18 mills. I wonder if you can confirm that.

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

**MR. PAWLEY:** Mr. Speaker, I'll be delighted to take that question as notice and I think, in view of the information that some of the honourable members are referring to in their various constituencies, others are remaining interestingly silent. It would demonstrate and would prove, Mr. Speaker, the information that I have provided but a few moments ago and that is that there are serious inequities that exist within the Education Support Program that was heralded in this House by the previous administration as the answer for the educational cost problems of Manitoba and that there is need to review that program to remove these inequities and all the members opposite are doing is proving how weak and how hastily put together the program of the previous Conservative administration was done in the Province of Manitoba.

**MR. SPEAKER:** The Honourable Member for Turtle Mountain.

**MR. RANSOM:** Mr. Speaker, my question is for the First Minister. In a news release made last December following a retreat to Hecla Island and it is interesting to note how early they began their retreat, Mr. Speaker, the First Minister promised that he would have an economic development policy ready within the next two months. I wonder, Mr. Speaker, if the First Minister can advise us when he will have that economic development policy ready.

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

**MR. PAWLEY:** Mr. Speaker, if the honourable members indeed had been following the announcement of various programs they would be very conscious of the fact that this government, unlike the previous administration, has already very very early in its term — well, less than five months, has revealed more positive programs to deal with the economy in the Province of Manitoba than the previous government did in four years.

**MR. SPEAKER:** Order please. Order please. The time for question period having expired, Orders of the Day.

## ORDERS OF THE DAY

### ADJOURNED DEBATE - CROW RATE

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

**MR. MERCIER:** Mr. Speaker, would you please call the adjourned debate on the proposed motion of the Minister of Transportation, standing in the name of the Honourable Member for Niakwa.

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

**MR. ABE KOVNATS (Niakwa):** Stand, Mr. Speaker, unless any of the other members care to speak on it.

**MR. SPEAKER:** If no one else wishes to speak on this Resolution, it will stand in the name of the Honourable Member for Niakwa.

The Honourable Member for Flin Flon.

**MR. STORIE:** Mr. Speaker, I expect to take a considerable amount of gentle ribbing from the loyal Opposition given that I represent the constituency of Flin Flon. I expected that, but I felt that I must make some comments given my background. I hope the Opposition is still thumping their desks when I'm finished. —(Interjection)— Oh yes, my background is all behind me.

There are several things that actually stirred me to speak and the first of course is my own background, coming from the constituency now represented by the Honourable Member for Turtle Mountain, and I suppose as well, having grown up on a farm, I still have a certain affinity for rural communities and the rural way of life. I think, despite what members of the Opposition might imply, they have no sacrosanct

right to represent the interests of the farming community, whereas I do. I don't think anyone has that type of right to claim that they and they alone represent the interests of any constituency or interest group in this province.

What I am most intrigued about is that, whereas this group has always maintained that they represent the interests of the farming community and in the debates that we have just witnessed, the agricultural debates, there was a good deal of desk thumping and hand wringing over the Agricultural Estimates and the policies that this government has put forward in an attempt to deliver some stability to the farming communities and deliver some support to the farmers out there who are indeed suffering and everyone recognizes that. Well we've had all this concern from the members opposite on many issues.

What we haven't seen is, in the previous four years, anything very constructive by way of helping them with some of their emerging and continuing problems and also what we have not seen is any definitive statement on the part of Her Majesty's loyal Opposition on this issue, on the Crow rate debate. We have had two or three speakers, I believe, who have stood up and mumbled rather forcefully for up to 40 minutes, but when you analyze what has been said in those 40 minutes, you come to the conclusion that they're waffling. Perhaps they're waffling eloquently, but it is waffling nevertheless. —(Interjection)— Gibberish, if you prefer.

I personally and this party, I believe, has a commitment to the farming community. I think we take seriously the idea that the agricultural community is the most important economic factor which keeps this province going. I think we recognize that and I think all the members in this Chamber recognize the contribution that the farmers and the farming communities make to the life of this province. No one denies that. We believe in the family farm, despite what members of the Opposition might like some people to believe. We believe, as well, that individuals should have the right to own their farms and to produce on those farms, despite what the Opposition might like some people to believe, despite the motives they might impute to some of the well thought out and some of the honest attempts that we are making to protect the farming communities and to protect farmers in these difficult times. We have heard a considerable amount of debate from the Opposition about our motives for some of the programs and about some of the ways that we've introduced the programs.

Well the fact is, Mr. Speaker, that at least we have attempted to do something. We may not be overwhelmed by waves of gratitude coming in from the farming communities, but that doesn't mean that we haven't been trying. That doesn't mean that we shouldn't be getting some recognition, even from the Opposition, of the fact that we're making the effort.

We are making the effort and they may not like the Beef Stabilization Program and they might not like the Interest Rate Relief Program; they might not like the fact that we bring up the fact that they didn't do anything. Well, the Member for Morris says the cattle producers don't like it. Well, the cattle producers may like going bankrupt more. —(Interjection)— Well,

that's what they would have been doing under your program which was non-existent. The Member for Arthur says, they'd sooner go broke. Well, the way the Member for Arthur operated when he was Minister of Agriculture, we would have believe that he thought that they sooner would have rather gone broke. I don't believe they do and I don't believe that anybody says that we have the perfect program. There is no panacea for the kinds of problems that the agricultural community is experiencing right now. There may never be a panacea for those types of problems. All we can do is work systematically to resolve some of their problems.

Mr. Speaker, I didn't intend to stand and defend the Department of Agriculture or the Minister of Agriculture or, in fact, the agricultural policies of the New Democratic Party. What I wanted to do was to bring up the fact that we have been attempting with no help from some members to bring forward a debate, and we hoped that it would be a debate, on an issue which directly affects the farmers, which concretely affects them, which affects their wallets more than many of the other issues that have been debated so hotly on the part of the Opposition.

My problem is, when I listened to the non-debate, when I listened to the non-debate from the members that have spoken on this issue, I was struggling to say, well what is holding the Opposition back? Why isn't the Progressive Conservative Party coming out four square, feet on the floor, hands on the desks, thumping away at this issue? Why are they sitting back? What is holding them back? We're all aware of the facts. The facts have been discussed ad nauseum in this Chamber. We had a presentation a week ago or two weeks ago in which the Department of Agriculture presented some of the details. We heard very little criticism at that time from members opposite of the specific facts that were raised at that time. So the question is, why the silence? If they believe that the basic facts were true as presented, then what's holding them back? —(Interjection)— The Member for Morris says, well, what's holding them back is the facts that were not presented.

I would be interested to know what facts we don't have. I'll tell you, in my estimation, the facts that we don't have are some rather skimpy speculations on what might happen, what could happen if this happens. The only kinds of facts that we don't have, Mr. Speaker, are very skimpy hypothetical "ifs." The Conservative Party and the Leader of the Opposition seem prepared to trade a bunch of "ifs" for a thousand dollars in the pockets of Manitoba farmers this year, next year, the year after that and for the foreseeable future.

Yesterday, we heard a couple members, I believe, stand up and talk at length and show great concern about the fact that the metric was going to cost communities money, a few thousand dollars, \$3,000 for an individual merchant —(Interjection)— The metric is not with us yet. However, they talked at length about the cost to the poor farmer and, while there is no question that some of this cost is going to be borne by the consumers, by the customers who frequent the merchants in all communities, including Winnipeg, what we have to wonder is, why is this such a major issue when we know the Trychniewicz Report shows



us that at four or five or six times the established Crow rate that it's going to cost the farmers thousands of dollars every year? Not a few thousand dollars once while the transition for metric occurs, but thousands of dollars every year, and I say to myself, why is the Conservative Party and the members who, I believe, firmly are committed to their farming communities, those that represent farming communities, who truly believe in the agricultural communities, in the values of those communities, I am convinced that those people represent the interests of those communities to the best of their ability.

My question is, why on this issue are they not standing up representing the farmers' interests? What is holding them back? Well, Mr. Speaker, as I said, maybe they are waiting for these "ifs," maybe they believe that the CPR cannot make the needed changes to the rail system, and no one denies that changes are needed and that changes will be needed in the future, but maybe they are saying the CPR can't afford this.

Well, the facts that I have tell me that's not true. The facts that I have tell me the changes that are required are going to be required because of the exportation of coal and sulphur and other products. There is going to be some increase in grain shipments, but that's not the sole reason. Also, it has been identified that the CPR through its other limited companies has all kinds of money that it can invest, if it chose to do so, or if it was made to do so. So the issue doesn't seem to be one of grain being the only means by which the CPR can fund the expansion that is required. The fact is that if the Crow rate changes, the net effect to Manitoba farmers is going to be in the range of millions of dollars of lost income, so why the support? It still doesn't make sense.

Perhaps, the Opposition believes that the promised diversification of agricultural crops is going to be the salvation for the farmers, is going to be the salvation for the Manitoba economy because, indeed, the agricultural community donates substantially to Manitoba's economy, but the fact is that Manitoba's agricultural crops are diversifying in any case. They have been over the last 20 years. There has been phenomenal diversification into all kinds of special crops, so the changes in the Crow rate were not needed to produce those diversifications. Why is it necessary to assume that further diversifications are going to come about because of changes in the Crow rate or why do we assume that there's going to be an increase in the beef industry or any of the other nice promises that Pepin has made when he suggests that changing the Crow rate is a worthwhile thing to do?

In fact, they seem prepared to change the Crow rate; they seem prepared to neglect or fail to support the farmer for benefits which can only be seen to be on the horizon. There is nothing concrete out there. So I have to ask again, what's the dilemma? What ideological concept is holding them back from supporting the government on this issue? As far as I can see, there's only one ideological hang-up and the Opposition likes to rail against the New Democratic Party and against the present government for its ideological hang-ups. They talk about the state farm or they talk about all kinds of other rhetorical words to confuse the issue. Well, here's a rhetorical word and here's an ideological hang-up that seems to be the

problem that the Conservative Party is having with this issue, and the word is "profits." You see, the Conservative Party slavers over "profits." Is that good? Do you like "slavers?" It makes their eyes bulge; it makes their fingers itch, Mr. Speaker. It's incredible. That is what happens.

This is the issue, Mr. Speaker, that is preventing the Conservative Party from speaking out. You see, they have a dilemma, and the dilemma, Mr. Speaker, is that the CPR, its weeping heart comes to Mr. Pepin and to the Conservative Party and says, oh poor us, a railway division in the provinces, this little section is not making money; we're not making profits. Well, the fact is that the Annual Reports of CP Rail, Mr. Snavelly, says that they lost \$193.7 million, while in actual fact the profits were 276 million, but they are still losing money and —(Interjection)— they are on one segment; but you see the dilemma is that the Conservative Party believes that everyone is entitled to make their profit. That's what they believe and I'm sure they would all hardily stand and cheer the notion that everyone deserves to be able to make a profit. Well the CPR isn't making a profit off this little operation and it concerns them greatly. Not just because the CPR donates to the Conservative Party; I'm not suggesting that would have any influence on these members. Forgive me, I lost my head. To make that kind of suggestion, I'm sorry, it was irresponsible and I certainly won't ever do it again unless I have to. I still think that's the issue. What we have is a dilemma. Should we let the CPR make a profit, or should we let the farmer make a profit, or at least get closer to making a profit?

The Honourable Member for Arthur says he prefers the farmer. We will see how he votes on this issue. We will see when the crux of the matter is presented and the issue is, should we let CPR make all kinds of profits on all their divisions, or should we let the farmer make some profit? We will see, we're for the farmer. The honourable members are indicating their support for the government resolution. It should be on the record now that the loyal Opposition supports the government's resolution. Actually that's something that's wonderful to know because of course there's a lot more strength in unity than in division.

Mr. Speaker, in concluding I would only say that it is my hope that this dilemma that faces the Conservative Party does not seriously divide them. I hope that the members in the Opposition who represent the farming community can maintain their unity and fight off those slaving dogs of capitalism in their own party and can come forward as a group and support the government's resolution so that we can take it to the Federal Government and say there are no benefits in your proposal for Manitoba, there are no benefits for the farmers of Manitoba in your proposal, there are no benefits for the people of Manitoba; if there are any benefits they go to other provinces. We do not support you, we do not support changing the Crow Rate. It is a historical, it is an important part of the agricultural community and we do not accept changes to it lightly.

Thank you, Mr. Speaker.

**MR. SPEAKER:** Is the Honourable Member for Niakwa now prepared to continue.

**MR. KOVNATS:** No, not right at this time, Mr. Speaker. I was going to move adjournment on the debate but if it stands in my name I'll be satisfied.

**MR. SPEAKER:** If no other member wishes to speak to the resolution it will stand in the name of the Honourable Member for Niakwa.

The Honourable Government House Leader.

**HON. LAURENT DESJARDINS (St. Boniface):** Mr. Speaker I'd like to move, seconded by the Minister of Tourism and Economic Development 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 a Committee to consider of the Supply to be granted to Her Majesty with the Honourable Member for Flin Flon in the Chair for the Department of Health and the Honourable Member for The Pas in the Chair for the Department of Economic Development and Tourism.

## CONCURRENT COMMITTEES OF SUPPLY

### SUPPLY — ECONOMIC DEVELOPMENT AND TOURISM

**MR. CHAIRMAN, Harry M. Harapiak (The Pas):** We will call the Committee to order. We are in Economic Development and Tourism, we are on (b)(1) Administration.

The Member for Arthur.

**MR. DOWNEY:** Mr. Chairman, I understand that we're dealing with industry and trade as it relates to trade development. Probably the comments that I would have to make would probably fit in next on Industrial Development No. 2, so I would wait until that particular time to make my comments.

**MR. CHAIRMAN:** (b)(1)—pass; (b)(2) Industrial Development — the Member for Arthur.

**MR. DOWNEY:** Mr. Chairman, I am pleased to be able to participate in the Estimates of the Department of Economic Development and before I put my comments on the record, I want to compliment the previous Minister of Economic Development who, I think, with his department, with the department that I represented or worked with, the Department of Agriculture, worked very well to bring about some fairly major developments in the food and agricultural processing industry. One good example of that, of course, is the Harrowby Oilseed Crushing Plant that is now being developed at Russell or at Harrowby. Manitoba Pool Elevators, Saskatchewan Wheat Pool worked very closely with the Department of Agriculture and the Department of Economic Development to establish that particular plant in that particular region.

I would further, Mr. Chairman, to that particular facility want the Minister to respond in a way in which I think would be helpful to the investors in that particular facility, the farm community who have, through the Pool Elevators, have made an investment of some \$40

million; have guaranteed or will be hiring some 80 people; will be in fact providing some markets for some 3,000 farmers for probably 25 percent of their acreage on an annual basis; that kind of development bring some — if we were to look at it in dollars and cents — probably \$300-\$500 million in a rough figure into the Province of Manitoba and Saskatchewan but I would say more so to the Province of Manitoba, and that, Mr. Chairman, to you is some of the developments that took place under the past Minister of Economic Development. I am pleased that he is sitting in on Committee because I think he has something to be very pleased about, that he has actually made that kind of thing happen through his hard work and endeavour.

Mr. Chairman, when I look at the Industrial Development that says, "provides resources to create new employment opportunities," he spent the taxpayers money last year under this appropriation to do some positive work and to do in fact what that says, create new employment opportunities. At the same time, Mr. Chairman, he did not take the political approach and try and gain cheap political marks by standing up causing a great argument in the farm community over the Crow rate issue, because, Mr. Chairman, that is truly a political issue. When you start looking at some of the facts, I think, that what we have seen the government participate in now, will surely come home to haunt them when you start adding up the job opportunities, the kinds of processing facilities can develop like we've seen the last Minister. He didn't introduce a resolution to not discuss it, to bury their heads in the sands, but he's, at least, Mr. Chairman, developed job opportunities through that kind of a facility.

Mr. Chairman, the present Minister, I would hope, in her position and talking about Crow rate, about job opportunities, could lay on the table, could lay before the people of Manitoba, either a support program for the oil seed crushing people, for those people at CSP and the Farmer's Co-op, the Manitoba Pool Elevators and the Saskatchewan Wheat Pool, her commitment to provide funds to move out oil seed oil after it is crushed, so that they have equity with the Provinces of Saskatchewan and Alberta. Her taking the position that she has taken on the Crow rate should encourage her, or the farm people should be at least prepared to expect — they should expect, and she should provide it — funds for a rail transportation subsidy for oil that is produced from that oil seed crushing plant. They entered into an investment in good faith, they proceeded to build that particular plant.

Let's just put it into perspective, Mr. Chairman, because we now have an oil seed crushing plant that employs probably 80 people, \$40 million, and I said it provides a market for 3,000 farmers, 25 percent of their acreage of rapeseed; that's pretty good economic development, Mr. Chairman. But the alternative to that is to probably maintain five elevators that would collect that same amount of rapeseed, five elevators — one would do it but let's say five, give her the benefit of the doubt — five elevators, with five elevator managers, moving that raw commodity out of the province. Well, an elevator costs approximately \$1 million to \$1.5 million of investment that's already in place; it wouldn't mean any new investment. So, you have approximately a \$5-million to \$10-million

investment in elevators that are currently there, five employment opportunities and that is that.

But, Mr. Chairman, this oil seed crushing plant has added to the overall economic development of western Manitoba and we'll leave the Crow rate issue out of it, but I think people will start to see after they look at the whole processing industry that there are some things to be gained by at least trying to reassess what the benefits are through the Crow rate and through what the processing industry can do for Manitoba producers.

Mr. Chairman, so I would hope the Minister would either prepare to do a study, have her industry lay some facts on the table for her, or be prepared to put financial support into the oil seed crushing industry as a subsidy to move the oil out of Manitoba, because today, it has to compete against the Crow rate. Now, I hope she will respond to it and it would be an interesting situation for her to respond.

The gasohol business, Mr. Chairman, I spoke pretty elaborately on that last night, tried to make the points that I think have to be made again. The Minister of Economic Development, as a member of Cabinet, and the Minister of Energy and the Minister of Finance, Ministers of Agriculture and their departments, all worked very hard to create the economic climate by removal of road tax, so that the people who are producing gasohol at Minnedosa could so competitively. And what have we just heard and seen, Mr. Chairman? We have seen a 400-percent increase in the business that company is doing because they are now selling gasohol and what has that done? There has been another recent announcement that they are expanding their barley quotas to the producers of barley so they can get higher returns for their barley.

For the Minister, Mr. Chairman, who last night was concerned that we were using a food product to produce alcohol to produce more horsepower to produce food, it doesn't wash. That byproduct, which is protein, goes into the livestock industry to produce red meat which we are all anxious to see produced, so the fact that we're using food is not of major consequence. In fact, it creates a better market for the barley producers and they in fact, as the Member for Lakeside said, it's just that much less barley that goes into the beer production, so it really isn't that big a concern, I think, to the general population. At the same time, I tried to make the point, Mr. Chairman, that if we look back in the 1920s, 20 percent of North American agriculture acreage was in the production of oats to feed horses to produce horsepower to produce food. So, Mr. Chairman, think we have to somewhat put those arguments aside. I would hope that the Member for Minnedosa who had large part to play in the overall development of the gasohol plant at Minnedosa would as well have some comments to put on the record.

I would further, Mr. Chairman, like to ask the Minister what has taken place with the study that is being done or has been done on the development of a fructose sugar producing plant from corn. I know that the Minister prior to the current Minister's term in office had done a study in conjunction with the Department of Agriculture. We have, in this province, turned from being an importer of corn several years ago to now a producer of corn, some 20 million bushels last year

which has gone up from practically zero in, probably, 1976. We have now gone to some 240,000 acres of corn production. We are seeing at least 10 times the needs of the Gimli Distillery being produced within the province and I know that his department and now her department as well as the Agriculture Department were doing a feasibility study on the development of a processing industry to produce sugar from corn.

It's not new; it is being done in Ontario. I'm sure there are two plants there. It is done in other parts of North America. I am as well aware, Mr. Chairman, that the majority of the soft drink producers — I'm not sure; I won't name them — but I think the majority of them now use fructose or corn produced sugar for sweetener in their drinks and we all know the volume of soft drinks that are consumed in this country. So, I would hope that study has borne fruit.

As well, Madam Minister, the constituents of the Member for Ste. Rose were unable to get any action from him. I met with them last fall. They were anxious to develop and establish an Alfalfa Processing Plant in the Ste. Rose-McCreary community. I know that members of the staff of the Department of Economic Development have been involved in working on that kind of a program. I would hope the Minister is able to respond to those kinds of positive developments.

I, again, will remind her of the question that I asked last night. How many people have gone out of business, or how many people have lost their jobs in mining, in agriculture, the cheese plants? I, again, won't go through that argument I put forward to her last night and I will ask her again the question that I asked last night: does she support the MANCO workers or the principle that the MANCO workers are prepared to accept, that they will take a 15 percent reduction in wages to keep that plant going, that all people in the working force if they are to maintain their jobs should be prepared to negotiate with the companies they work for rather than to put them out of business? Are they prepared to accept less, as I believe everyone in society during tough economic times are? Does she support that principle or does she still maintain that we should see a continued pressure on increased wages without having increased productivity? Because, Mr. Chairman, through you to the Minister, that's where it's at. You can't keep demanding more out of a system and not keep putting more into it and that's the reason we're in the economic difficulties we are today. We have seen too much pressure coming from groups in society who demand more out of the system than they are prepared to put into it, and it doesn't work.

We're into that kind of an economic recession right now. The Minister has admitted it and I would hope she would be prepared to put some of her policies and principles on the record. Unfortunately she has one answer and that's, we need to have a regulated and a controlled society so that they as a government can divide up equally all those losses that we're prepared to expect to make.

Why doesn't she take a look at the incentives and the reward that come through private initiative, reward, production and development of our resources, rather than the tight economic regulatory type system she believes in? I again go back and ask her, does she believe then that system that has been put forward or

that proposal that has been put forward by the Manco workers of Pilot Mound, and if she doesn't support it, why doesn't she support it? And how many people have lost their jobs in mining, manufacturing in the entire sector since November 17? All those people that she promised during the election campaign that wouldn't lose their jobs.

Thank you, Mr. Chairman.

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

**HON. MURIEL SMITH (Osborne):** Yes, Mr. Chairman. Starting at the beginning, the CSP Plant is a project that was developed under the previous government and it is a fine example, I think, of how governments working together can help with such a development. It does come under — not just to be technical, it doesn't mean we can't talk about it — but it does come under the Enterprise Manitoba Shared Funding for the Federal-Provincial Funding under Project One, and \$3.6 million was put into that crushing plant to help with the community infrastructure. —(Interjection)— Okay, take a bow Frank. He's modest.

I take minor issue with the idea that everything done by our Opposition is somehow apolitical or nonpolitical, whereas everything we do is political. It reveals that a perception of the world where somehow there's only one truth and that's how the Speaker sees it and I submit to the group, that it's not a very mature approach to political dialogue. We at least know that there are different positions and different philosophies which are held in good faith and they bring with them different views of how the economy works, what the goals of the government are and what the underlying values, if you like, are that we are pursuing and therefore this kind of debate we're engaged in is a very legitimate one. I have my political approach and the honourable members opposite have theirs, to which they are fully entitled. So I do take quite a different approach to this idea that somehow we're being political, whereas they aren't.

With regard to Crow, CSP and transportation costs, I'm not sure if the honourable member was present the other day in the House, but I did draw to the attention of the House that CSP have been to see us and have given us material analyzing their position and that what they have made very clear to us is, that the key problem they're encountering now is not competing against Crow rates, it is competing against Alberta and Saskatchewan crushers who are being subsidized by the government for their transport.

Now you did ask that question as well. I would submit that it's premature for us to make a commitment on that issue until we see what the outcome on the Crow is, because maintaining the Crow and developing a different approach to funding the railways is our preferred position and until that sorts itself out - not that we won't think about the other - but we're not about to commit ourselves on what we're going to do.

What really never ceases to amaze me and I think we've had an excellent demonstration of it, is how a member of the Opposition, who can make a lot of keeping government out of business and out of the private affairs of people, out of the economy, on one

hand can plead so persistently for the government jumping into business when it's going to suit — dare it be said — the farm community, the farm community which happens to be the economic interest group to which he belongs.

Now I can understand him wanting a good deal for his group but I submit what we want is the best possible deal for all the groups. So the problem we said ourselves is not a simple one of being contradictory saying, government go away when it doesn't suit us, and government come and help when it does. Our problem is how to plan and carry on an active government program so that we get the best that's reasonable for all the groups in the community.

Gasohol, should it be made out of barley, which can be considered a food crop and could either produce horses or feed people or make beer, or should it be produced out of wood pulp, such as we were suggesting last night? I submit that there is probably room for both in the fuel-hungry world of the future but that on the basis of what I know and understand, not only of Manitoba economics, but Canadian and global, it makes a lot more sense to go for something that's currently a waste product and doesn't have an alternative economic use, rather than a food crop which does very demonstrably have another potential use, or the land on which it's grown has another potential use.

With regard to the Fructose Program made from corn, I'm happy to report that possibility is still very much alive and that there will be a meeting later this month with representatives from that company where we'll be looking at their needs in terms of water, energy supplies, transportation and the kind of programs we have available to see if we can put together an effective co-operative package.

With regard to the Alfalfa Programs, that making — is it pellets — there is an active industry in the Dauphin area that is carrying on and the information I have is that it's thriving. I'm not sure if the member asked a more specific question than that, that I missed. If so he'll get full chance to extend that question.

Down to the MANCO workers. I am interested to hear that there is a solution being worked out there in the area of a different wage plan so that the company can be kept alive. I think the two principles that I would like to support very strongly are, that workers and employers and indeed owners have access to all the information about an operation. It is my belief and understanding that workers who understand the economics of an operation feel that they are included in the information and behave in a very responsible way when it comes to wage negotiations. But I think the members opposite sometimes forget that when we talk about raising minimum wage, it doesn't necessarily mean that the total wage packet has to be increased.

There is such a thing as developing a narrower split in the wage package. That's certainly the approach that the Japanese are following and they seem to have a very low unemployment and high productivity record. So I submit that it's quite —(Interjection)— please, I didn't interrupt you. Please don't interrupt me. That they have achieved high productivity and high employment rates by following that type of program and I submit that we are not being contradictory

in working for increased productivity, viability along with increasing the wages to the people at the lower end of the spectrum.

So I too, hope that the MANCO situation will resolve itself and if the workers and the owner-employer can get together — well, it's organized as a co-operative — if they can come to an agreement on how much money will go into wages and how much into the operation or expansion of their plants, so be it. I think that's the model in a sense we would be happy to see extended to many other industries.

I guess the last question the honourable member asked was: Did I believe in a system that rewarded private initiative or tightly regulated? I think to present the economic alternatives in that way is quite legitimate for the honourable member because that's the way he sees the world. I and my colleagues don't see the choices before us structured in that way. We believe that private initiative indeed, needs support and encouragement but that money rewards are not the only kind of rewards and that giving a reward for private initiative is not the only goal that we have. We also believe that we have a collective responsibility for those members of our society who have either been excluded in the past or been pushed to the bottom of the ladder and so, we believe in developing an economic and social system which spreads rewards out and benefits out, but also puts out expectations that people contribute as well. To that end we would like to have a system where people do have the fullest possible opportunity to work and contribute. We don't believe in promoting social assistance as an end in itself. We see it as a necessary component of a system to provide temporary supports to people between jobs, or to provide some kind of assistance to people who don't have the strength or health to be fully self-supporting, but it's not a goal. The goal of our society is one where everyone does get a share of the opportunity to work and to receive benefits, so I know the honourable member won't feel I've answered the question he put but I submit, that way of looking at the economic options is a very limited and unproductive way of looking.

**MR. CHAIRMAN:** The Member for Arthur.

**MR. DOWNEY:** I'll be very brief. I have three specific questions, but for the Honourable Minister's information, it was the community of McCreary that isn't too far from Dauphin, as well we're interested in an Alfafa Processing Plant and wondering if there could be in fact, some company interested in the development of that. I just leave it on the record that I would hope the department would pursue that and maybe the Minister could get back in writing, an answer to me of what stage or . . .

The next question is, what company is it that is looking at building a Fructose Sugar Plant in Manitoba? If the Minister is able to disclose that name, fine; if not, for their particular reason I haven't got any difficulty but it would be interesting to know what company is interested in building a Fructose Sugar Plant in Manitoba.

She hasn't answered how many workers have been laid off since the November 17th election in the Province of Manitoba. They must have a record of how

many layoffs there've been in the different plants that have closed and the operations that have slowed down.

I would ask the Minister how many new businesses, processing industries, manufacturing plants have been established since she's become the Minister of Economic Development.

**MRS. SMITH:** Mr. Chairperson, I noted your request about the McCreary option.

With regard to the fructose plant, it's not our practice to discuss publicly the names of companies when we're in a negotiating stance and that's a confidentiality that I'm sure the member opposite will understand and respect.

With regard to unemployment, I can obtain exact figures. They are increasing. I think it is naive to expect a new government to be able to alter the — (Interjection)— well, I don't know quite what world you live in, honourable member, but I know the world I live in is — (Interjection)— I believe I have the floor. The world I live in is a difficult and a complicated world. The role of operating a government is a complex operation, changing direction, developing new programs, is not a thing that happens with a cast-of-the-wand.

Election day gives a new group of people the opportunity to build and to put their priorities into action, that you know and I know and I think everyone sitting in this room knows, that those kind of developments take place over time. We are in favour of being an active government but we're also in favour of being a planning government and that means very careful, thorough approaches. We cannot do everything; we are guardians of the public money, that taxpayer's dollar that those of you are very prone to talk about on many occasion.

We too, care about the accountability to the taxpayer and the kind of things we are able to do are taking time but I think we've been through that before. We have our short-term programs which will have some impact in the next few months and we have the longer term programs, which will make a difference.

Now how much difference they're able to make is going to depend on the national and international economic forces. It may be that if we're riding a great wave down, that all we can do is keep a few more people from drowning and keep alive some hope for the upswing. Maybe we can alter the shape of the wave a little but we can't eliminate the fact that we're all carried on somewhat on the national and international economic developments.

**MR. DOWNEY:** Did the Minister say she was going to provide the numbers of layoffs and people who've lost their jobs since the 17th of November?

**MRS. SMITH:** Yes, I undertook that, to the extent we have that data, I will undertake to seek an answer.

**MR. DOWNEY:** The second question, is she going to provide the numbers of new businesses, manufacturing plants, processing industries that have started since November 17th, under her new programs?

**MRS. SMITH:** Well, Mr. Chairperson, we have made

an announcement of the 3M Plant opening up and there are others in process, but you know and I know and certainly my predecessor in this ministry knows, that it takes a long time for these programs to come to fruition and for announcements to be made. I can get a list of those projects which have been announced since November 17th, but frankly I don't know quite what value it would be because there would be the culmination of the programs which you're familiar with. I am glad that most of the programs are ones that we can endorse support and continue to nurture.

There are a great series of grants that have gone forward and small programs, the usual consultations. I don't know quite what purpose it would serve to give you the list of publicly announced programs but if you wish to have that, I'll certainly undertake to get you that kind of a list.

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

**MR. ENNS:** Mr. Chairman, through you to the Minister. I appreciate that I wasn't present at the Committee when perhaps some of the subject matter that I want to raise has already been discussed. I want to assure the Minister that I want to approach it perhaps somewhat differently and I'm referring to the Alcan project that has of course, indicated its desirability to locate in the constituency of Lakeside.

Mr. Chairman, I'm not asking the Minister for a definitive statement on behalf of herself or that of her government, as to whether or not an agreement will finally be concluded with respect to the Alcan people or whether or not it will be possible for her government on other matters, whether or not a satisfactory arrangement with respect to energy, the hydro-electric question, I understand that those are major policy decisions that the government will arrive at or not arrive at in due course.

What I would like to ask of this department and of this Minister is though, that that will not preclude Alcan from concluding its final feasibility studies that are currently under way, which have been under way for the past number of months, a better part of the past year. It's a very substantial study, involving some \$4 to 5 million, we were originally told. Then of course I'm aware of some of the site work that is under way in developing from Alcan's point of view, to Alcan's satisfaction, their final satisfaction that yes, it is feasible to build that production plant, that smelter plant on that particular site.

I would like to hear from the Minister whether or not she will ensure that her department will do anything and everything possible to assist Alcan in carrying out those feasibility studies. I hope the Minister appreciates that I'm not asking her to commit herself or her government as to whether or not they will conclude an agreement with Alcan, but she mentioned in response to a previous question, that she is part of a planning government and I congratulate her for being that.

I would like to think that while there may be serious reservations as to some of the terms that have been offered by the Aluminum Company of Canada with respect to their desire in locating in Manitoba, that may or may not be acceptable to her or this government — that's a matter for another debate and that's a matter obviously for a policy decision on the part of

this government — but I'm concerned that we don't waste valuable time or that the department doesn't see it as . . .

that we don't waste valuable time, or that the department doesn't see it as its natural responsibility to assist a major potential employer of Manitobans, a major potential producer of increased economic activity in the Province of Manitoba, to allow them to conclude their final feasibility studies which are currently under way. I'm hoping that they're under way; I'm hoping that the Minister can tell me that they have not been aborted and I include by this and I solicit her support in that, again, what I would believe to be a legitimate function of the Department of Economic Development, to act with some leadership in terms of the other departments of government involved, so that the necessary socioeconomic studies are in fact being undertaken.

We had, of course, a schedule of dates for these to commence. Many people in my constituency looked forward to the public aspect, to some of the hearings that need to be held by agencies such as the Clean Environment Commission and I would like to hear from the Minister whether she sees her role, the role of her department, as one of ensuring that these feasibility studies do conclude and that we then at least have that data available to assist governments in making a decision. I would ask the Minister to respond to that.

**MRS. SMITH:** Honourable member, the feasibility studies are, in fact, being done by Alcan and nothing's been done to inhibit their ability to carry on their studies, so as far as we're concerned they are completing their study. I, as you know, am not the lead Minister with regard to these projects, but I am part of the committee that is working on them. Certainly the Honourable Mr. Parasiuk will be able to give you all the detail you want when you meet with him, but I think I spent about two hours on this the other day, so I certainly had no intention of not discussing the issue.

The point I made then and would like to make now, is that the government wanted to have in place their own analysis and framework within which to negotiate with Alcan from a position of knowledge and strength. Because there was not a lot of that preparatory data available when we took over, it's taking time to get all of that into place. The social economic studies will go ahead; there has been a further meeting with Mr. Jacques Bougie. Public hearings will certainly be a part of the social economic study. So, I think on all points, I can really satisfy the member that this is still a very live project and the delay was necessary from our point of view to do the research about the public benefits, but it happens to have coincided — well we're not particularly happy about this — but it happens to have coincided with a slowdown on Alcan's part although we all know that operations of that scale take many years to plan and get into operation.

Nevertheless, the speed with which they move ahead on their projects is affected by the world situation of price and demand. Just the other day, there was an announcement by Alcan of a major slowdown of a project in Australia, the — I think, Kookaburra — I

may not have the name quite accurately, but of a project that they were engaged in. So, they are not pressing with any urgency in terms of these negotiations, but they are still very actively involved as are we.

**MR. ENNS:** Mr. Chairman, I appreciate the Minister's comments. I suppose what I'm looking for and what I'm extending to the Minister, is the fact that I see the Department of Economic Development, despite the fact that there are other Ministers involved; that also was the case in the previous administration when original discussions took place with this particular development prospect, but I see the Department of Economic Development as being very much in a leadership role in this question. It may well be because of the structures of Cabinet, because of the Hydro involvement, because of the very substantial financial involvement that the Ministers of Finance, the Ministers of Energy and Mines are certainly part of the team that you speak on and that you are part of.

But philosophically, the Department of Economic Development - leaving all the other issues aside that are of concern to the present government with respect to Alcan - the department, philosophically, surely must see the massive potential of fulfilling their mandate in providing jobs for Manitobans, in pursuing their role in this particular development. I believe I've heard that is taking place. I would simply like to put on the record that certainly I think the department's acting properly, if in fact, that is the case.

I think that decisions that have to be made and will be made, whether on the part of the company for their own economic reasons or, indeed, on the part of the government for their economic and political reasons as to what kind of agreement they can or cannot live with. I don't presume to impinge on this Minister's or this government's role in that decision making. I can tell the Honourable Minister and I want to take a moment to at least put on the public record that, having represented a good portion of the Interlake for the past 16 years in public life, the Minister should not be at all deluded by the tremendous interest there is for the job potentials of an operation of this scale and size in the Interlake.

The Interlake is a part of Manitoba that historically and traditionally is populated by marginal farm families, farming operations, cattle operations, that very often provide less than full-time employment for their owners; have traditionally exported so many of their young people and, indeed, adults to various parts of the province and the country in search for appropriate work; that the level of expectations that upwards to 700 or 1,000 or 2,000 construction jobs during the five-year, six-year, seven-year construction period should be made available within the Interlake. It has a very strong understandable level of acceptance.

Now, I certainly appreciate that very serious environmental questions have to be adequately responded to. We are very much aware of some of the advantages that we have in the Interlake with respect to wildlife facilities. One that comes immediately to mind, of course, is the very well-received and successful Oak Hammock Wildlife Sanctuary that is visited by so many Manitobans, which is within the proximity of the proposed plant site.

So, there is no question that these issues have to be,

and I would be the first to ensure that adequate time for full public discussion, full public participation in the various meetings that I'm pleased to hear are still being planned for that area, and when they take place. But the Minister should, and this government should not allow themselves to be in anyway deluded about the fact that the promise for economic security that a project of this nature holds out for. Many residents of the Interlake and, indeed, for many residences of Manitoba, but I tend to speak somewhat more parochial at this particular time, that the attraction that this project has for Interlakers, and I would ask her to, upon familiarizing herself with various problems associated with a project of this magnitude, but certainly to accept the leadership role that I think the Department of Economic Development correctly ought to assume in bringing a project like this to a successful fruition in the Province of Manitoba.

**MRS. SMITH:** Yes, I am happy to hear that the member recognizes that when you're dealing with Economic Development you have to look at environmental and social issues and I think that's the approach that I, and my colleagues, are taking to Economic Development. We don't see it as just the creation of jobs, we see it as a lot of other things as well. Some of our basic economic strategy is to try and have more investment resources here in Manitoba so that we can, in the future, increase our capacity to control our own economic destiny and to maintain long-term economic security.

In the short run, I believe the type of leadership that I can best contribute, and it's a style that I like and believe in, is to work very co-operatively with my colleagues. We are not engaged in a tug of war between departments; we do consult and we do co-ordinate and our Cabinet does work very much as a team that shares an economic strategy and shares a commitment to the sequencing of public expenditures that we have come up with. I guess that's really the message I would like to leave with the member. I have ideas and I have energy and I have commitment and I take those approaches with me in whatever meetings I'm with and you can rest assured that I am not going to rest easy until we have a much more secure economy here in Manitoba.

I do have answers for you on a few of the questions you asked earlier. You asked about the general employment level and I'm informed by my department that, because we don't really have a very large independent capacity in Manitoba to generate stats, what we have is taken from the Stats Canada figures and that, since November to the end of March, the seasonally adjusted employment figures are 460,000 for November and 464,000 in March. Within that I realize that there are people being laid off and being employed elsewhere and there are shifts between sectors, but in the macro sense that's the situation.

I also have a list, whether it's a complete list I wouldn't say, but it is a partial list, at any rate, of new companies that have opened up here in the last couple of months. I did refer to 3M of Morden; Phillips Paints is about to be opened; two health products firms, Vita Health and B.C. North; and we've just heard that Fisons-Western Peat has accepted a DREE offer to locate here.

**MR. CHAIRMAN:** The Member for Elmwood.

**MR. RUSSELL DOERN (Elmwood):** Mr. Chairman, I just want to make a few remarks in response to the Member for Lakeside. He obviously speaks from his constituency perspective as well as a Manitoban and so do I. I want to point out a concern or two that I have, as a person who resides in the City of Winnipeg, and contrast it with the Member for Lakeside who is interested in an Alcan plant in his own riding which would, of course, benefit the people in the area, but I believe that one has to also have some concern for the environment. I think that all Manitobans, or the vast majority, would like to see industrial development and examples like the Alcan plant locate in Manitoba. We need the jobs; we need the economic stimulation; we need the investment and I think that nobody is, in principle, opposed to this particular plant. The Minister will have her studies, Alcan will have theirs and the two can come together and then they can be compared and contrasted, etc.

The Member for Lakeside seems to hint or suggest, whether he does so consciously or not, about allowing the Corporation to conclude its studies and so on and I don't think there should be any concern about that. I don't think it's the government's role to allow them or prevent them from concluding their studies. I assume that they have the right to do so, and are doing so, and will do so, and I think the Minister has confirmed that, so there is no government interference in terms of a private corporation attempting to do some feasibility studies in regard to the location of an industry.

I think the other question is the environmental one and I don't know whether the Member for Lakeside, or whether his political colleagues, seriously enough investigated that opportunity, that concern, in regard to their haste of concluding an agreement for the purpose of winning re-election which is a legitimate concern of a political party but one that is, I think, of some concern to the citizens of the province. My concern as a Winnipegger is, first of all, general pollution in the province and, in particular, the fact that it has been stated on more than one occasion that the prevailing winds in Manitoba tend to blow from that area onto the City of Winnipeg. This is something that cannot be lightly dismissed or examined.

Well, the member says, it's not true. Is the member suggesting that there is no effect? —(Interjection)— Well, I have also heard that if the plant is located in that particular area there is a real possibility or an ongoing tendency for the pollution from that area to blow directly into the City of Winnipeg. I recall very well, as I'm sure many other people do, that when you had the Mount St. Helene explosion in Oregon, that we had particles coming from 2,000 miles away. —(Interjection)— Well, you don't stop it, do you? You absorb it.

The point is that I simply say that if you can have a stream of volcanic ash or dust blowing 2,000 miles away you can certainly have pollution from an aluminum smelter blowing 30 miles away. Well, I'm simply saying, Mr. Chairman, it is a concern of mine, as a resident of this city, that if there is going to be a couple of tons of particles a day coming out of a smelter —(Interjection)— Well, one to two tons? Mr. Chair-

man, I have read the newspaper accounts and if we are getting pollution of that order and it can or will blow over the City of Winnipeg, a metropolitan area of some 600,000 people, then that is a serious concern. I don't believe, for a moment, that the Progressive Conservative administration seriously looked at that problem. They were so anxious to conclude an agreement prior to the election that they were willing to simply dismiss that particular issue. I say that any government that concludes an agreement in regard to an aluminum smelter in the close proximity of the City of Winnipeg is going to have to assure and ensure that there is not a continuous ongoing stream of pollution that will adversely affect the environment. I don't believe the Opposition did that, and I believe that is a responsibility of this Minister and the Minister of the Environment.

**MR. CHAIRMAN:** The Member for Minnedosa.

**MR. BLAKE:** I'll defer to the Member of Lakeside, it's on the same topic.

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

**MR. ENNS:** Personally I don't think this is the forum to get into that kind of a debate and I didn't attempt to bring in that debate. I'm pleased to note from the Minister that Alcan will in fact be allowed to carry on with the feasibility studies. The Member for Elmwood says, why allowed? Well, Mr. Chairman, a government that doesn't allow a government to carry on its advertising program and gets in a big foofaraw about that. I think it's a legitimate question for an Opposition member to ask is to please let them get along with their \$4 to \$5 million feasibility study. I don't care what the government is doing.

Well, Mr. Chairman, that was the point that I'm making. I'm satisfied with the answer from the Minister. I suggest that this is not the forum to get into the kind of debate the Honourable Member for Elmwood wants to get into a debate in. That's what I would like to have underway in terms of environmental studies. In fact, Mr. Chairman, they would be underway right about now. Those dates were established for April in Stonewall, in Teulon, and they are being delayed. I'm satisfied and accept the Ministers answers that they will be proceeded with. I'm encouraging her and her department to see that in fact is being done. The Minister has answered me and I'm satisfied with those answers, Mr. Chairman. Now I'll raise a bit of hell on Health.

ôMR. CHAIRMAN: I believe this area has been covered in great depth in previous days. I think we should proceed with the Orders that are in the books now.

The Member for Minnedosa.

**MR. BLAKE:** Thank you very much, Mr. Chairman. Unfortunately, when we have two Committees going such as we have, it's a little difficult to try and cover them both and I may be touching on some ground that has been covered by the Minister but Mr. Chairman, if you'll bear with me.

I have to make some remarks on the plant that of



course near and dear to my heart, and that is I refer to the Mohawk Ethyl Alcohol Production in Minnedosa. I think here, Mr. Chairman, is an ideal, a showcase program for the Minister, and not to be unkindly, a chance to put her money where her mouth is, in a further development of the Mohawk Industry in Minnedosa. Here is a first for Canada. It's the first plant to produce ethyl alcohol in Canada and incorporate it with gasoline and sell gasohol. It's an employee Canadian-owned company. It qualifies under all the parameters that the Minister has mentioned up to now. They're excellent corporate citizens. They have donated substantial funds to the various sports facilities and educational facilities in the Town of Minnedosa. They have 25 to 30 employees. The product has been extremely well received.

There's plans underway now to extend a service facility in Brandon, a fairly substantial service facility, to distribute their product in Brandon. They're in the process of building a service facility in Minnedosa, it should be open in another month or two to provide the people in that area with the gasohol product, Portage la Prairie. I just can't put my hand on the number of outlets that they will be opening to allow the people of Manitoba to have this particular product. But here's a case where we had a distillery opened in late '60s, closed under the former NDP administration, endeavored to be opened, closed again, and eventually closed for good. There were other attempts made where local citizens put up about half-a-million dollars and blew it down the tube; they weren't able to get it off the ground. All of a sudden, there was the idea of producing an ethyl alcohol that maybe could be used with the energy crisis coming to a bit of a crunch the way it was.

Here was a government, interested and trying to encourage industry to come to our province and provide jobs that provided some small incentive that may be enough to encourage a plant to come. It encouraged Mohawk to come and take a look at that defunct distillery that had a lot of the facilities that they required to produce their product, and through some negotiations and some assistance and research study by the government in power of that time, a deal was made to bring the two parties together and a sale was consummated and that plant as I say is now open and providing an excellent product.

It's such an exciting development, Mr. Chairman. There are meetings going on right now on further research. The Minister, I was a bit disturbed to hear her say last night that they were using barley. I can't see anything wrong with it because the barley is produced in our area and the farmers delivering that barley are very, very appreciative of that market. The product, there is no waste at all on that product. The meal is being dehydrated and trucked back to a distributor and it's going into the feed market, whereas other cases - we mentioned alfalfa, it's a feed also - and I understand one of the biggest markets in the alfalfa industry today is producing kitty litter and I don't really think that's doing much to help a starving nation. It may help the environment and help the kitties. But these outlets are going to provide considerable employment. The extension that could be made to this plant; the plant is there; it's operating; I think there's an opportunity here to provide a research facil-

ity for the rest of Canada, in the research of cellulose, corn stock, straw or whatever it may be. I don't know how many million of dollars this is going to take but the facility is there now producing one product. The territory is there, they require no more site plant location. There's a large, large warehouse building there that would house any additional facilities that they might need to put in this research plant that would develop the cellulose or the various other products that they may be trying, whether it be sugar beets, potatoes, or whatever. There's a terrible amount of research going on, I know.

In addition to that, Mr. Chairman, the company itself are looking at the greenhouse possibilities to use the escaping steam and whatnot for heat purposes that is now being wasted. I know other people have suggested that they were interested but the company are interested themselves. That's extremely encouraging because that is another development and a by-product that's going to provide employment and provide another product to the food market.

In addition to that, as you know, we're the trout farming capital of Canada for rainbow trout in our area. There's a group interested now in maybe establishing a fish hatchery using some of the water that once it is used it escapes in a plant in a warm or heated form; there's studies going on now to maybe use that for a fish-hatchery type of operation. As I say, while it may not sound like much we marketed almost of a half-a-million fish from our area last year. That's not pounds, that's the small rainbow trout that you enjoy so much in the eating establishments throughout the province and elsewhere today. But that particular operation, Mr. Chairman, through you to the Madam Minister, is an ideal situation where government incentives can work with industry and it follows all the parameters and the guidelines that the Minister has outlined that her particular party philosophy and her philosophy is conducive to. It's a Canadian-owned company. The employees get all the profits and the benefits or they're plowed back into the industry.

I think here is an opportunity for this government to follow up on the initiatives and the direction started by the last government in getting that plant established. I know that she and her department will receive 100 or 120 percent co-operation from the residents and the people in Minnedosa area. Getting that out, Mr. Chairman, I know that area had been covered before but I just wanted to get that on the record that we feel it's an exciting development and can be developed further and I know that will be looked on with favour because it meets all the guidelines laid down by the Minister on how industry should be developed in the province.

Mr. Chairman, another area that concerns us — and I know being city-based I suppose we could say with no derogatory reference to the Minister — that the importance of industry such as the potash mine in western Manitoba, I don't think you can emphasize how important that is to the people in that area. Their expectations were aroused with the possibility of that plant being developed. They have been somewhat dampened down and I just hope that they can be aroused again because the spin-off effect and the economic activity that that plant would create in our part of the province just can't be overlooked. We need

a stimulus out there to provide jobs and provide some secondary employment to maybe a sagging agricultural economy. That is extremely important to us and I urge the Minister to urge her colleagues to proceed with all haste in trying to encourage the agreement to a conclusion to provide that plant and the employment opportunities that are so necessary for our young people in that area.

Of real concern of course, Mr. Chairman, is the abandoned air base at Rivers. I know that the Minister may not have too many answers, but I would like her to comment and let us know what she foresees with that particular plant and what future she could see in developing that base for the benefit of the Town of Rivers and the surrounding area.

**MRS. SMITH:** One of the things that I enjoy about Economic Development is that when you talk to a person from a specific area, there is a great deal of enthusiasm and a great range of ideas about possibilities. I think that spirit of hope and innovation and optimism is very valuable. I compliment the member for expressing that because in a way in miccrocosm, you are identifying the kind of spirit that you find in most of our small communities. Now there's a mixture of a range of ideas, some frustrations, some things that are going along well and speculation about what could be made to go better in the future. It's that kind of attitude that is really going to take us somewhere.

Now I appreciated hearing more about the Ethyl Alcohol Plant in Minnedosa. I think, faced with the kind of pricing for traditional and depletable sources of energy, specifically the oil, we're going to need all the innovation and experimentation that we can muster in order to meet our problems in the future. There is no contradiction between supporting that type of activity along with the type of project that Canartech are proposing with their use of poplar pulp to develop gasahol. I guess if we ended up having to choose between one or the other, we might have to look at what was the best land use and some further cost benefit, but I don't think we are at that point right now. I think more the attitude of, let a thousand flowers bloom and work out over time which are the most successful and effective.

With regard to the Mohawk Plant, many of the economic programs that have existed in our department have depended on initiative taken by the private company to come and ask for assistance. There hasn't been a great deal of emphasis on initiative taken by government to go out and say, do you want us to help you expand? There has been some, but the emphasis has been more on a reactive stance. However, I thank the member for identifying an area where we can look further because we intend, as we build our human resources in the department, to take a more initiating role, so I can assure you that we will look into — I don't know whether Mohawk is looking at expansion or just what the future of that industry is — but I can assure you that we think it's quite compatible with other renewable energy initiatives that we are already taking.

You mentioned the possibility of greenhouses to use waste heat. The possibilities there are really enormous. They can give us a capacity, not only to use waste heat on pipelines and so on or on big public

buildings, there is also opportunity for part-time rather interesting jobs. There is possibility of building our own capacity to produce some of our food. Currently, I guess, throughout Canada we have shifted to importing a large percentage of our food products and the argument has always been, well, it's economically cheaper to buy from Florida or California than it is to produce in this part of the world.

However, with the changing situation with regard to oil supply and oil cost, it's not unthinkable that in the future we are going to regret if we don't reverse that trend somewhat and try to diversify our food production here in Manitoba and here in Canada. So although this isn't — maybe I am jumping over a bit into the area of agriculture — it does come under the umbrella of general Economic Development and as you can tell, it's an area in which I have considerable enthusiasm. I have no programs to report in that field at the moment, but it certainly is an area that we will look into seriously.

He also mentioned the trout farming and again, I guess, that's over in another Minister's area, but it's another example of the kind of diversification that can occur in areas that we used to think of as having just one form of economic activity. I would hope that we don't rely only on our primary resource development. It's been up front and centre of course in Manitoba and most of Canada, but we also want to explore the processing of these products as well. Seeing that there has been quite an increase of interest in processing fish, either by freezing — well, I guess freezing is the main — but also processing it in a way where there is more variety of presentation to the consumer; packaging, coating with different breads and so on. Our Tech Centre, the Food Products Centre in Portage la Prairie has been quite active in helping different groups to improve their product and make it more marketable.

You mentioned the potash mine. I agree about the excitement that surrounds the rumour of the opening of a new mine. I grew up in mining towns and I guess in areas where one mineral has been found, there is always the hope of other deposits nearby and of expansion or development of a new industry, but it's a long path from the first geological work to the actual production. The pace of those kinds of developments has to do with the world pricing, the world demand, the structure of the industry in terms of the numbers of companies involved, whether or not they tend to work as a bit of a cartel, or whether they operate independently and I think all those factors are relevant to the potash development.

As you know we were somewhat critical of the percent of public ownership and therefore a takeout from the early proposals in dealing with IMC. Once again, the lead Minister working on this is the Minister of Energy and Mines and I'm sure when his Estimates are up he'll be more than happy to give you all the detail.

**MR. CHAIRMAN:** The hour is 4:30, we interrupt proceedings for Private Members' Hour.

Committee rise

## SUPPLY - HEALTH

**MR. CHAIRMAN, Jerry T. Storie (Flin Flon):** The

meeting will come to order. Continuing with the Health Estimates on page 73, Item No. 3.(b)(1) Salaries.

The Honourable Member for Fort Garry.

**MR. L. R. (Bud) SHERMAN (Fort Garry):** Mr. Chairman, I wonder if the Minister could advise the Committee of the structure of this particular branch of the department now and comment on the way in which it is functioning. It is the outcome, or the outgrowth, of the division of the two departments of Health and Community Services from their original unitary structure as it relates to the regional field service delivery system. Certainly it was the ambitions of the previous administration to maintain the integrity of the single unit delivery system.

For the past two-and-a-half years, in fact since November of 1979, the regional system has been operating as a single unit serving both departments. Now in the past year further refinement was undertaken with respect to that particular component. Again one of the primary objectives was to maintain the integrity of single unit delivery, but there had been some recognized difficulties and shortcomings in the reporting structure - in lines of responsibility structure, in lines of authority, in lines of communication and planning - and as a consequence a considerable and lengthy effort was made to refine that component in such a way as to maintain its form as a single unit system but split out regional community services from regional health services and introduce a slightly different line of structure and administrative formation that maintained a type of specialization and separation between the two.

The intention was of course to continue with the same format of Regional Directors, and indeed, with the same Regional Directors who were in place at that time it was also the intention of all concerned to preserve the authority of those Regional Directors over conduct of the Personal Services, both in Health and Community Services administered under their offices. But some refinement was necessary in order to find the lines of reporting and communication and responsibility more clearly. I think consideration was given to establishment of a new position that would oversee the Personal Services operations with respect to all the regions and through which reporting would be conducted on two channels; one into the senior administrative ranks of Health; and one into the senior administrative ranks of the Community Services department.

I'd ask the Minister if he could bring me and the Committee up-to-date on the results of that exercise particularly, Mr. Chairman, in view of the fact that this is the first year in which the actual printed Estimates have been broken out this way. Regional Personal Services used to appear in their entirety under Community Services and now a very substantial amount of that appropriation appears under the Estimates of the Department of Health.

**MR. DESJARDINS:** Mr. Chairman, yes, there's been very little change. There hasn't been any change at all as far as the direction, and trying to have the single delivery. My honourable friend is absolutely right, the former Regional Director of the Winnipeg region has

been now placed in the new position of Executive Director, in charge of all the regions. At the moment he is also the Regional Director of the Winnipeg region. That will change fairly soon. We are advertising for the position now.

The delivery team works exactly the way it did before under the direction of the Regional Directors who are all within this branch in our department. These people have a responsibility to our ADM, Mr. McLean, for the services that we deliver and also they report directly to the Deputy Minister of Community Services for the service delivered by this department but they work the same as a team.

Now the change we've done, I guess, is beef up the service to always try to improve it and at this time there is no intention of changing anything. In 1978-79 as a result of the restraint program of the previous government — I believe there were about 88.5 positions that were cut off and a total of 33 positions were eventually returned during the last three years. Now, we're proposing and we're asking for the money to add 20 staff man years for direct field services in the Department of Health and also 20 staff man years in the Department of Community Services and Corrections. Although I don't know of anything else, the delivery of the services, the same, we want to review that, we want to look especially at the public health nursing part of it and prevention and so on and this is something that we will review every year.

**MR. SHERMAN:** Mr. Chairman, there was some care taken at the time to protect the possible vulnerability of the morale of the Regional Directors who have served our province and our system so loyally and so well, because there was change and because a move into relatively uncharted waters and nobody knew precisely how it was going to work out or whose responsibilities might be somewhat effected. There was quite legitimately and quite understandably, concern among some of the senior officials of the department for the morale of individual Regional Directors. Whether the individual regional directors ever expressed such concerns, I would not comment at this juncture. But, I know that some of the senior personnel including Mr. Don McLean, including Mr. Bill Werbeniuk and including Mr. Frank Maynard all of whom are sitting in front of the Minister at the present time, did convey to the Minister of the day, namely myself, that obviously this was a consideration that had to be kept in mind and the suggestion was perfectly valid. I wonder if the Minister could reassure the Committee that the Regional Directors are happy under the new structure or whether he has encountered any difficulties?

**MR. DESJARDINS:** Mr. Chairman, I haven't heard any complaints at all. We're satisfied with the action taken by the former Minister and we propose no change, certainly not at this time.

**MR. SHERMAN:** Mr. Chairman, I would like to ask the Minister if we have the same Regional Directors in place now as were in place last summer. I think at one point — well, I don't think, I recall — at one point last year we were looking for a new Regional Director for Thompson Region and did locate one and place one

but I'm not certain as to whether that was a permanent arrangement from the perspective of the incumbent or whether it was an experimental plan.

**MR. DESJARDINS:** Mr. Chairman, I am informed that we have exactly the same Regional Directors except in, as I mentioned earlier, Winnipeg. The former Regional Director is now the Acting Regional Director until his replacement is made fairly soon.

**MR. SHERMAN:** Mr. Chairman, the Minister has said, and his list which he supplied me confirms that there is a request for 20 staff man years to be added to the complement in this particular area of the department and complimenting that is a request for a similar amount in Community Services. Presumably the 20 that are requested here are essentially public health nurses and community health workers, but I wonder if the Minister could give me a breakdown on that.

**MR. DESJARDINS:** Of course there's 26 of those that are shown includes those established by the Civil Service Commission during '81-82. But of the 20, we have 13 being allocated so far. The public health nursing: one in Winnipeg; one in EastMan; one in Central; one in NorMan. Homecare: one in Winnipeg; one in the Interlake; one in Parkland, a social worker. Community mental health: one in Winnipeg; one in Central. Services for seniors: one in WestMan; one in Central. Health education: one in Parkland. Speech therapy: ½ of one, and Clerical: ½ of one in Parkland and the balance of seven on hold at the present.

**MR. SHERMAN:** I repeat, as I said yesterday, Mr. Chairman, I'm not asking the Minister to spend more money, but the question arises as to the prioritization and distribution of funds that are available to him. Just on the basis of print, it doesn't appear to be a very substantial increase in the budget being sought for Regional Personal Services particularly when we're looking at 20 new staff man years. The requested appropriation is approximately \$13.8 million compared to last year's appropriation of \$12.8 million which roughly works out to an increase of 7.5 percent. I am wondering if the Minister could explain that?

**MR. DESJARDINS:** Yes, I had the same concerns, but I'm told that the salary increase is not recorded at this time, neither is the salary for the new staff man year — (Interjection) — the new staff man year is provided in there but not the salary increase for this year.

Mr. Chairman, if you look at the first line there is a difference of 663, approximately 400 of that is for the 20 new staff man years; the rest is increment and we might have to adjust that one, the final salaries of these people.

**MR. SHERMAN:** So, the provisions for those new staff man years, the salary provision for them, is in there.

Mr. Chairman, could the Minister bring the Committee up-to-date on the situation with respect to public health nurses and community health workers — community mental health workers in particular — in the two Northern regions, Thompson and NorMan. I know from my own personal experience plus visits,

particularly in NorMan region in midsummer that there were some difficulties in delivery of public health and mental health services in those remote parts or some of the remote parts of those regions. That is pretty much an endemic situation in Manitoba to be sure, because of the great distances and the difficulties in supplying a proper continuity of service to some points. Nonetheless, it's one that is of concern to the residents of the community and obviously must be to the Minister of the day.

What is the situation with respect to the public health nursing supply in Thompson region and what's the situation with community mental health workers in NorMan particularly around Lynn Lake? I had specific concerns raised with me at Lynn Lake with respect to community mental health services.

**MR. DESJARDINS:** Mr. Chairman, I am informed that there are no vacancies at all, all the positions are filled and the provision of services to people living in remote communities has always been a serious, practical problem as my honourable friend knows and recruiting and retention of staff to live in these areas have been quite difficult — (Interjection) — okay, we have been working to fill the capacity and my information is that in NorMan we have now 13 public health nurses and 8 in Thompson; mental health workers, 2 in NorMan and 4 in Thompson.

**MR. SHERMAN:** Is there any consideration being given by the department, Mr. Chairman, to the provision of specific community mental health services in Lynn Lake? That is one community that, as I say, raised the question specifically with me late last summer. They are served, of course, out of the regional office for NorMan region and one sub-office, but they are served on an itinerant basis and have raised with me the question of the desirability of supply on a continuing basis through a community mental health worker right in Lynn Lake. Is the department looking at that?

**MR. DESJARDINS:** Mr. Chairman, the same situation still exists. They are served by workers from Thompson and Flin Flon and I haven't heard any complaints. This is the first I hear about it. I don't know if staff has been receiving any complaints; that hasn't been brought to my attention yet. I will have to discuss that with staff. I was under the impression that the service probably might not have been as perfect as if the people were living right there but that it was satisfactory. But we will look into it.

**MR. SHERMAN:** Well, I hope the Minister will have his office look into that question, Mr. Chairman, because in a meeting with the Board of the Lynn Lake Hospital, the Lynn Lake Health Centre and, indeed, with the Administrator, the question that I have cited was specifically raised with me. There was a strong feeling that there were mental health services of the community nature in that area that are very urgently required and that a great deal of health and social difficulty could be perhaps prevented if there were more direct and regular service available. So, I would ask the Minister to have his staff, particularly under the Assistant Deputy Minister responsible for this

entire division to check with the Board of the Lynn Lake Hospital and explore that question with them.

Mr. Chairman, under what appropriation can we discuss the so-called Kellogg Project, the project in alternative forms of community health care delivery that has been sponsored and funded by the Kellogg Foundation, at least in the Swan River area and I believe at one time there was a discussion of running pilot programs, test projects in two areas or regions of the province. That was a program that did not fall directly under the aegis of the commission by any means. It falls, I believe, somewhere under the aegis of the department and I raise it under this particular branch and this particular appropriation because I seek direction on that. Can the Minister advise where we might discuss that Kellogg Project, if he can bring us up-to-date on it? If it falls under this appropriation, Regional Personal Services, then can we explore it for a moment here?

**MR. DESJARDINS:** Mr. Chairman, first of all going back to the Lynn Lake. It seems obvious here that we should look to see if they can improve that because the information that I have in front of me now the field staff caseload ratio in those two areas is much larger than others. I might say that my honourable friend, no doubt will agree with me that I've had very little time to get out of the office in the last few months and as soon as this Session is over I intend to go look at the hospital, personal care home in all these areas all across Manitoba and I'm sure that I will come back with some idea of what the priorities are in these areas.

Now, as far as the Kellogg project, the would-be Kellogg project, I guess if the member has some information that he wants to share with the Committee or some recommendation, I'd be ready to entertain this at this time, as well as anywhere else. You won't see it here because there's no money from our department at all, nor the Commission. I might say that there has been a grant from the Kellogg Foundation to MHO, as my honourable friend knows, to make this study. I've been informed that they've approached my office; they would like to arrange a meeting to discuss that with me at this time but I haven't had this meeting and I'm quite ignorant of their findings but I would welcome any suggestions or recommendations that my friend might have to make and he might as well make them now because it won't appear anywhere in the Estimates because we're not asking for any funds for that.

**MR. SHERMAN:** Well, Mr. Chairman, I'd appreciate if the Minister would just check with his officials for a brief update on it. My recollection is that it was a three-year project but I may be wrong and there was some considerable disputation about whether the project should be introduced and attempted at all. Then, once it was put in place, my recollection also is that there were some difficulties and barriers perhaps put in the way, in terms of co-operation between different personnel involved, because of a misunderstanding over what the objective was and what the pilot program was intending to demonstrate.

I'd just like to know whether that pilot program is in place and whether it's now completed a specific phase of its lifespan, one year out of three; whether

the project is proving worthwhile from the point of view of continuation. I'm assuming there has been no intention to terminate it before its completion date. As I recall it was a program that was designed to explore different methods of public health and community health delivery and the Swan River area or region, if one can call it that, was selected because of the delivery difficulties created by distance in that particular part of the province and the quality, the high quality of conventional medical facilities that did and do exist in Swan River, such as, the very fine hospital there and personal care facilities, etc. I really am only asking, Mr. Chairman, for an update on that project and a comment from the Minister as to whether it has been bogged down in difficulties or misunderstandings between personnel, or whether it's created an unnecessary workload for departmental personnel; that was another aspect of it.

There certainly were some reservations at that time held by me, I don't mind admitting it, and some of my officials and advisors that, in order to conduct this kind of a pilot program, there were going to be additional demands and perhaps excessive demands made on the time and the energy of our own departmental people working in the Swan River area. That was one of the obstacles. Where do we stand on that, Mr. Chairman?

**MR. DESJARDINS:** Mr. Chairman, if it meets the approval of my honourable friend, I would like to suggest to him I must rely totally on information I get from my staff on that. I am not too familiar with this project and we'll try to get an update - that is not available at this time - and if this is all right we'll bring it up when we deal with the hospitals under Manitoba Health Services Commission. I think that's where we deal with MHO.

I want to say though, without discussion with staff, that I see these programs with mixed feelings. You don't want to discourage people trying to get grant money to have certain programs normally, but that could be dangerous because they single out one area and sometimes they raise expectation or they cause question marks and that sometimes could defeat the purpose and I could understand quite readily the concern of the former Minister and I would believe that when I know a little more about it I'll have the same concern. I have a lot of concern about these people that are getting certain amounts of money, that wanted to show that they're doing a job and they're stoking up something and it's not necessarily priorities and I could say that I will do the same as him, that in a case like this they will have to do it on their own and certainly people outside the department will not dictate where we will spend the energy of our staff man years and we may want to prioritize differently. This is not taking the time of any - I'm told this anyway - that this is not occupying any of our personnel at this time. But I will try to get an update and bring it to the Committee; give the information to Committee when we deal with the Manitoba Health Services Commission under Hospital.

**MR. SHERMAN:** Well that's fair enough, Mr. Chairman, I thank the Minister for that and I must say that I share his concerns and questions about this type of

program. He may recall that at the time it was first mooted during the lifetime of the last government, there were questions raised rather strenuously by the former Member for Fort Rouge, who proceeded on the basis that there had been some \$375,000 offered by the Kellogg Foundation; why didn't we take it up and act on it?

Anyone who's been in the office of the Minister of Health for any length of time knows that those are double-edged opportunities. There is an opportunity perhaps to try a concept; there's also an opportunity to start with \$375,000 that somebody else put up and three or four years later find yourself putting up a million-and-a-half or more. So I would hope that he would be looking at it within those constraints and considerations.

Mr. Chairman, we've had difficulty in the Winnipeg region with respect to Medical Officers of Health and the Regional Services provided by MOH's, in fact, we and it's not just Manitoba, every province in Canada has had extreme difficulties for over a decade now, in attracting medical personnel into MHO and retaining them, which is a commentary on perhaps some of the most crucial challenges that we face in the Health field. But that probably would more properly come up under (d) Medical Public Health Services, so I don't want to approach the whole subject at this juncture but I would like to know where we stand on Medical Officers of Health with respect to the provision of services to Winnipeg Region, and that does come under this appropriation, Regional Personal Services.

We have found in recent months, in the last year or so, that we really required three MOHs in Winnipeg Region. We certainly didn't have three, we only had one. Could the Minister bring the Committee up-to-date on that subject, please?

**MR. DESJARDINS:** Mr. Chairman, there is no doubt that there is a real concern here and it has been very difficult to attract the type of people that we would like to see. I think, especially from what I hear, that the negotiations for salaries, I think they were paying real good money and I think that we'll have to start making a real effort to get the type of people we have. We have two doctors now that are doing the work. There's Dr. Campbell, who has not been trained as a Medical Officer of Health, and there is Dr. Sirett, also. I think that Dr. Sirett is well-known, he's worked in the commission before and he's doing a good job, but I think we'll have to start recruiting and try to get people at a younger age that might want to make a career out of that. I think that is a very important thing to do, especially if we go in the direction that we both, my colleague and I, have been mentioning, that we want to see the Health Care, and Public Health especially, go in this direction, I think that we will have to make a real effort. I'm sure that he did the same thing; he wasn't too successful and let's hope that we'll be a little more successful.

**MR. SHERMAN:** Is the department actively looking for Medical Officers of Health at the present time, Mr. Chairman?

**MR. DESJARDINS:** Mr. Chairman, I think that they are always on the lookout for these people. I person-

ally haven't done too much on that. This is another thing that I haven't had time, that I want to review with them, but I'm quite concerned in that direction. I want us to do a little more in that field of Public Health with the medical people, the doctors and the nurses, also. We want to look at the lifestyle in a lot of these things and maybe in providing certain services in the schools for the youngsters and I certainly would want to review the whole system.

**MR. SHERMAN:** I'd like to ask a couple more questions about Medical Officers of Health, Mr. Chairman, but actually they don't come under this section, they come under (d) and I'll wait until then. I raised it here because of the situation in the Winnipeg Region.

Mr. Chairman, I know the Minister has already given me a breakdown of the additional SMY's being requested for this branch, Regional Personal Services, but at the risk of repetition, because I missed it if he mentioned it, I want to ask him about Volunteer Co-ordinators in the Winnipeg Region. Does his request include additional Volunteer Co-ordinators? And, regardless of the answer to that question, there were two Volunteer Co-ordinators in Winnipeg Region; they may have been on term appointments, I'm not sure whether they were term employees but, in any event, their service I believe was due to expire at the end of the last fiscal year, March 31st, 1982, which would indicate that they probably were term positions; what has happened to respect to those two positions, those two personnel and the question of Volunteer Co-ordinators altogether?

**MR. DESJARDINS:** Going back to the Medical Officer I might say that I might be a little premature and I hope not too many people are listening, but I have a proposal in front of Cabinet that we set up a new position of Assistant Deputy Minister of Programs and we think we have a person designated to do that, to do this organization. I'm thinking of somebody, my old friend that certainly is respected, Dr. Wilt, so we're trying to set up the position at this time to try to organize that. As far as the volunteers, I'm told, I think we took over from the Department of Labour, there's been some staff and these people are still in place and they are continuing.

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

**MR. ARNOLD BROWN (Rhineland):** Thank you, Mr. Chairman, I've been looking through the Estimates over here and I'm a little confused as to where to ask some of the questions in regard to Mental Health. I understand that Dr. Tavener is no longer with the Department of Health —(Interjection)— Okay.

**MR. DESJARDINS:** Mr. Chairman, I think the best place would be, certainly we can cover under the next item of Community Mental Health Directorate. I don't think we've left Regional Personal Services yet, the next item you can discuss it, if you don't mind.

**MR. CHAIRMAN:** 3.(b)(1)—pass. The Member for Fort Garry.

**MR. SHERMAN:** Mr. Chairman, I'd like to ask the Minister a question specifically about the EastMan Region and the Community Mental Health Program. There was consideration given . . .

**MR. DESJARDINS:** On a point of order. Maybe I gave the wrong information. Are we now into Community Mental Health? —(Interjection)— Oh, I thought you mentioned to . . . It's the next item and I wasn't sure if we'd left the Regional Personal Services.

**MR. SHERMAN:** No, I believe this is still Regional Personal Services, Mr. Chairman, but it has to do with Community Mental Health delivered under Regional Personal Services. There had been consideration that was being given to the employment of an occupational therapist in EastMan Region, in the St. Anne office, to work with discharges from mental health centres or persons who were in group homes for the mentally ill and the post-mentally ill. It was not a full-time position or SMY that was being requested, I think it was a half-time category of appointment. The objective was to infuse some capability into that region to supply training and living skills and social readjustment to mentally ill and post-mentally ill persons to help them reintegrate into the community. Can the Minister advise whether that is being done or whether it's being looked at, is still under consideration?

**MR. DESJARDINS:** It's under consideration as far as the staff man year is concerned because we want to set up a Community Mental Health Directorate. Dr. Tavener has gone, we're working on that. There's a lot of problems and there are problems also at the Health Sciences Centre in the Psychiatric Department. All that is related. I've asked Dr. Prosen to try and get some of his colleagues together and to advise us on that; that is being done. But in the meantime what we've done, we've provided about \$12,000 to help pay part of that work without asking for any staff man years at this time.

**MR. SHERMAN:** Mr. Chairman, could the Minister advise where we stand with respect to the northern home economists? I know that under the reconciliation statement there is some transfer of function and responsibility, and funding for various services as between the department and the Department of Northern Affairs. There is also a specific appropriation in here for Home Economics Services which is a different line but the Northern Home Economists Program does locate under Regional Personal Services. I wonder if the Minister could just advise the Committee what the status is of the Northern Home Economist Service. Is it still being funded through the Department of Health or is it a program and service delivery for which the funding has been transferred to another department's responsibilities?

**MR. DESJARDINS:** It's still the responsibility of the Department of Health but of course it is financed jointly through the Northland Agreement which is in the process of being renegotiated at this time. My honourable friend knows that then becomes financed through the Department of Northern Affairs and also

the Canadian Government through their agreement. We're optimistic anyway that this will go ahead and then we'd have two permanent home economists in the Thompson region. There would be a term position also that's vacant at this time and they would be in the NorMan region. They would have two home economists permanent and a clerical staff and there's people filling those positions there and they would be term; there would be clerical half-time — I'm talking about the Norman region now — there's three half-time clerical positions: there's one in Moose Lake; one in Easterville and one in Cormorant. Now there's only one, it's a home economist term position in Thompson that's vacant at this time, but we're optimistic that the Northland Agreement will be renegotiated and we're going ahead proceeding with the program as if it's going to be in place.

**MR. SHERMAN:** That adds up to how many northern home economists in total, Mr. Chairman?

**MR. DESJARDINS:** Home ec, under this program there'd be four: two permanent in Thompson and two in NorMan and I think there's another term position that is vacant at this time in Thompson. The others are clerical assistants.

**MR. SHERMAN:** Mr. Chairman, going back to the restructure and redefinition of the specific responsibilities and lines of authority and reporting under the single unit regional field delivery system, could the Minister advise where the new Executive Director of Regional Personal Services is located? I appreciate that it's Mr. Werbeniuk, that he's moving out of his position as Director of Winnipeg Region up into this newly created position. Where does that put him physically?

**MR. DESJARDINS:** He is still the Acting Director for the Region of Winnipeg, so he's still on Evanson and when his replacement comes due, then he will be moving — Mr. McLean I think in the same area and of course, he'll have responsibility of reporting directly to Mr. McLean and also to Ron Johnson of Community Services.

**MR. CHAIRMAN:** 3.(b)(2) Other Expenditures—pass; 3.(b)(3)—pass; (b)—pass. Continuing with Item No. 3.(c) Community Mental Health Directorate 3.(c)(1) Salaries.

The Honourable Member for Fort Garry.

**MR. SHERMAN:** Where are we, Mr. Chairman, with respect to the Community Mental Health Directorate? Is it off the ground and functioning, and are the positions that were designated for this directorate now filled, and are the people operating in them?

**MR. DESJARDINS:** Mr. Chairman, we feel that this is a priority item for our department because we are so weak at this time, not through any action of the former government - I want to make sure that this is understood - but because of the difficulty caused at the prioritizing of the construction at the Health Sciences Centre for one and also in the difficulty in recruiting the type of people that we want.

As I said earlier, I asked Dr. Prosen who has kindly accepted, to head a team of people that will look into the matter. Some of them are working for us at this time and he's had the freedom or the liberty to call in whoever he wants and we expect one of them is Dr. Kovaks who is coming now, is on his way down and working for us and we hope to have this recommendation fairly soon. If I could repeat the question, maybe Dr. Kovaks will indicate how soon I can expect a report from the Prosen Committee.

I'm told probably by the end of April we should have some more information and then we'll have to do the recruiting. We want to discuss this also with the University and so on, to find possibilities that might make it more attractive to the people that we want to recruit - you know, part-time teaching maybe in some facilities, some combination of things that might make it easier to recruit because it will be more attractive to qualified people.

**MR. SHERMAN:** I think that originally, Mr. Chairman, the intention was to have a staff of six in the Community Mental Health Directorate. Is that changed or is the Minister still pursuing that kind of complement and what would be the categories of specialists that group of six would comprise?

**MR. DESJARDINS:** Mr. Chairman, realizing the difficulties that we have to attract the kind of people that we wish, we're asking for three at this time. We'd start with three and no doubt if this goes well, later on that will be increased but we're only asking for provision for three for this year's Estimates.

**MR. SHERMAN:** What will those three be, Mr. Chairman? Will they all be psychiatrists?

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

**MR. DESJARDINS:** He would be a director or Community Mental Health Specialist. I employ this term because it's not necessarily a psychiatrist. It might be that we will find it could be a psychologist or somebody else that had the training. We have been advised that might be acceptable, but depending on who we can attract. As I say again we are awaiting the recommendation of the Prosen Committee.

**MR. SHERMAN:** Mr. Chairman, the Minister says that the department's asking for three. Will that not boost the directorate to six?

**MR. DESJARDINS:** Not if there's nobody there and I'm told that during the past four years this has gone to zero, there's nobody there at this time so it'll be three if we're successful and I hope we are. But there's nobody there at this time.

**MR. SHERMAN:** Mr. Chairman, it was my understanding that there were three appointees to the directorate who were transferred over to the Eden Mental Health Centre. Did that not take place?

**MR. DESJARDINS:** Well, the funny thing is that the two positions at the Eden Health Centre are funded now by the department, but they've been there for

years and they're still in that location.

**MR. SHERMAN:** Did I understand the Minister to say that the director will be Dr. Harry Prosen? What was the Minister's reference to Dr. Prosen, Mr. Chairman?

**MR. DESJARDINS:** They try to explore with Dr. Prosen, he was quite helpful. It's no secret that there's a chance that we might be losing Dr. Prosen here in Manitoba unfortunately and he's offered his service to do anything that he could until he does leave, if he leaves. I've asked him to, now he's in a position seeing that he might be leaving to give us some advice. We've had problems, we've had to meet with the people at the Health Science Centre, they have problems there and we've asked him to talk to Dr. Kovacs and other people in this field and to bring in a recommendation to us. He's just doing that as a friendly gesture to help us out at this time and this is all. We've advertised in the past and we didn't get the response that we wanted and we'll probably will have to advertise again. It would be very nice if he would be one of the applicants but there's certainly no guarantee of that.

**MR. SHERMAN:** Yes, the Minister refers to the possibility or the danger I suppose would be a better term, for the danger of Dr. Prosen's leaving the province. That was the reason for my question because he had referred to Dr. Prosen and I wanted to ask him what Dr. Prosen's current status was. I know he'd had a fairly attractive offer from a mental health facility in the United State. I had conversations with him myself about it. I'm pleased that he hasn't left yet but I take it from the Minister's comments that that situation is not resolved yet, he still may be leaving. Is that correct?

**MR. DESJARDINS:** Mr. Chairman, as far as he's concerned right now today he's leaving. With the difficulty of getting the right type of people I'm trying to twist his arm to see if we can keep him here somewhere in some capacity but so far he's still going. But he has agreed anyway to help us out and bring us some recommendation with a group of other people. He's putting a group together. Especially the situation that existed at the Health Science Centre, he came in with a group of people to voice the concern that they have there in Stage One of the program. We're looking into that also. It's a problem and we've asked him to look at the whole thing and feel free to make his recommendation. He had some very interesting ideas and we've asked him to put that on paper but to discuss it with a team, another group before and this is what he's doing now, he's agreed to do that.

**MR. SHERMAN:** Well, I may just say for the record, Mr. Chairman, that I hope Dr. Prosen stays.

Presumably the funding appropriations that we're looking at here are funding appropriations that are specifically designated for the director. Is that correct? Do any of these funds being sought apply to Community Health workers or is it simply for the directorate?

**MR. DESJARDINS:** Yes, it would be the directorate, that has nothing to do with institution, it's just the director of mental health and some community resi-



dents also. That would be the other two wouldn't it? We're not on 3 yet, we're not on External Agencies at this stage, just on Salaries? Well, Salaries would be for the three that we've mentioned before — the directorate and the two others. So Other Expenditures also would be to rent this office for three.

**MR. SHERMAN:** Can the Minister advise the Committee what that amount that was appropriated for the year ending March 31, 1982 was spent on or did that money lapse? If there's nobody in the directorate, I recognize that it's in the Estimates because that was the amount that was voted and certainly it was the intention to spend that amount. But the Minister has indicated that in fact there's nothing operating in the directorate at the present time so my question is, did those funds just lapse?

**MR. DESJARDINS:** They weren't allowed to by you, Sir, and I followed your example and we've used it where we needed it at this time. The money's all gone but it wasn't spent with . . .

**MR. SHERMAN:** Would that be where Mr. Edwards found his additional \$100,000 for medical research?

**MR. DESJARDINS:** Well, that's all right, Mr. Chairman. If that's the case it went to a very worthy cause. It also bailed the former Minister out of the difficult position with respect to Dr. Lyonel Isreals and his colleagues on the research council. Well, I think I'm okay on (c)(1) and (c)(2), Mr. Chairman.

**MR. CHAIRMAN:** 3.(c)(1)—pass — the Honourable Member for Portage la Prairie.

**MR. LLOYD HYDE (Portage la Prairie):** Mr. Chairman, I would if I could enquire whether it's possible to discuss the group homes at this time, group homes? Would this come under this?

**MR. DESJARDINS:** This is exactly the price, providing you're talking about group homes and mental health and not retardation which is another department. But mental health, this is exactly the place to discuss it.

**MR. HYDE:** Well, Mr. Chairman, possibly I should be waiting then for the second time around.

**MR. DESJARDINS:** No, go ahead, this is the place, go ahead.

**MR. HYDE:** Well, Mr. Chairman, to the Minister then, we have a group home, a one group home in Portage that I've had brought to my attention on several occasions. We do have a bit of a problem there.

**MR. DESJARDINS:** I will say to the honourable friend a few words. He is talking about mental retardation and that's under Community Services; this is not under this department. Mental retardation has been separated and mental health is here. I'm only responsible for mental health group homes. The Portage one is a mental retardation.

**MR. HYDE:** Mr. Chairman, I will pass.

**MR. CHAIRMAN:** 3.(c)(1)—pass; 3.(c)(2)—pass; 3.(c)(3) Financial Assistance/External Agencies. The Honourable Member for Fort Garry.

**MR. SHERMAN:** Mr. Chairman, in the past 12 to 18 months, the province assumed responsibility for the operating costs of the Sarah Riel Residence, which was formerly operated by the Grey Nuns, but it did receive a grant from the province. Now the province has assumed the operating costs in full for that facility, I believe, and I would ask the Minister for confirmation on that.

**MR. DESJARDINS:** Yes, the member is right. The Grey Nuns are still operating it but we are funding it and funding last year was \$200,000, this year \$227,600.00

**MR. SHERMAN:** Is that still 15 beds, Mr. Chairman?

**MR. DESJARDINS:** Yes.

**MR. SHERMAN:** Mr. Chairman, there were provisions in the last Estimates for the establishment of two new community residences in the mental health field, I think they were to be six-bed facilities. There also was a partial-year vote for the operation of a community residence associated with the Eden Mental Health Centre and to be operated by the Eden Mental Health Centre. Are those three community residences onstream?

**MR. DESJARDINS:** Yes, there is one in place, Linden Place. These residences provide care, provision and treatment for mentally ill adults who may not require psychiatric hospital care or are leaving psychiatric facilities who have already returned to the community but are in crisis situation. I thought it told us a little more about Linden Place, but it doesn't, but I am told that the information that we have that last year there was \$200,000 earmarked for that and this year there's \$250,000.00.

**MR. SHERMAN:** Are those both six-bed residences, community residences?

**MR. DESJARDINS:** There is 15 at Sarah Riel and 6 at Linden - beds, that is.

**MR. SHERMAN:** 15 at Sarah Riel and 6 at Linden Place? And is the new community residence connected with the Eden Mental Health Centre operating?

**MR. DESJARDINS:** It is run by the same people that run Eden Place and it's in Winkler. It is six beds also.

**MR. SHERMAN:** The Minister made reference yesterday in his opening statement - I've got it in front of me but I can't put my hands on it at the moment - I believe, to community residences in this year's programming plans. Whether he was specifically speaking of the mental health field or the mental retardation field, I don't recall. Are there plans for additional mental health community residences in

this years programming?

**MR. DESJARDINS:** Mr. Chairman, we are asking for \$120,000 this year for new facilities but the proposal is under review. We have nothing to announce at this time but we are asking \$120,000 and the one new residence will be determined.

**MR. SHERMAN:** So, there will one new community residence still to be determined.

**MR. DESJARDINS:** Yes, we have six proposals and we are asking money for one and we will go ahead with one. The site and place has not been determined yet.

**MR. SHERMAN:** In the expansion, in terms of SMYs being requested for this division, not necessarily for this branch, but for this division, does that include, Mr. Chairman, any additional SMYs in community mental health programming attached to our mental health institutions, Brandon and Selkirk?

**MR. DESJARDINS:** Mr. Chairman, this is only the directorate as I mentioned before and any new staff under Brandon and Selkirk would be under Institutional Mental Health Services; we can deal with that at that time.

**MR. SHERMAN:** Even the community mental health workers attached to the institutions will come under the item on Institutional Mental Health?

**MR. DESJARDINS:** My honourable friend, no, the directorate is people that provides the direction. In the community they would be in the staff of Regional Personal Services that we just went through. We can go back to that, if you want, I could try and give him . . .

**MR. SHERMAN:** I would appreciate that, Mr. Chairman, I missed that. Could I just ask the Minister if he could just provide me with an answer as to whether any of that additional personnel is for community mental health workers attached to community health programs, outreach programs out of Brandon or Selkirk?

**MR. DESJARDINS:** Yes, the 20 that I mentioned and I think that we had 7 on hold and then 13 were designated. I think I had mentioned that.

To give you mental health workers by region: there is 18 in Winnipeg; 9 in WestMan; 9 in EastMan; 6 in Central; 4 in Interlake; 4 in Parkland; 2 in NorMan; 4 in Thompson; 56 altogether.

**MR. SHERMAN:** I presume the Minister is giving me the complement of Community Mental Health workers, but my question is, are there, in the SMY expansion that he requested, and I realize I should have asked the question on the other line but I thought it came under this line . . .

**MR. DESJARDINS:** Mr. Chairman, to refresh my honourable friend's memory I covered that, those were the 20 that I said, we had 7 on hold and then I

named where they were. I can repeat that: Public Health Nursing was 1 in Winnipeg; 1 in EastMan; 1 in Central and 1 in NorMan, those are the 20 new positions. Home Care: 1 in Winnipeg; 1 in the Interlake; and a social worker in Parklands. Community Mental Health: 1 in Winnipeg; 1 in Central. Services to Seniors: 1 in WestMan; 1 in Central. Health Education: 1 in Parklands. Speech Therapy and Clerical: Half of one each in Parkland and 7 on hold that we'll place later on as we review the needs.

**MR. SHERMAN:** I appreciate that, Mr. Chairman, I realize the Minister gave me that but I had missed the point at the time because I intended to raise it under this line which is the wrong line. He has said that in the expansion, which includes two community mental health positions, one in Winnipeg and one in Central, the topic has been covered, but I'm not sure that it has, because my question still remains, are there any additions to Community Health Programs related either to the Brandon Mental Health Centre or the Selkirk Mental Health Centre?

**MR. DESJARDINS:** I wonder, Mr. Chairman, if I could ask, they would be related definitely those two institutions and if, when we get to Institutional Care, I wonder if we could cover that and answer these questions because we've covered the Directorate and we've covered in the Community. Now, as far as the hospital-related programs, we'll cover that at the time. We have new staff man year but the recruiting is extremely difficult and we have quite a few vacant positions. I know in Brandon for one.

**MR. CHAIRMAN:** 3.(c)(3)—pass.

The Honourable Member for Fort Garry..

**MR. SHERMAN:** We're still on (c)(3), right, Mr. Chairman?

**MR. CHAIRMAN:** Yes.

**MR. SHERMAN:** Were there any other external agencies, Mr. Chairman, in this area other than the Sarah Riel Residence and the Eden Mental Health Centre and, of course, the community residences that we referred to. I believe there is also a facility known as the Hope Centre and then, of course, there are some external agencies that receive direct grants from the province like the Canadian Mental Health Association. I wonder if the Minister could recap the facilities or programs or agencies that are covered under this particular appropriation.

**MR. DESJARDINS:** Yes, I think, Mr. Chairman, the easiest way, the most satisfactory, of answering that I'll account for the total 603.6 under Financial Assistance External Agencies because already, as I mentioned, Sarah Riel 200 last year, 227.6; the Alternative Day Program for post-mentally ill adults, Hope Centre Incorporated. The Hope Centre provides alternate day care programming for mentally ill adults who are suitable for employment for shelter workshop placement. The services include supervision and basic training in social, personal and occupational areas of development in day relief. The Hope Centre was

brought on stream during 1981-82 and was voted 19.8 along with a price increase of 5 placement 7.3, and now this year we're asking for 29.1.

**MR. CHAIRMAN:** We've covered the Eden one 200 to 250; then there's money in here 30,000, the same as last year, for respite care. The purpose of the program - I am sure my honourable friend knows what the program is - it's the amount. The Canadian Mental Health Association last year, 71.8 and we're asking for 55, before anybody comes up and wants to know what the reduction is, last year there was an underexpenditure of 21.8; they received 50. We've asked for a 10 percent increase or 5. Community Mental Health, we have a program that's with the clinics at the YMHA, YMCA and YWCA from 10.8 to 11.5. The total increase is \$91,000.00.

**MR. SHERMAN:** Has the Minister had a chance to meet with the Executive Director of the Canadian Mental Health Association, the Manitoba Division? Can he report on their situation? They went through a very difficult year when they lost their Executive Director and I think a number, if not nearly all, of their board members, they were going through a year of reorganization, where do they stand now?

**MR. DESJARDINS:** Yes, Mr. Chairman, the Deputy Minister, myself and I think Dr. Kovacs was there and maybe Mr. McLean, we did meet with this group to explain the situation. It was certainly good for my Deputy Minister and I who are new on this and I think it was agreed that they would have further meetings with the Deputy Minister at this time, but for the time being this is the amount that we felt that we should go ahead. They've offered to co-operate with us as much as possible and I think when we set up this directorate also we certainly will be talking to them. Mr. Bill Martin, the Executive Director at . . . I think mostly members of the boards were present people from Brandon and I think from Portage and so on were present at that meeting because I think they have - I don't know if you call it a chapter, a branch or a division in Brandon and one in Portage. We talked pretty well about all the concern they had and their problems and so on. It was agreed that the Deputy Minister would pursue some of these concerns and ideas with them.

**MR. SHERMAN:** Mr. Chairman, I recognize that there is a whole appropriation relative to Institutional Mental Health Services that we haven't come to yet. I don't mean to be jumping to that item but I just may comment in passing that the increased appropriation requested for Institutional Mental Health Services does not represent a huge percentage increase over last year. Certainly, there's the cost-price factor and the inflationary factor that has to be considered so it may not represent any increase at all. So, whatever thrust we're launching in the field of Mental Health in Manitoba, presumably, has to be found under —(Interjection)—

**MR. CHAIRMAN:** The Honourable Minister on a point of order.

**MR. DESJARDINS:** Mr. Chairman, on a point of order just to try to be helpful, that might be part of the answer anyway. I'd like to point out that the salary increases are not included in there; that hasn't been solved yet so that should partly explain the situation.

**MR. SHERMAN:** Well, I thank the Minister for his comments but I still want to make the point or ask the question as to where —(Interjection)— last time he participated we got the Mount Carmel Clinic. —(Interjection)— You can scrub that from the record, Mr. Chairman.

But I still want to put the question, Mr. Chairman, as to where the thrust is coming in mental health in Manitoba. I believe and I think the Minister would not disagree that one of the enormous challenges that we face in the health field is in the field of mental health services, psychiatric services. If it's not coming out of the institutions, by the time you've taken a count of the new salary scales, that's going to eat up much of — and the cost-price factor relative to food and services of that kind, utilities etc., etc. — that's going to eat up much of whatever increase is in there, then presumably it has to come under the Community Mental Health Directorate. There were certainly some considerations being given in recent months and years to a number of new initiatives under this directorate.

Admittedly, the previous government wasn't all that successful in getting them launched but I think that the intention must be maintained. I would just ask the Minister what has happened, for example, to some of those other proposals that were being considered and hopefully would find some reasonably elevated rank in the list of priorities for action. Among them, for example, well I suppose the standard one of additional community residences, the Minister has dealt with that. But there were such initiatives as a Community Pre-fostered Training placement that was to be attached to the Selkirk Mental Health Centre. I recognize that's an institution, Mr. Chairman, but nonetheless these initiatives and concepts came under the Community Mental Health Directorate.

There was a proposed facility for social and behavioural difficulties again to be attached to Selkirk. There was a proposed schizophrenia treatment and research foundation residence; proposed respite care facility to be attached to the Brandon Mental Health Centre; a hostile for long-term care at Brandon; residences for young adults with serious behavioural problems again to be attached to Brandon and others that I have no doubt overlooked.

I would appreciate from the Minister some reassurance that the challenges in mental health are among the greatest challenges in the health field that we face and that there is a continuing interest in an intention to initiatives of that kind and others that haven't even been mentioned.

**MR. DESJARDINS:** Mr. Chairman, I would certainly not try to hide the present situation. I think that if we had to identify a trouble area in the department, this would be it. It's not in good shape. There's no reflection on the former government because when they picked it up it wasn't in good shape either. We are going to try to do something about it.

First of all my honourable friend — I don't care, I

want to make sure that we've always got along during the Estimates and we can review this again if there is any fear that the member would like to go back to that directorate — but we are only dealing with a directorate. Then when we go back, we turn the page, there is a whole section on mental health services — a whole section — including Children's Psychiatric Institutional Mental Health Services Forensic and Administration so we will have ample time to look at it.

But I want to say that the first thing, this is a situation of not putting the cart before the horse. We want to beef up the area in the research as we said before, and then we hope there will be something that will come out of that recommendation and the work that we will do in trying to set up the director of this directorate; the work that we're doing with Dr. Prosen and some of our own people with the Health Science Centre and we hope with the university.

Those are the things we must set up before we go in every direction of what I want; this is the area. We have asked for in the regional, personal services, we've asked for 20 people. There are certainly not all in mental health but there is a few that have been identified. There are some — it's not the same thing — but I guess they will work together at a certain point as new ones in mental retardation, also. Then I would say that in the institution we're asking for 12 more also.

But what's the use of asking for all kinds and say you now, there's this kind of money and this is what we're going to do when we can't fill the positions that we have now. I think there's five vacancies in Brandon alone. So that is the thing that we're faced with. So we want to beef it up. We want to look at the situation. We want to discuss the university to see if we could change the formula; if we can do something to attract these kind of people because I failed before and I think that the Minister will have to admit that he has failed also — I don't know if you'd call it failure — but we haven't been too successful. So I think that it's time to go in a new direction, another direction to look at something else and this is what we want to do at this time.

The member will have no argument with me or even difficulties there and say it's an area that we want to also with him identify one of the problem areas but we're not giving up at this time. We're going to try something else but we are moving. There is as I say, there'll be 12 just in the institutional mental health . . .

**MR. CHAIRMAN:** Order please. The hour being 4:30 p.m., it's time for Private Members' Hour, therefore I'm interrupting the proceedings of the Committee and we'll return to the call of the House.

Call in the Speaker.

## IN SESSION

### PRIVATE MEMBERS' HOUR

**MR. SPEAKER:** Order please. The time being 4:30 p.m., Private Members' Hour.

The first Resolution on the list for Private Members' Hour today is standing in the name of the Honourable Member for Sturgeon Creek.

The Honourable Member for Roblin-Russell.

**MR. MCKENZIE:** Mr. Speaker, the honourable member will be here very shortly. He's just winding up the Committee in the other room.

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

**HON. ROLAND PENNER (Fort Rouge):** Yes, I wonder if we just couldn't wait for a moment with your permission, until we can get the members from the Committee room.

**MR. SPEAKER:** If the House can pause for a few moments pending the arrival of the honourable member.

### RES. NO. 3 - SALES TAX ON MEALS

**MR. SPEAKER:** The next Resolution is Resolution No. 3, standing in the name of the Honourable Member for Sturgeon Creek.

**MR. J. FRANK JOHNSTON (Sturgeon Creek):** Mr. Speaker, I move, seconded by the Member for Fort Garry,

WHEREAS the people of Manitoba have been paying 5 percent tax on all meals purchased over \$4.00 since 1979, and

WHEREAS the costs of food, labour, taxes, utilities, maintenance and interest rates has caused the price of meals to increase since 1979, and

WHEREAS many Manitobans in the performance of their jobs, e.g. truckers, miners, construction workers, etc., are required to eat all or part of their meals in restaurants, and

WHEREAS the intent of this tax was not to impose a penalty on the ordinary working man's meals.

THEREFORE BE IT RESOLVED that the Government of Manitoba consider the advisability of changing the legislation to only require the tax to be paid on meals costing \$5.00 or more.

**MOTION presented.**

**MR. SPEAKER:** The Honourable Member for Sturgeon Creek.

**MR. JOHNSTON:** Thank you, Mr. Speaker. Mr. Speaker, it's really a pleasure for me to stand up and present this type of a resolution again. I would say that the NDP Party, even though they were in government, had to be reminded of the fact that meals do go up in price and that the tax was never put on to create a problem for many people who work in Manitoba to have a penalty. That was the reason behind the tax, Mr. Speaker, and back in 1972, I believe, I presented a resolution to have the tax changed from \$2.00 to \$3.00 at that time. The Progressive Conservative Party presenting the resolution I believe had agreement in the House. I haven't really taken the time to research but I believe it had agreement in the House. The following year they presented within their budget the change from \$2.00 to \$3.00. In 1979, Mr. Speaker, we had a member of the Progressive Conservative Party present a resolution again asking that it be changed from \$3.00 to \$4.00, and again our party

when we in government made the change to exemption on meals of \$4.00 and under.

It seems that the Progressive Conservative Party in the Opposition, have to remind the NDP Party again that meals have gone up considerably in price in the province and that's the reason for this resolution that is before you. Mr. Speaker, if I had known that the minimum wage was going to go up as it did last week, and the information that we have received in the papers from the Restaurant Association that it is going to probably cause an increase in the price of meals - and we're not here to discuss the minimum wage - but I probably would have, at that time, put this resolution in and suggested \$6.00, but I think \$1.00 at the present time is certainly needed.

We have all kinds of people in this province who are having to eat out more all the time. It's increased over the past years since I first had the pleasure of introducing a resolution like this. As a matter of fact, Mr. Speaker, the percentage of people that are eating out has grown immensely over the past 10 years or so, and not all because people are going out and spending money on convenience foods or buying hamburgers or chiliburgers which I buy quite often, Mr. Speaker.

I have the habit when I come home after midnight of stopping in at the Salisbury House and taking chiliburgers home to my wife and we sit in the bedroom and we chat very seriously about what I had accomplished that day. I've heard some comment about that but being a person who likes chiliburgers and my wife who likes chiliburgers, I take them home. I've created a bit of a sensation or bit of humour in the House because of that, but I don't know of anything wrong with taking home some food that a couple happens to like and wants to eat.

Mr. Speaker, I don't think that I would care if I paid sales tax under those circumstances, but I certainly believe that people who have got to go out and buy their lunches while they're at work, or even buy their dinners or breakfasts because of their working situation being started early in the morning or having to go late in the evening to work, that they shouldn't be penalized and that again, I repeat, is the reason for the resolution.

So, Mr. Speaker, I'm rather surprised that this government has not thought of this. I sincerely hope the Minister of Finance will go back to his department before his Budget and put it in this year's Budget and I sincerely hope that he takes into consideration the increases that we've seen in the past few days and also the increases that we've seen in the past three or four years.

Mr. Speaker, the cost to the government is going to be very little. You know the Opposition has to put in a resolution saying "the advisability of" because we Sir, on this side do not have the privilege of being on Treasury Bench, so we only can say the advisability of, but in this particular Resolution there is going to be very little cost to the Government of Manitoba if they do this.

The increase in the meals in the past while has increased the coffers of the Province of Manitoba as far as the income from tax on meals because the meals have gone up steadily and the government has been gaining more tax on it. The increase of this dollar

will not really cost the government any money because I think it will more than balance out, as a matter of fact, on the government side.

So as far as costing the people of Manitoba any money and the government is the people — it is the people's money that they're spending — we'll be able to do this giving the people the benefit of not having to pay the 5 percent sales tax on meals under \$5.00 at practically no cost and I don't think it would be any cost to the government.

So, Mr. Speaker, I really don't expect opposition on this Resolution. I think that everybody in the House, all members of this House should be concerned about those people because of the circumstance of their work, who have to eat away from home, should have the privilege of the exemption being \$5.00 and under.

So, Mr. Speaker, I really would doubt that I would have any opposition to this Resolution, although my experience in the House so far this year is such that it's very likely that I could. But anybody that would oppose it is not thinking of the people who have to eat away from home because of their particular working circumstance.

Thank you, Mr. Speaker.

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

**MR. PENNER:** Yes, Mr. Speaker, the Honourable Member for Sturgeon Creek says he hopes that we will support the Resolution and indeed we will, but in doing so I think, to complete the record, I would like point out three matters.

First of all, that the Resolution speaks regrettably in terms of the working man's meal, the honourable member forgetting that very close to 50 percent of the working population are women and there has been far too much of this kind of — sometimes I admit inadvertent — sexism in this House.

There was an occasion last week when the Leader of the Opposition, for example, said when a situation arose when quite properly the First Minister referred a question to the Minister for Economic Development, the Leader of the Opposition said, "well, we don't refer questions to women." That type of thing I think, disappoints us, in some cases as I'm sure here, it's a matter of inadvertence so I'm just pointing that out and we would like to encourage all members, and there are members perhaps on this side who are occasionally inadvertently guilty of the same thing and I admit that.

But more importantly as a matter of history, the Honourable Member for Sturgeon Creek gave us a little bit of history and it was what they call, revisionist history and I would like to complete the historical record if I may.

I turn to Votes and Proceedings for Monday, the 9th of April, 1979, and I find that there was a motion moved by the then Member for Wolseley now sitting in another constituency and therefore I go to the resolved, Mr. Speaker.

THEREFORE BE IT RESOLVED that the Government of Manitoba," now who was the Government of Manitoba then? I would think those guys. THEREFORE BE IT RESOLVED that the Government of Manitoba consider the advisability of changing the Legislation to only require the tax to be paid on meals

costing \$5.00 or more. And that was passed. What happened to it? Why are we moving this Resolution again? —(Interjection)— No, to \$5.00, it says to \$5.00. We passed that vote.

Now I think this is another matter of inadvertence. I have great respect for the Honourable Member for Sturgeon Creek and I'm sure it's a matter of inadvertence and it wasn't him as a person who ignored the Resolution, it was the then government of the day which ignored the Resolution.

I want to say that we will support this Resolution and we will take this advice into consideration and we will look at many other areas of tax policy which we consider to be inequitable, unfair, and we may not be able to deal with all of them in our first budget — that would be raising expectations too much — but we will be looking particularly when we design tax policy, we will be looking primarily at inequities. Certainly, if this is an inequity we will look at it.

The final comment I would like to make in these brief remarks, is that I note that the Resolution does not ask us to exempt food for thought. No doubt because that forms no part of the diet of the members of the Opposition.

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

**MR. BLAKE:** Thank you, Mr. Speaker. I don't think there has to be too much more said in support of the Resolution. It's been pointed out that costs have increased substantially over the years at a rate of 10 to 14 percent a year. So it only follows that this is going to increase and restaurateurs have expressed the opinion over the years of how bothersome it is, these small bills of \$2.00 and \$3.00; if somebody wants to pick up his friend's lunch, it puts it over the minimum and there has to be tax applied on it, or if you go up to a drive-in theatre you could sit in your car and eat \$12.00 or \$15.00 worth of food, but if you go inside to eat it, you're taxed on it.

There's no tax on take-out food so there are very many inequities in the particular system that we have and the eating-out concept is becoming more and more popular all the time. So I don't think it was the intention to penalize the working person by providing a tax on a particular meal.

So I don't know what happened to that other motion either, Mr. Speaker, that the member mentioned. I think it was allowed to die on the Order Paper because you can't find any further debate on it. But I know the members will be anxious to pass this particular resolution now without much more debate because when they bring in the Budget at the end of the month they'll probably increase it to \$6.00 or \$7.00 so we'll just have to wait until the Budget comes in to see what it's going to introduce to. Mr. Chairman, I have no hesitation in supporting the resolution brought in by the Member for Sturgeon Creek and as will other members on this side of the House so, it appears to be the disposition to bring the matter to a vote so I won't belabour the argument any further.

**MR. SPEAKER:** Are you ready for the question? The question is on the resolution moved by the Honourable Member for Sturgeon Creek and seconded by

the Honourable Member for Fort Garry.

Does the Honourable Member wish to close debate on his resolution?

**MR. JOHNSTON:** Just briefly, Mr. Speaker. I guess the fact that I wrote "working man" has concerned the honourable member opposite. I probably would do it again because I think that people that get too concerned over wording when we're talking about men and women really have something of a concern that I don't regard as a big issue. I believe that we're all here to enjoy, as people of the Province of Manitoba, the benefits of this resolution and I probably wouldn't take chilburgers home after midnight if I was concerned about it, Mr. Speaker.

**QUESTION put, MOTION carried.**

**MR. SPEAKER:** Is it the disposition of the House to continue with resolutions?

#### **RES. NO. 4 - INDEPENDENT CANADIAN ECONOMIC POLICY**

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

**MR. STEVE ASHTON (Thompson):** Thank you, Mr. Speaker. I move, seconded by the Honourable Member for River East,

WHEREAS the governments of a number of western countries have adopted dogmatic monetarist economic policies in recent years; and

WHEREAS these monetarist policies have emphasized government cutbacks and the establishment of record high interest rates; and

WHEREAS the result of this dogmatic monetarism known as Reaganomics in the United States has been record high unemployment levels of over 9 percent in that country; and

WHEREAS the adoption of dogmatic monetarist policies has led to a level of unemployment of over 3 million people in the U.K.; and

WHEREAS these policies have, in fact, led to a world-wide recession; and

WHEREAS these policies have been copied in Canada resulting in the highest level of unemployment since the depression of the 1930s; and

WHEREAS in particular the adoption of this approach by the previous Conservative Government of this province and their support of this approach at the federal level has caused Manitoba's economy to slip to the point that it was stagnant over the last four years.

THEREFORE BE IT RESOLVED that this Assembly rejects these ineffective economic policies and that this Assembly supports monetary and fiscal policies aimed at fighting unemployment as well as inflation; and

BE IT FURTHER RESOLVED that this Assembly specifically supports the attainment of lower interest rates through a "made in Canada" interest rate policy; and

BE IT FURTHER RESOLVED that this Assembly urges the Government of Canada to reject Reaganomics and establish an independent economic pol-

icy, including a policy of a "made in Canada" interest rate in order to stimulate the Canadian economy.

**MOTION presented.**

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

**MR. ASHTON:** Thank you Mr. Speaker. Following the announcement a couple of weeks ago of the fact that unemployment has reached the highest level in Canada since the depression of the 1930s I think it is very timely to have the debate now on this particular resolution.

As I mentioned, the unemployment rate now is higher than it's ever been since the depression. In fact, it's 9 percent and close to 1.2 million Canadians are unemployed. As I will demonstrate in my address to the Legislature today, I think much of the blame for this high level of unemployment can be placed directly on the monetarist economic policies that have been adopted by a number of western governments and particularly by a number of Canadian governments.

To begin with I'd like to try and give some definition to what monetarism is. It's actually somewhat difficult to define it. Sir Ian Gilmore, a former member of the British Cabinet, a former member of the Conservative British Cabinet, I might add, once said that monetarism was the uncontrollable trying to achieve the indefinable, and I think if one checks into the background of monetarism one will find that statement is particularly apt.

But there are a number of things that can be drawn from monetarist economists, from various politicians who profess to follow monetarist policies, and I think they are as follows: first of all, monetarism views inflation as being the major problem of our economy, in fact, as sometimes being the only problem. They tend to avoid any concern about unemployment in looking at economic policy. Second of all, in looking at policy instruments to tackle inflation, they look rather largely at monetary policy which includes control of the monetary money supply and of interest rates, and they reject any role for fiscal policy. As outlined in the resolution, a number of other policies are also associated with monetarist economics and they include government cutbacks and high interest rates.

Now monetarism has been expressed by economists such as Milton Friedman, has been copied by politicians such as Margaret Thatcher and now Ronald Reagan, but it's actually not all that new. It's really a restatement of the old neoclassical economics that dominated economic discussion prior to the 1930s, and if you look at monetarism as expressed by Milton Friedman, you'll find that there are a great deal of similarities between his policies and those of the previous neoclassical economists. In particular, Friedman says that if you keep the supply of money at a constant level and keep the growth at that constant level, that will solve all your economic problems. Inflation will come down, employment will go up and everybody will be happy.

More specifically, he outlines some theories in regards to the fact that maybe employment is connected with real wages, so therefore if you get a

decrease of real wages, unemployment will go down. Well, in looking at his theories and looking at the way they've been practised by Margaret Thatcher and Ronald Reagan, I think you can see that there a number of major problems.

First of all, it is actually very difficult to define what money is. If one looks at economic discussion of money, one finds that there are a good number of measures of money which are often talked about. There's M-Subscript 1, there's M-Subscript 1A, M-Subscript 1B, M-Subscript 2 and M-Subscript 3 and if one wants to look rather closely at the definition, one can see how confusing the whole matter can become. The old M-1 is coin and currencies outside of the Treasury, Federal Reserve Banks and vaults of Commercial Banks, demand, deposit liabilities of commercial banks plus foreign demand deposits in Federal Reserve Banks.

Then there's the new M-1A which is the old M-1, less demand deposits of foreign banks and official institutions. Then there's M-1B which is currency outside the Treasury, Federal Reserve Banks and vaults of commercial banks. Demand deposits at commercial banks, travellers cheques plus other transactions accounts consisting of chequing accounts, savings and loan associations and mutual saving banks and well it continues from there with another half a dozen lines of things which are M1B money.

The M-2 which is subtracting M-1B leads you to come up with being all savings and small denomination time deposits, overnight repurchase agreements at commercial banks, money market mutual funds and overnight Eurodollars. I could continue but I think I've made my point; money is not as simple as all that.

It's also increasingly complex, Mr. Speaker, if one looks at recent trends - the President of the Boston Federal Reserve Bank, does indicate for example. It seems to me that the monetary aggregates, particularly M1 - the measure composed of currency and chequing accounts that is Friedman's current favourite - have been rendered obsolete by innovation and the computerization of the financial system.

So changes in the banking system are making old measures of money even less valid today, making the whole question of what is money that much more difficult to answer. The key thing is, not only is money impossible to define, it's also very, very difficult to control because of its complexity. It's much easier to control interest rates and, as we've seen over the past number of years, that is exactly what monetarist policies have led us to do. They've stated the goal of controlling money growth; they've tried to do it; they failed so they've controlled interest rates and they've succeeded. And they've controlled them by raising them and raising them to record high levels and that is what the crux of the debate is really all about.

Now if one goes one step further and assumes that even if there is a relationship between the money supply and all the economic problems we're supposed to be having, as Mr. Friedman and Margaret Thatcher and Ronald Reagan would have us believe, well one finds that there are further difficulties with that as well because in looking at the experience in most western countries there is a tremendous range between the growth of the money supply in western

nations and it is not related at all to economic performance. For example, the range between a number of western countries is one of 138 points for Japan; 60 for West Germany; 56 for Switzerland; and only 29.5 for the United States. Also, if one looks further at the statistics one can see that, even where there is some correlation there, that it is not necessarily one that these countries have greater problems because they have a higher rate of money supply. In fact, West Germany and Japan and Switzerland have a higher rate of growth in money supply than the United States, so out goes another idea of monetarist economics.

A further argument is often made with which there is a lot of problems and that is that when real wages go down unemployment goes down. Well that has not happened. If one looks at the world experience a drop in real wages has actually been caused by unemployment and has no direct affect the other way. But rather than analyze it piece-by-piece I think one really just has to look at the experience in a number of western countries where it has been a practice and that experience, I'm sad to say, is nothing short of disastrous. In the U.K., for example, where monetarist economic policies have been practiced now for perhaps the longest, it's a depression economy because of those policies.

You don't have to take my word for it you can pick up virtually any newspaper, any magazine, any economic journal, I have one here it states quite clearly: "We attribute the recent depression in the United Kingdom primarily to the effects of restricted monetary policy compounded by ill-designed fiscal policy." Well that's one. Another one and I quote from this: "From May 1979 onward the Thatcher experient with monetarism greatly aggravated the U.K.'s economic problems." Well that was the U.K. where it was first practiced. Let's look at the United States where it went next, what's happened there? Well, there's been record levels of unemployment recently, approaching 9 percent, as in Canada, and why? Well I quote from an article from the Guardian - April 11, 1982: "The truth is that Reaganomics has led America to the brink of economic disaster. The monetarist approach blueprinted by Friedman has acted, not only to squeeze out the inflation in the economy, but also to crunch real growth to the point of creating a recession." So that is the United States.

How about Canada where it has been practiced most recently, where it has been echoed by the Federal Government and supported by a number of Provincial Governments, including the former Conservative Provincial Government? Well let's look at a statement in the paper, just today as a matter of fact, in the Winnipeg Free Press. Under the headline: "High rates guaranteed" and I quote: "Tight money policies have failed and should be scrapped in favour of a three-pronged attack against interest rates and the worst recession in 35 years." Who said this? Well for the benefit of the members opposite it was William Mulholland, Chairman of the Bank of Montreal. To continue, the Chairman of the Bank of Montreal, Mr. Speaker, said that monetary policy, as it is now being conducted in both the United States and Canada, guarantees high interest rates - and this was in a speech to that great paragon of Canadian establish-

ment, the Canadian Club in Toronto - and he added his name to the long line of critics of the Bank of Canada and the U.S. Federal Reserve Board. To continue with what he said: "Interest rates kept as high as they have by both governments are working against normal business cycles and have pushed the North American economy to the edge of disaster."

That's what's happened because of monetarist economic policies, Mr. Speaker, in the U.K. it's been disastrous, in the U.S. it's been disastrous and in Canada it's been disastrous. If one looks further at what the monetarists are saying, they're basically saying that monetarism is somehow the cure for our economic ills. Well I must say, Mr. Speaker, that if that is the cure I'd rather have the disease. I think Don McGillivray recently put it best in the Winnipeg Sun, a column which appeared yesterday, he said that Canada's economic policies are getting dangerously close to the tactics of the American Major who directed the devastating fire into Ben Tre during the Vietnam war. It became necessary to destroy the town in order to save it, the officer explained to the AP the next day. Well that is basically what the monetarists are saying in the U.K., that's basically what they're saying in the U.S., that's basically what they're saying here.

We have to destroy the economy to save it. Well I say that's not good enough, Mr. Speaker, I say that's its simply not good enough. What do the Federal Tories say, what do those honourable members opposite say? I quote from the Toronto Globe and Mail, February 15, 1982: "Federal Tory Finance critic Michael Wilson says: Reagan's policies are 'something we would be doing if we were a government'." This is what the honourable members opposite say, what their federal party says. They say that we'll ignore this disaster, we'll follow our ideological soul-mates in the U.K., we'll follow them in the U.S., we'll follow them down the path of economic disaster, Mr. Speaker; that is what they're saying, that is what they're proposing to the people of Canada.

It should come really as no surprise because that is what they proposed to the people of Manitoba four years ago and they followed through on that, Mr. Speaker, I will give them credit for that, they followed through on monetarist policies. And what was the result, Mr. Speaker? The result was that Manitoba's economy slipped on most measures of economic performance to about the ninth out of ten in Canada or the tenth out of ten; we slipped relative to every other province. And that great supporter of the NDP, the Financial Post, said that part of the blame must go directly to the policies of acute protracted restraint followed by the previous government.

So it should come as no surprise, Mr. Speaker, to the people of this province that the Conservatives support this monetarism because they've done it here for the last four years and God knows what would happen if they ever got back into power federally. —(Interjection)— Disaster again, Mr. Speaker.

The problem is with those members opposite, the problem actually with the whole monetarist set of theories is that it simply does not learn from history, it does not learn from history, Mr. Speaker. They are great critics of the policies of Keynesian economics followed over the last 25 or 30 years, but what they fail to



do, Mr. Speaker, is to follow up with facts on this particular question.

If one looks at the period in which these kind of policies were followed, where there was concern for unemployment as well as inflation, Mr. Speaker, where there was use of fiscal as well as monetary policies, well, one would find that between 1938 and 1981 in the U. S., the percent of the period in which there was an economic contraction was 16 percent that particular time. Between 1895 and 1938, when neo-classical monetarist policies were followed, the same kind of policies the honourable members opposite are always talking about, the percent of the period of contraction, of recession, Mr. Speaker, was 44 percent and prior to that it was 42 percent. So there is evidence that monetary as well as fiscal policies do work.

I think it was best stated by a well-known economist, Arthur Oakwood. He said that the quantum jump in stability, which I have just demonstrated, must be credited to public policy and, in regard to the American context he said, it was made in Washington. He further went on to say, Mr. Speaker, that these policies were really not the kind of thing that one can measure only in terms of reality . . . but he said that they are responsible for the very survival of the United States system itself, while these same members who profess to support that system are, through their economic and political ignorance, now destroying it. We are left to pick up the pieces. It's sad, Mr. Speaker, it is sad that they don't learn from history.

History proved that these policies did not work. History shows that these policies, in fact, not only led to the depression of the 1930s, but aggravated it. History has proven that monetarism, as one particular person suggested to me, should be relegated to a museum. Experience shows it simply does not work.

But there is an alternative, Mr. Speaker, there is an alternative. That alternative is that of an independent Canadian economic policy. It begins with concern for unemployment as well as inflation, a concern that is not shown by monetarist economics. It begins with a renewed acceptance of the role of fiscal policy as well as monetary policy and it rejects, Mr. Speaker, monetarist policies and, particularly, the policy of a high interest rate. It can be achieved through a "Made in Canada" interest rate policy; it can be achieved through the proper use of such economic mechanisms as exchange controls and a lowering of the Canadian dollar; it can be achieved, Mr. Speaker, with great economic advantage for Canadians and Manitobans.

As I mentioned earlier, Mr. Speaker, Manitobans are well aware of the failure of monetarist economic policies, we've had them for the last four years, they simply did not work then. It is important now, from our own personal experience, to reject those policies, not just here at the Manitoba level, as was done on November 17th, but at the federal level as well. That is why I propose this resolution; that is why I would urge all members of this House to support this; and that is why I would urge, in particular, that we take a stand and make it clear that we are not in favour of monetarist madness and in particular, we are not afraid of the terribly high interest rates which are destroying, absolutely destroying the economy of the western world,

Mr. Speaker.

Thank you.

**MR. SPEAKER:** Are you ready for the question?

The Honourable Minister of Community Services and Corrections.

**HON. LEONARD S. EVANS (Brandon East):** Mr. Speaker, I am very surprised that members opposite of Her Majesty's Loyal Opposition are in unison very silent on this very important issue. They have nothing to say. —(Interjection)— Well, I would particularly welcome remarks from the Honourable Member for Pembina who is so good at speaking from his seat, whether it's during the question period when a Minister is trying to hear a question put by one of his colleagues or whether it's during a debate such as a time like this, he's terrific at speaking from his seat, but I would challenge the Member for Pembina to get up on his two feet and tell the Assembly and the people of Manitoba where he stands. Because, Mr. Speaker, I think if —(Interjection)— well, the Crow as well, because if the truth were known, the Member for Pembina stands shoulder to shoulder with the President of the United States, Ronald Reagan, in terms of a reactionary right-wing economic policy which he really believes in. The Member for Pembina really believes in that. He really believes in tight money; he really believes —(Interjection)— well, Mr. Speaker, we're talking about a system, we're talking about an economic system in which we live, a mixed economic system where you have private enterprise and government enterprise and you have an economic system. —(Interjection)— You know, the Member for Pembina says it's a mixed-up system and I'm sure he thinks it's a mixed-up system because there's some government initiatives and government enterprise, but you know the Member for Pembina, I'm sure, is a little ignorant of the history of his party. He's ignorant of the history of the national Conservative Party of Canada and Sir John A. Macdonald and the great national economic policy of Canada, as espoused by the first Prime Minister of Canada who was a Conservative, stated that the State maintained that the Government of Canada had a role to play in developing this great country of ours. He evolved, in 1879, the national economic policy which involved the State, the Government of Canada, of which he was the Prime Minister, in three major initiatives.

No. 1, Mr. Speaker, it was an initiative to build a railway from coast-to-coast which subsequently became known as the Canadian Pacific Railway and, Mr. Speaker, that railway would not have been built if, at that time, the Government of Canada had not given it a cash subsidy of \$25 million - that's in the 1880s, remember, not 1980s - gave them 25 million acres of land, plus many other concessions over a period of years, protection, etc., etc. Mr. Speaker, the fact is that was government initiative that was necessary in order to build the national transcontinental railway. So the Member for Pembina should know the history of the Conservative Party and where it stood in the utilization of the State to develop Canada's economy.

No. 1, was the national tariff, the second plank in the Conservative National Economic Policy as stated by Sir John A. Macdonald in 1879, was that we shall have

a national tariff in order to stimulate manufacturing within Canada and that was implemented.

The third point, Mr. Speaker, the third cure of the Conservative State economic policy was to have a vast system of immigration to attract people from Europe, and Central Europe in particular, people who had experience in dry techniques of farming, who knew how to till the soil in a country that we have here in western Canada and, Mr. Speaker, they came here and they settled the west. Yes, they were given the land that was owned by the state at that time. The Government of Canada obtained the land from the Hudson's Bay Company. —(Interjection)— Well, Mr. Speaker, I would welcome a speech from the Member for Pembina. He's damned good at sitting on his fanny interjecting not only during speeches such as this but during the question period of which is a serious interjection. Mr. Speaker, if he would just listen and learn something, he may take a step forward in his education.

**MR. SPEAKER:** Order please.

The Honourable Member for Turtle Mountain on a point of order.

**MR. RANSOM:** Perhaps if the Honourable Minister would direct his comments to the Chair it might solve part of his problems.

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

**MR. PENNER:** Well, on the same point of order. If the Member for Pembina would stop this interminable, minimal and intellectual conduct but nevertheless interminable interjections from the —(Interjection)— then it would be easier for others members to observe the decorum of the House.

**MR. SPEAKER:** The Honourable Member for Fort Garry on the same point of order.

**MR. SHERMAN:** One has to ask the Government House Leader whether he would agree if the content of the Member for Pembina had more intellectual content in it; if that comment would be acceptable.

**MR. SPEAKER:** Does the Honourable Member for Virden have a point of order?

**MR. GRAHAM:** Yes, Mr. Speaker, I would appreciate listening to the remarks of the Honourable Member for Brandon East but I find difficulty with constant interjections by the Attorney-General.

**MR. SPEAKER:** Order please.

The Honourable Government House Leader.

The Chair shares the view that honourable members have expressed and a hope that if members direct their remarks to the Chair, we would have a better decorum in the House.

The Honourable Minister of Community Services.

**MR. EVANS:** Well, Mr. Speaker, as I was explaining before the interjections from the Member for Turtle Mountain or whatever it was, the fact is that the Gov-

ernment of Canada obtained from the Hudson's Bay Company vast holdings of land — it was called the Northwest Territories but it now makes up the three prairie provinces in addition to the Yukon and the Northwest Territories — that government of the day saw fit to sell that land not only to individual settlers but it had in its policy other arrangements including utilization of the land for stimulation of railways, not only the CPR but indeed other railways that were evolved eventually.

But the point I'm making, Mr. Speaker, is that honourable members should realize that the history of the National Conservative Party of Canada is the history of utilization of government in stimulating economic development. So for members opposite to throw up their hands and say an aid to any state involved in any which way, shape or form is not in keeping with the tradition of their party. Mr. Speaker, here we go again. I would be very glad to participate in this debate but I'm finding it difficult because of the interjections of the Member for Pembina. I would invite your assistance in that respect.

**MR. SPEAKER:** Order please. I would invite all members to show the same respect to the member who has the floor that they would expect when they make their comments to the House.

The Honourable Minister of Community Services.

**MR. EVANS:** Well, Mr. Speaker, I've just had another interjection. I would like again to draw this to your attention. I'm quite prepared to speak but it gets a little tiring to listen to inane interjections from the Member for Pembina. Now either he wants to participate in the debate or he wants to continue to talk from his seat. But I invite your support and ask you to exercise your authority as the Speaker of this House for some decorum and to cease and to cause the Member for Pembina to cease and desist from his inane interjections. Name him. Tell him to leave if he doesn't want to shut up.

**MR. SPEAKER:** Order please. The Chair does not wish to discourage the cut and thrust of debate between members. If, however, it is bothering the Honourable Minister, I'm sure that the honourable member would like to desist from those remarks or perhaps do some research elsewhere.

The Honourable Minister.

**MR. EVANS:** Thank you, Mr. Speaker. The point I'd like to get to is the current economic situation we're faced with in Canada. It's an economic situation that could be argued in large part as beyond the ability of the Government of Canada to cope with. You could argue that point. In fact, I suppose the Government of the United States could throw up his hands and say, it's beyond our ability as well.

But, Mr. Speaker, somewhere, somehow in my judgment and in the judgment of a growing number of economists — not only academic economists but business economists and one need only read the various financial papers to see this — that there's a growing number of economists and others in the business community who are becoming very very concerned that the tight-money policy that's being followed in

the United States and in Ottawa is indeed leading this country into a recession that has not been as serious as that experience since the 1930's; since the Great Depression of the Dirty Thirties.

I say, Mr. Speaker, there can be many reasons for this fall-off in our rate of economic growth both in the United States and in Canada but there's no question in my mind and as I said there's an increasing awareness on the part of the business community as well as people who are engaged in economic research, that the monetary policies of the Federal Government in both countries are causing the economic situation to be even more recessionary than it need be.

The members opposite have raised a number of figures. We can read the papers and read a number of figures how unemployment in Canada has gotten worse and certainly we're not happy with what's happening in Manitoba. I, unlike the former Minister of Economic Development, the Member for Sturgeon Creek will not stand up in this House and pretend that we don't have economic problems when indeed we do have economic problems.

There is a limit certainly to what any government can do and particularly a limit to what a provincial government can do. We are not an economic island unto ourselves. We can carry out various employment-creating programs. We can carry out programs to stimulate private initiative, private investment. We can engage in a number of programs that may be of a stimulative nature. I would hope that other provinces, all provinces would be able to see their way clear to doing something to offsetting the downward thrust of the business cycle.

We can try as hard as we may, Mr. Speaker, but if we have a monetary policy in Ottawa that results in interest rates being exorbitantly high, so much so that they're stifling and cutting off private investment, then no matter how hard the provinces try, we're still going to have excessive amounts of unemployment. I would submit to you at the same time, Mr. Speaker, that we may not cope with the inflationary problems we have in our midst.

We have rates of inflation that have never been seen in Canada since World War II, and at the same time there's no evidence of any serious drop in the rate of inflation. In fact, the rate of inflation in the past year or two has been greater than I believe anything apart from one other period in the post World War II period. So I say, where is the evidence that high interest rates, which go along, which are concomitant with tight money policies? Where is the evidence that those high interest rates have, indeed, caused the rate of inflation to lessen? There is no clear evidence whatsoever that it has caused the rate of inflation to lessen, but there is plenty of evidence that tight monetary policy has indeed discouraged business investment. Day by day, week by week, we read in the newspapers, we hear over the electronic media that businesses have curtailed investment plans because the rate of interest is simply too high for them to come to the conclusion that investment in plant and equipment will be a profitable expansion.

When you have a high rate of interest, who as a retailer or wholesaler can afford to keep any amount of inventory for any period of time? Therefore you're discouraging retailers and wholesalers in obtaining

inventory. At the same time high interest rates are discouraging people who would purchase residential properties. They're discouraging consumers of big ticket items. It's no wonder that General Motors and Ford and Chrysler are all in trouble because the consumers simply will not, do not, wish to pay the interest rates that are a result of this dogmatic monetarist philosophy being perpetrated by the Governor of the Bank of Canada, Gerald Bouey, and the Central Bank of this country.

Whether we're looking at business investment, whether we're looking at the accumulation of inventories, whether we're looking at residential consumption, I say there's plenty of evidence that these high monetary policies have caused a dampening affect in the entire North American economy. There's no question about that. At the same time, there is no evidence that these monetary policies which were supposed to control inflation have done the job. Eventually high interest rates will do the job, but they will only do it after we've had even more unemployment; after we've had even more layoffs; after we've had even more plant closures and mine closures. Sure, if you shut down the country to the extent that very little new growth is happening, if any, then of course eventually you'll have no inflation, but at what price? The fact is, while we may not like inflation, for whatever reason, the greatest loss has got to be, Mr. Speaker, unemployment; not unemployment of men and women alone but unemployment which goes along with that; unemployment of factories; unemployment of mines; unemployment of farms; unemployment of forestry operations or under-employment of these and we then forego the production of goods and services which is lost in time. When we have one million or one-and-a-half million people out of work, not producing the goods and services that we all need and want, then we have lost something, Mr. Speaker, and we've lost something in time and we can't go back and recapture it. It will never again be available. That amount of production is lost in time.

**MR. SPEAKER:** Order please. The time being 5:30, when we next reach Resolution No. 4, the Honourable Minister will have five minutes remaining.

The Honourable Government House Leader.

**MR. PENNER:** Mr. Speaker, I move seconded by the Minister of Finance that this House do now adjourn. It's understood that Committees will continue this evening at 8 o'clock.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:00 p.m. tomorrow afternoon (Wednesday), and Committee will reconvene at 8:00 p.m.