



Third Session — Thirty-First Legislature
of the
Legislative Assembly of Manitoba

**DEBATES
and
PROCEEDINGS**

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LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, April 27, 1979

Time: 10:00 a.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell): Before we proceed, I should like to draw the honourable members' attention to the gallery, where we have 80 students of the Earl Haig Junior High under the direction of Mrs. Dagg. This school is located in the constituency of the Honourable Member for Brandon East.

We also have 55 students of Grade 3 and 4 standing from the Elwick School under Mrs. Jarco. This school is located in the constituency of the Honourable Member for Seven Oaks.

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

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . .

COMMITTEE REPORTS

MR. SPEAKER: The Honourable Member for Emerson.

MR. ALBERT DRIEDGER: Mr. Speaker, the Committee of Supply has adopted certain resolutions and directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for Virden, that the report of the Committee be received.

MOTION presented and carried.

ORDERS FOR RETURN

MR. SPEAKER: The Honourable Minister of Finance.

HON. DONALD W. CRAIK (Riel): Mr. Speaker, I want to take this opportunity to table a Return to An Order of the House No. 54. Mr. Speaker, the copies of this have gone to all members of the House earlier. This just fills the formality of the Order For Return.

MR. SPEAKER: Notices of Motion . . . Introduction of Bills . . .

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Speaker my question is to the Minister responsible for EMO. In view of the announcement this morning by the Member of the Legislature for Springfield about the ineffectiveness of the role of EMO in co-ordination between the Rural Municipality of Ritchot and EMO itself, is the Minister prepared to enquire into the difficulties that have confronted the ability to ensure proper co-ordination between EMO and Ritchot and other municipalities?

MR. SPEAKER: The Honourable Minister of Highways.

HON. HARRY J. ENNS (Lakeside): Mr. Speaker, the question raised by the Honourable the Leader of the Opposition has been dealt with. There has been some difficulty, understandably I suppose under the stress, because the municipality officials in Ritchot had come to a conclusion that they, in some instances, did not wish to place at the disposal of individual homeowners necessary equipment materials — sandbags mainly — for the protection of their homes. The Member for Springfield, doing what every responsible MLA ought to do, was there to try to mediate the situation and I'm satisfied that that situation has, in fact, been corrected. There is the responsibility of the municipalities involved to in the first instance accept that responsibility, and if there was a problem

or a breakdown that's where it occurred. I'm sure the Honourable Leader of the Opposition surely would not want to infer at this particular time that anything is amiss with the efforts that are being carried on on behalf of the affected and afflicted people of the Red River Valley, people that are in the flood procedure, that everything and all things possible are in fact being done.

This is the one isolated case where we had a particular situation that had to do with the division of responsibility or the lack of acceptance of responsibility, if you like, and I say that with some regret, perhaps seen from their point of view a correct posture, but there was a difficulty and I acknowledge it, and that's what the difficulty that the Member for Springfield drew to the attention of myself and the Minister of Water Resources late yesterday afternoon. The matter has been dealt with, Mr. Speaker.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, a further question to the Minister responsible for Water Resources. Is he in a position this morning to give us an updating insofar as the potential flooding situation, if any, in the areas north of the City of Winnipeg through Lockport and Selkirk and other communities along the Red River north of Winnipeg?

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

HON. BRIAN RANSOM (Souris-Killarney): Mr. Speaker, I have not had any additional information since yesterday that would change the predictions that were tabled yesterday. We will be meeting with the Flood Committee again at noon today and if there is any updated information that alters the situation from yesterday, I'll respond to the Leader of the Opposition either personally or by leave in the House if there's something significant.

MR. SPEAKER: The Honourable Member for Virden. **8MR. MORRIS MCGREGOR:** Mr. Speaker, I'd like to direct this question to my Minister of Health. An incident happened here last night at the building, I believe between 7 and 8. One of our lady civil servants was either stricken, or it looked like a heart attack or a stroke. Someone called the ambulance. It came, and when it was indicated she was to go to the Misericordia the ambulance said, "No dice," and it went away. They later got a taxi and the same patient was delivered to the Misericordia. And the question is, you know, is there something going on here, it could have been a case — I understand the patient is in good health this morning, but the question is, why was that conflict of opinion between taxi drivers? Because I'm sure if I was sick I would rather be in an ambulance than a taxi, and I think I give the Minister a few moments, not very many moments, to come up with that kind of an explanation. Thank you, Mr. Speaker.

MR. SPEAKER: The Minister of Health.

HON. L.R. (Bud) SHERMAN (Fort Garry): Mr. Speaker, the provincial civil servant in question is back at work this morning. . . She felt unwell last evening, went to the front door of the building and had an ambulance called for her by a security man at the front door, and when the ambulance arrived, he was asked to take her to Misericordia. The ambulance driver apparently declined to take her to Misericordia because of the Green diversion which was in effect, and suggested he could not take her there.

At that juncture, I think a judgment call was made by the ambulance driver, and I'm having that investigated' Mr. Speaker. Apparently there was no doctor's opinion involved and no doctor involved as far as I can tell. As a consequence of the ambulance driver's decision, a taxi was called to take that civil servant to the Misericordia Hospital, and I'm having the situation investigated.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, unless the Member for Virden wants to pursue that, a supplementary naturally arises as to the Green diversion, if he would describe that to us.

MR. SHERMAN: Mr. Speaker, the Green diversion is a system of directing ambulances to emergency facilities at city hospitals that is in effect to take care of volumes. For example, when that is in effect, it directs all ambulances to take persons to emergency facilities at a particular hospital, or one or two particular hospitals, rather than some other hospitals, where the emergency facilities are either full or where they're not in a position to handle those cases at that particular

time. It does not apply to life-threatening situations. The point is, Mr. Speaker, that in a life-threatening situation, the ambulance is under orders to proceed to the nearest emergency facility with all possible haste.

Presumably, and I want to be careful about any impression I'm leaving here, the ambulance driver made the judgment that it was not a life-threatening situation, and therefore invoked the Green diversion. But had there been a doctor's opinion involved, there might have been quite a different judgment made.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Speaker. I'd like to address a question to the Minister of Economic Development who has responsibility for transportation policy matters. Can the Honourable Minister of Economic Development advise the Legislature whether the government of Manitoba has a position, has formulated a position on the matter of increases in the St. Lawrence Seaway Tolls?

MR. SPEAKER: The Honourable Minister of Economic Development.

HON. J. FRANK JOHNSTON (Sturgeon Creek): Mr. Speaker, I know the member is referring to the press release that was made by the association yesterday. The Minister of Agriculture and I met with the association yesterday. They outlined what they feel are very serious problems regarding the tolls on the St. Lawrence Seaway. The Minister of Agriculture and I have not had a chance to sit down and speak with the Premier at this point, but we will be doing so in the next day or so, hopefully by Tuesday, to discuss the problems outlined by the association, and at that time we will come up with a Manitoba policy.

But I can tell you very sincerely that we are concerned and would be very concerned if the St. Lawrence Seaway tolls rose unnecessarily higher than the association thinks they should.

MR. EVANS: Well, I thank the minister for his comments, Mr. Speaker. I wonder, as a matter of clarification, if he could advise whether there has been any recent communication with either the Federal Minister of Transport or senior officials in the Ministry of Transport in Ottawa, or with the St. Lawrence Seaway Commission itself, in regard to this matter?

MR. JOHNSTON: Yes, I have had correspondence with the Minister, the Honourable Otto Lang on this subject showing the concerns of Manitoba regarding the tolls on the St. Lawrence Seaway. I haven't as yet had an answer from him on it; it's understandable, but we have had correspondence, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Brandon East with a final supplementary.

MR. EVANS: Thank you, Mr. Speaker. Then I would ask this supplementary question of the minister. Inasmuch as a great portion of Manitoba grain does move eastward and, therefore, is directly affected by cost of transportation through the St. Lawrence Seaway, does the minister have available, or can he advise the House approximately the increased costs that will devolve to Manitobans, in particular, to Manitoba farmers from a particular increase that is now being suggested on the tolls? Can he provide some estimate of the negative impact of the proposed increases in the St. Lawrence Seaway tolls?

MR. JOHNSTON: Yes, Mr. Speaker, the proposed Seaway tolls were announced; the increases were announced for 1978, 50 percent 1979, 25 percent; and 25 percent in 1980. We do have the figures which would show the impact on the Manitoba farmer for the costs. I'd be prepared to provide them for him. I have them, I can't repeat them or recite them at the present time, but I'll see that the member has them.

MR. SPEAKER: The Honourable Minister of Transportation.

MR. ENNS: Thank you, Mr. Speaker. It is the custom in the House to correct mistaken impressions as early as one can and yesterday, in response to the question of the Honourable Member for Burrows, I left the distinct impression, Mr. Speaker, in this Chamber that a radio station in the City of Winnipeg here had carried a report or a rumour of possible difficulties with the operations of the floodway. I wish to take this opportunity, Mr. Speaker, to make it very clear that I've satisfied myself that no such report was aired by any radio station, and inasmuch as one particular radio

station, CJOB, was making enquiries of this matter, I wish to underline doubly that I'm satisfied that the station in question did not air or did not carry that kind of irresponsible rumour.

Mr. Speaker, in fact, the media in this province has been exemplary in their responsibility in reporting the factual data of the situation that we face, unlike, I must add regrettably, the total irresponsibility bordering on the criminal of some of the national news coverage of our situation.

Now, Mr. Speaker, I know that the Honourable Member for St. Johns — who would be the first who would want me also to take this opportunity to correct a second Point of Privilege — he would not want a deliberate falsehood to stay on the record when he suggested yesterday that although he acknowledged that the floodway was indeed operating, but that no members on this side of the House of course had anything to do with it. He knows, Mr. Speaker, and he wouldn't want that to be on the record that the First Minister in particular, as a senior minister of that government that initiated, designed and built that floodway, was around, that indeed the Minister of Finance and with poetic justice that I myself was the Minister responsible for its actual construction and completion in 1966 and 1967, that I find myself in that thankful state that now some years later with a slight interruption that commenced on June 25th, 1969, and fortunately ended on October 24th, 1977, with that slight interruption I now find myself the Minister responsible for Emergency Measures Organization and very thankful that that floodway is working and I do not have the responsibility of Emergency Care in the City of Winnipeg.

Mr. Speaker, I know the Honourable Member for St. Johns being the fair-minded person that he is would want me to make that clarification and I pass to him by page the little description of the floodway which was printed of course under the responsible Minister one Harry Enns at that time, to indicate to him that I was there to cut the opening ribbon and I was very proud to do it.

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

MR. SAUL CHERNIACK: Mr. Speaker, on the point of order as raised by the honourable member, I want to thank him for his poetic interlude to our proceedings this morning and for the light vein in which we are able to conduct ourselves even under the strain under which he finds himself. It shows up on occasion with him and I'm glad that he's been able to overcome it, so that, Mr. Speaker, having given him that opportunity may I address a question to the Attorney-General, who yesterday referred to the intention of the provincial government to intervene in a Supreme Court Action emanating from the Province of Quebec, and which I believe deals with the rights of English speaking Quebec residents to the use of English as a language in Quebec. Could the Minister firstly clarify the principle involved, what the opposing points of view are, and which side the Manitoba government intends to promote?

MR. SPEAKER: The Honourable Attorney-General.

HON. GERALD W. J. MERCIER (Osborne): Mr. Speaker, I of course indicated yesterday that I was awaiting a copy of the judgment which was made in the Court of Appeal yesterday with respect to this matter and an analysis of the decision by Counsel for the Province of Manitoba. When that decision is received, Mr. Speaker, the earliest date that we can apply for Leave to appeal to the Supreme Court is May 22nd. My understanding is that on June 11th, the Supreme Court will hear an Appeal from the Province of Quebec on a similar language issue. Mr. Speaker, I would point out however there is one substantial difference between the case from Quebec and the case that may very well be heard by the Supreme Court from the Province of Manitoba.

The case from Manitoba involves an 1890 Statute that has been on the books of the Legislature for 89 years. In the Province of Quebec they are dealing with a Statute passed in 1976 by the government there. With respect to our Statute the federal government has of course had the power of disallowance since 1890 and it has taken no action on that matter. With respect to the case in Manitoba, the previous government and ourselves have been involved with this matter in the hopes of clarifying the legality of the existing 1890s statute, and it seems to me that this is an important enough issue that should be adjudicated by the Supreme Court, the highest court in our country, Mr. Speaker. So it may very well be that inasmuch as we cannot apply for leave to appeal before May 22nd of this year and the Supreme Court is likely to hear the case from the Province of Quebec on June 11th, unless it is adjourned until the fall in the event that the province of Quebec makes the decision that they would like to see it adjourned and have both cases heard at the same time.

But if the case goes on on June 11th in the Supreme Court, we would more than likely intervene because it is a relatively similar issue, with the exception that we're dealing with an 1890 Statute

from Manitoba and a 1976 Statute from the Province of Quebec.

MR. CHERNIACK: Mr. Speaker, I listened carefully to the Honourable the Attorney-General. I did not hear him indicate which side of the argument Manitoba will be supporting. Is it intended to support the right of the province of Quebec to pass legislation restricting the opportunity for English-speaking Quebecers to be educated in the English language, or is it proposing to support the minority group in Quebec, which is demanding that its rights to the use of the English language shall be confirmed by the courts? Which side? Or if I'm oversimplifying it, could the Honourable the Attorney-General indicate what is the argument which the Manitoba government will take, and which endeavour will it support?

MR. MERCIER: Mr. Speaker, I don't intend to make the legal arguments here today that will be made in the Supreme Court. The province of Manitoba will be seeking clarification of the validity of the existing 1890 Statute, and that is an issue that should be decided by the Supreme Court because of the importance of this issue. I interpret the question of the Member for St. Johns as indicating a sort of political support, and I want to indicate, Mr. Speaker, there should be no suggestion of that. What we're asking for is a legal ruling on the constitutionality and the validity of an 1890 Statute in Manitoba.

MR. CHERNIACK: Mr. Speaker, I'm sorry to point out that I was not speaking about a Supreme Court hearing dealing with the 1890 Manitoba Statute. I am speaking about the province's intention to intervene on the 1976 Quebec Statute, an intervention, as I understand it, on the part of Manitoba, means that an argument will be presented, a point of view will be argued rather than off-hand, standing off at the sidelines and listening to the debate. And I still feel that since it is fairly imminent, that we should know what argument the province of Manitoba proposes to advance in the Supreme Court case on its intervention, on the Quebec Statute of 1976.

MR. MERCIER: Mr. Speaker, I thank the Honourable Member for St. Johns for his interest in this matter. When the documents are prepared and filed in the Supreme Court of Canada, I will be pleased to provide him with a copy.

MR. SPEAKER: The Honourable Member for Springfield.

MR. ROBERT ANDERSON: Mr. Speaker, I have a question for the Minister of Finance. Before I direct the question, I would like to assure the House that due to the efforts of the Minister of Highways and the Minister of Mines, that the difficulty in the R.M. of Richot has been resolved and it's my report that things are well in hand in that area of the flood zone. In view of the flood problem throughout the entire Red River Valley and the rapidly advancing deadline for the filing of Income Tax returns, I was wondering if the Minister of Finance had had any conversations with his Federal counterpart regarding a possible extension of that deadline.

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, there was a request went to the Federal government earlier this week or late last week, asking for an extension of the filing deadline, and I think it was announced publicly by the Federal government yesterday, about the same time I got an answer from them, that they were extending the deadline for all Manitobans to May 15th, and that will be some help, Mr. Speaker. The request to the Federal government by the province was that the deadline be extended to the end of May, May 31st and for the areas affected by the flood. So that the decision by the Federal government revenue department in this matter, although it has gone part way, we would still like to have seen it, primarily concentrated on the flood affected areas and extended for a longer period of time because it's doubtful whether the 15th of May will see those people that are affected back in a position where they will have the time to be thinking about things like Income Tax.

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

MR. CHERNIACK: Mr. Speaker, I guess I would address a question to the Honourable House Leader. In view of the fact that the Attorney-General has refused to indicate the position of the Manitoba government which may be taken in its intervention in the Quebec constitutional case, can he undertake that the Minister's salary will be discussed prior to the date which has been indicated for the filing of argument and intervention by the government in a Quebec constitutional case?

MR. SPEAKER: The Honourable Government House Leader.

HON. WARNER H. JORGENSEN (Morris): I can give my honourable friend no such assurance, Mr. Speaker.

MR. CHERNIACK: Well, Mr. Speaker, could the Honourable Attorney-General undertake to give us the opportunity to discuss Manitoba's position before it is presented in the Supreme Court, or does he insist on keeping it under cover, under wraps from the people of Manitoba until after the argument has been presented?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: No, Mr. Speaker.

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

MR. A. R. (Pete) ADAM: Thank you. I have a question for the First Minister. Now that it has been announced that there will be flood assistance for damage caused by the unfortunate flooding that we're having in the province, I wonder if the First Minister could confirm whether or not stored farm grain will come under the program for flood assistance.

MR. SPEAKER: The Honourable First Minister.

HON. STERLING R. LYON (Charleswood): Mr. Speaker, we're not in a position at this stage to announce the categories of assistance. May I say to my honourable friend, Mr. Speaker, there has never been any question that compensation would be paid. The details of how that will be worked out, the amounts are all things that lie ahead of us. We're much more concerned at the present moment with those matters of evacuation, diking and so on that have to be gotten on with. I would hope that, in the case, however, of the category that he mentions, farm stored grain, it gives me the opportunity to issue this plea once more that farmers in the Red River Valley or in other flood prone areas will take every opportunity today, which is the last day probably for surface transportation in most areas, to move their grain, to move their livestock to higher ground. It's absolutely essential that this be done, and so I thank the honourable member for giving me the opportunity to respond in that way.

MR. SPEAKER: The Honourable Member for Ste. Rose with a supplementary.

MR. ADAM: Mr. Speaker, it's not a supplementary. I have another question to the Minister of Consumer Affairs. I would like to ask the Minister if he could advise if he has received any reports or is he monitoring whether or not any leaded gasoline is being sold at unleaded prices at retail outlets?

MR. SPEAKER: The Honourable Minister of Consumer Affairs.

MR. JORGENSEN: No, Mr. Speaker. I am not aware of that happening. If my honourable friend has any evidence to substantiate that I wish he would provide me with the evidence.

MR. SPEAKER: The Honourable Member for Transcona.

MR. WILSON PARASIUK: Mr. Speaker, my question is directed to the Minister of Finance. Earlier this week he tabled responses to questions that we asked, that the Opposition members asked in the review of his Estimates, and in the response to my question he indicated that there was a revenue shortfall in 1979 to the province of Manitoba from Federal indexing of Income Taxes calculated by the Department of Finance, the provincial Department of Finance, to be something in the order of the staggering sum of \$173 million. Is this for the calendar year 1979, or is this for fiscal year '78-79 with a projection for calendar year '79-80? The answer that you gave me in the tabled response wasn't very clear. Is that for the calendar year 1979, or is that for either of the fiscal years of which 1979 would be part of it?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, I'll have to take that as notice.

MR. PARASIUK: Yes. I have a supplementary to the same Minister. In the departmental review of the Finance Estimates, the Minister also undertook to answer a question of mine and my colleague the Member for St. Vital, indicating what the cumulative impact of Federal indexing since 1974 has been. You gave us the figure for one year. What is the cumulative impact since January 1st, 1979? When you're looking into the previous question would you please look into this one as well? Thank you.

MR. CRAIK: Yes, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. PETER FOX: Thank you, Mr. Speaker. I wish to address my question to the Honourable First Minister in view of the fact that the Minister of Labour is absent the fatality that took place down an elevator shaft, would the Honourable First Minister inquire whether there has been an investigation by the Department of Labour in view of the fact that the Labour Department is licensing these elevators? And my further question is, has there been a history, reported history of malfunctioning in that particular elevator?

MR. SPEAKER: The Honourable Attorney-General.

MR. MERCIER: Mr. Speaker, perhaps I could accept that question as notice on behalf of the Minister of Labour who is attending a funeral, and indicate that in my discussions with him his department is proceeding with an investigation.

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Speaker, my question is to the Minister of Education. In view of the fact that we're presently in the Minister's Estimates, an Order for Return detailing the grants under the private sector Youth Employment Program has not been tabled in the House. Can the Minister give us his assurance that that order will be filed prior to us dealing with his salary?

HON. KEITH A. COSENS: Mr. Speaker, I can give the Leader of the Opposition that assurance. I would hope to have that particular material in the House in the next day or so.

MR. SPEAKER: The Honourable Member for Burrows.

MR. BEN HANUSCHAK: I have a question for the Minister of Education. Could the Minister indicate when the annual report to the public schools finance board will be tabled?

MR. SPEAKER: The Honourable Minister of Education.

MR. COSENS: Soon, Mr. Speaker.

MR. HANUSCHAK: A supplementary, Mr. Speaker. Will the Annual Report of the Public Schools Finance Board be tabled? Could he give us the assurance it will be tabled before we deal with his salary in the estimates of his department?

MR. COSENS: Mr. Speaker, I can give the member that assurance, yes.

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

MR. CHERNIACK: Mr. Speaker, I'd like to address a question to the Honourable the Minister of Finance, who today filed an Order For Return No. 54, dealing with the provincial tax comparison tables. Since I had couched this Order on the basis of constantly updating, could the Minister indicate whether he has instructed his department to supply Members of the Legislature with changes as they are prepared and distributed by the department for other persons and other provinces? The simple thing would be to just tell them: Put the Members of the Legislature on the mailing list. Does the Minister intend to do that?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, my recollection of the discussion was, and certainly my interpretation of the discussion at the time, was that it would be done on a once yearly basis, that this year it was done as a follow-up to An Order For Return that had been filed last year by the member and last year's tables were tabled, it was raised this year and I said we would do it. The tabling of the Order For Return today was really just a formality because it had been accepted last year as an Order For Return and I indicated, or intended to indicate in our discussion when I tabled it to all of the members this year, that we would be prepared to do it. But I didn't intend to indicate that we would do it on a week-by-week or month-by-month basis, but simply that we had no reservations in doing it, and I intended by that to indicate we would do it once a year.

MR. CHERNIACK: Mr. Speaker, I appreciate that answer. I would rather have thought that it could be done just as a matter of course, but if the Minister intends not to do it that way I don't think that's too important.

I therefore would like to ask him a different question, and that is whether all unexpended Schedule B Capital Authority has now lapsed and, if so, in what way has it been done?

MR. CRAIK: Mr. Speaker, this being the first of May, the Schedule B Capital, in the same manner as the current account, will have lapsed. With regard to the formality of the lapsing of it and the changing of the procedure from the past, I am trying to recall the exact mechanism that I indicated to the Members of the House or to the Public Accounts Committee and I don't recall exactly what the formality was. I think there was a question at that time as to whether we required a change in the Act in the House and my answer was "no", but I can't remember the exact mechanism that I referred to as being the mechanism for that lapsing. But it will have lapsed, in the same manner as current expenditures, it now being after the cut-off date in April.

MR. CHERNIACK: Mr. Speaker, inasmuch as I believe that it would not lapse unless there was an action taken by someone, since it is an ongoing authority and would not lapse in any automatic way, may I ask the honourable member to take this question as notice and report back in due course as to the manner in which it has lapsed, if indeed it has, and, more likely, how it will be done if it hasn't lapsed, since my impression is it has to be by Order-in-Council. I would ask the Honourable Minister if he could take it as notice and be able to deal with that fairly soon, especially before we continue debate on Second Reading of The Financial Administration Act, which may have something to do with it.

MR. CRAIK: Yes, Mr. Speaker, and I think that probably the most proper place to bring forth that kind of information is under the discussion of The Financial Administration Act, because with the changes being brought about by that Act it will fall into the same category, by that Act, as the regular current account. But with regard to the former discussion we had on it, there will be reference material there and I can inquire, and I'll have the information.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. FOX: Yes, Mr. Speaker. I wish to address my question to the Honourable House Leader. Can he give an approximation of how many more bills are to be placed before the House at this Session by the government?

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, I presume that my honourable friend is inquiring about those bills that have not, as yet, been introduced for First Reading, and that's a hazardous thing to do, under the best of circumstances, as my honourable friend knows. But my estimate would be approximately 10 or 12.

MR. SPEAKER: The Honourable Member for Brandon East.

MR. EVANS: Mr. Speaker, I would like to address a question to the Minister of Finance. The Minister of Finance, Mr. Speaker, who I know must be, at this time, giving some consideration to a Budget Address, which he will be bringing to this Legislature, and certain taxation and other expenditure items, and ask the Honourable Minister whether he and the government are giving any consideration to some stimulative measures for the provincial economy of Manitoba, in view of the very recent statement issued by Statistics Canada showing of the 10 provinces and territories that Manitoba

ranks lowest of all provinces in Canada in terms of investment expenditure projected for the Year of Our Lord, 1979, namely an expenditure increase of 0.7 percent, which is lower, Mr. Speaker . . .

MR. SPEAKER: Order, order please, order please. Has the honourable member a question? The Honourable Member for Brandon East.

MR. EVANS: Yes, Mr. Speaker, I am in the process of asking a question, Mr. Speaker. In view of the fact that Statistics Canada has indicated that even the Province of Prince Edward Island will have an increase of 4.1 percent in 1979, and Saskatchewan . . .

MR. SPEAKER: Order please, order please. Has the honourable member a question? Proceed with your question.

MR. EVANS: Mr. Speaker, I am in the process of asking the question, if you shall be so kind to give me the opportunity to put the question.

MR. SPEAKER: Order, order please. Will the honourable member proceed with his question. The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. In view of the fact that Statistics Canada has . . .

MR. SPEAKER: Order please. Will the honourable member proceed with his question.

MR. EVANS: Mr. Speaker, if you give me the opportunity I will ask the question. I'd like to put the question in context, because if I don't put it in context it will not give the Minister an opportunity to give me a proper answer. My question is with regard to stimulative measures that may be brought forth by the government of Manitoba, in view of the fact that Manitoba will experience a 0.7 percent increase in . . .

MR. SPEAKER: Order please, order please. I have to rule the honourable member out of order. The Honourable Member for Brandon East.

MR. EVANS: Thank you, Mr. Speaker. Would the Minister of Finance indicate to the House whether he is now prepared to bring in or to give consideration to some stimulative measures so that the Manitoba economy can get back on the rails and get out of this stage of economic stagnation, which we're now experiencing?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Mr. Speaker, I am sure that the Manitoba budget will be very stimulative to the Province of Manitoba. I would also add, Mr. Speaker, that I find that reviewing all the forecasts of all of the bodies that make the forecasts of this country . . .

MR. SPEAKER: Order please. Order please.

MR. SPEAKER: Orders of the day. The Honourable Member for St. Vital.

MR. D. JAMES WALDING: Mr. Speaker, my question is to the Honourable, the First Minister. Can the Minister inform the House whether it is the intention of the government at this Session to bring in a bill dealing with the redistribution of provincial electoral boundaries?

MR. LYON: Mr. Speaker, if the statute requires such action to be taken after consideration by the Executive Council that would be the appropriate thing to do.

MR. WALDING: Mr. Speaker, a supplementary question. Can the First Minister give the House an assurance that there will be new boundaries in effect for the next provincial General Election?

MR. LYON: Yes, Mr. Speaker.

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

MR. CHERNIACK: Thank you, Mr. Speaker. I'd like to direct a question to the Minister of Finance dealing with the recent borrowing in Japan of Asia dollars, Asia-U.S. dollars. Would he indicate what would be the rate in United States dollars in United States on 10-year borrowing as at the time when this borrowing took place in Japan?

MR. SPEAKER: The Honourable Minister of Finance.

MR. CRAIK: Well, Mr. Speaker, one can't tell that exactly but it would be probably slightly higher by perhaps an eighth, an eighth to a quarter.

MR. CHERNIACK: Mr. Speaker, I have a few questions to ask which I think probably the Minister would want to take as notice, so I'll ask them in seriatim and he can decide how to deal with it.

MR. SPEAKER: Order please. Before the member goes too far I should advise him there's only one minute left.

MR. CHERNIACK: Thank you, Mr. Speaker. I can deal with it in that time. I would like to know what would be the rate in Canada, and surely this has been investigated when a borrowing takes place of \$50 odd million, what is the effective rate paid by the Province of Manitoba, taking into account the costs involved? Secondly, what would be the effective costs as an interest rate to Manitoba of that borrowing? What is the effective rate that will be received by the lenders, and what is the impact of the valuation in the exchange rate on a projection of variation up or down of the Canadian dollar vis-a-vis the U.S. dollar? Now I think these are reasonable questions and he may not have the answers so I'd like him to take them as notice.

One other question, he has stated that there's a \$130 million approximately due in Swiss francs to repay \$100 million borrowing. Is it not his intention to attempt to roll over that loan in Swiss francs and thus compensate over a much longer period of time for any fluctuation in exchange rate at a time when the Canadian dollar is comparatively low as compared with the Swiss franc?

MR. SPEAKER: Order please. I would suggest to the Honourable Minister of Finance that those types of questions be answered by an order for return, or in the form of an order for return. The Honourable Minister of Finance.

MR. CRAIK: I wonder in part if I can get some clarification on I think about the second question from the member. When he's asking for an effective interest rate in that question, does that make the assumption that the currency levels remain at their present level?

MR. CHERNIACK: Yes.

MR. CRAIK: Yes.

MINISTERIAL STATEMENTS AND TABLING OF REPORTS (Cont'd.)

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

MR. RANSOM: Mr. Speaker, I request leave of the House to table the April 27th Flood Report put out by the Water Resources Division. This report contains no significant deviations from the predicted situation and it is therefore unnecessary for me to make any further elaboration.

MR. SPEAKER: The Honourable Member for Kildonan.

MR. FOX: We agree, Mr. Speaker, and we thank the Minister for the information.

ORDERS OF THE DAY

MR. SPEAKER: The Honourable Government House Leader. Orders of the Day.

MR. JORGENSON: Mr. Speaker, will you call the adjourned debates on second reading as

on Page 2, starting with Bill No. 2, and following that will you call the adjourned debates on Third Readings of the bills.

ADJOURNED DEBATES ON SECOND READING

MR. SPEAKER: Adjourned debate on Second Reading. Bill No. 2, an Act to amend The Financial Administration Act. (Stand)

Bill No. 18, an Act to amend the Natural Products Marketing Act. (Stand)

Bill No. 20, The Personal Investigations Act. (Stand)

Bill No. 24, an Act to amend the Municipal Act. (Stand)

Bill No. 25, an Act to amend The Human Tissue Act. (Stand)

Bill No. 27, an Act to amend The Liquor Control Act. (Stand)

ADJOURNED DEBATES ON THIRD READING

BILL NO. 5 — THE CRIMINAL INJURIES COMPENSATION ACT AMENDMENT

MR. SPEAKER: Bill No. 5 — the Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Speaker, I'm sorry, I was at the back part of the room when you called this. I do not have any purpose in continuing debate on this, Mr. Speaker, and I'm prepared to let it go to a vote.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 8, an Act to amend The Mental Health Act. The Honourable Member for Kildonan.

MR. FOX: Mr. Speaker, we're prepared to let this go to Third Reading. I thought there were some comments my colleagues wanted to make but they have changed their minds. Thank you.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 11, an Act to amend The Provincial Judges Act. (Stand)
Bill No. 15, an Act to amend The Garnishment Act.

QUESTION put, MOTION carried.

THIRD READING

BILLS NO. 12 and 21 were each read a third time and passed.

MR. SPEAKER: The Honourable Government House Leader.

MR. JORGENSON: Mr. Speaker, I move, seconded by the Minister of Finance that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider the supply to be granted to Her Majesty. We will be considering the Estimates of the Department of Education in the Chamber and the Estimates of the Department of Economic Development in Room 254.

MOTION presented and carried and the House resolved itself into Committees of Supply with the Honourable Member for Radisson in the Chair for the Department of Education and the Honourable Member for Emerson in the Chair for the Department of Economic Development.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — ECONOMIC DEVELOPMENT

MR. CHAIRMAN, Mr. Albert Driedger (Emerson): I call Committee to order. I'd like to refer the Members of the Committee to Page 24 of the Estimates of Economic Development, Resolution 36, 1.(b) — the Honourable Minister.

MR. JOHNSTON: Thank you, Mr. Chairman. The members are aware that the Conference Board of Canada has forecasted slow growth for Manitoba in 1979. As Minister of Economic Development,

I must treat this forecast with concern as to the measures that are required to meet the challenge facing us in 1979, as we all have a responsibility to stimulate the economy.

I'd like to say that in 1978 the intention of the Conference Board or the growth in Capital spending was estimated at 6.3 in Manitoba, plus 6.3, and the actual was plus 8 percent, so we are very pleased about that; we beat the actual intention of the Conference Board's estimates and we feel that in 1979 we will be able to do the same.

1978 did indicate, however, some signs of growth. Climate growth was 2.6 percent in 1978, compared to 0.7 percent in 1977 and 2.2 percent in 1976.

Pulp and paper shipments are setting records. Prices of copper and zinc have begun to rise. Farm cash receipts were pp 25.6 from the 1977 level. Growth was experienced in the retail sales and general merchandise. The recently released investment intention's data confirms the soundness of this important sector. Investments in trade, finance and commercial services is expected to increase by 35 percent over last year, twice the increase for Canada. Trade alone will recover from the 1978 decline. The level will be nearly double last year and up 27 percent from 1977.

In terms of employment, value of shipments and investment, 1978 was a year of recovery for the manufacturing sectors, employment rising from 54,000 in 1977 to 59,000 in 1978. Employment increases continue to run at nearly twice the average for 1978; 7,000 versus 5,000. And the increase in investment for 1979 is 17.4, twice the Canada increase. 17.4 is new equipment in the Province of Manitoba from new investment.

These indicators have given rise to both principles and structures which my department has adopted in order to further these positive signs during 1979.

Firstly, we will continue to support the business in this province, with particular emphasis on small business entrepreneurs. Secondly, we will pursue opportunities in five industry sectors where growth potential is encouraging and where significant growth potential has been identified. Thirdly, we have adopted a structure for the department in order to concentrate our resources to maximize our efforts. The importance of small business and the need for encouraged new entrepreneurship is recognized by my department. We intend assisting approximately 20,000 small enterprises in Manitoba by improving the viability and productivity of existing small enterprise and by increasing the number of small business expansions, formation and modernizations.

With the co-operation of the federal government, we intend to build on our existing diverse manufacturing base; to expand the resource manufacturing and processing capacity; to expand the regional assembly and distribution function of Winnipeg and other urban centres; and to increase the secondary processing of agricultural products and mineral resources.

With the specific advice and co-operation of the private sector, we feel the manufacturing opportunities in industries such as food and beverage, health care industry products, light machinery, transportation equipment, and aerospace electronics products represent a long-term growth potential for Manitoba. My department, as well as other agencies responsible for economic development, have realigned themselves to promote this province's potential in the positive sense.

The Economic Development Sub-committee of Cabinet, chaired by the Premier, will co-ordinate various departmental initiatives so as to maximize long-term benefits. This approach is further supported by a commitment of both Canadian and provincial governments, to avoid duplication of services and confusion in delivery mechanisms through various industrial development agreements.

My own department has consolidated its resources into four areas of service to the business community: the development of business in priority industry sectors; the development of markets for Manitoba products production; the development of programs and technical services required for continued long-term economic development; the development of assistance programs to small business. With this structure we intend accelerating the industrial development process in the food and beverage, health care industry products, light machinery, transportation equipment, aerospace electronics, and other selected sectors; assisting rural communities to identify and develop specific opportunities for the provision of distribution and commercial facilities to service their respective trading areas; stimulating application of new or contemporary technology in industry with particular emphasis on food and beverage industry; the provision of technical advisory service; product evaluation, product development and other closely related functions will be undertaken; fostering the development of small manufacturing businesses in the province; encouraging and insisting in the modernization and expansion or establishment of small enterprise outside of Winnipeg through forgivable loan incentives; and finally assisting local government with industrial site preparation.

We wish to provide service and responsive support to industry and enterprise in this province, and I trust we will all share in this purpose in these challenging times.

I would like, Mr. Chairman, at this time to thank the staff of Economic Development Department for the tremendous co-operation they have given me as Minister since I have taken over the

and I know that they are all eager to work hard for the betterment of the people of the province of Manitoba. Thank you.

MR. CHAIRMAN: The Member for Transcona,

MR. PARASIUK: Mr. Chairperson, we have the Minister assuming a new portfolio, Economic Development. I would hope his performance in this portfolio will be somewhat better and more productive than the performance that he's had in the Ministry of Housing, where housing has come to a virtual standstill in Manitoba. I assume that the economy will not come to a standstill with the Minister taking on this particular responsibility.

We share with him the concern over the low growth forecasts for 1979 for Manitoba. My colleague will be pointing out later the very definite pessimistic tabulations of investment intentions in Manitoba which have been collated by Statistics Canada, and this I think really will give us a tremendous problem if in fact these pessimistic tabulations come true.

Unfortunately we don't really have an economic policy, an economic development policy that has any teeth to it coming out of this government. This perhaps is because their particular ideological bent seems to be to rely on the laissez faire, on the free market and you know that is good if it in fact works. And last year I asked the Minister — the then Minister of Industry and Commerce whether in fact he believed in the free market, whether he believed in free enterprise or private competition or the various types of descriptions of the economy that the Conservatives like to put forward, and he said he did. And he said that the market works in a type of Social Darwinist sense. The strong companies survive and the weak ones don't. And that's the way competition works. It's efficient that way.

So I asked him specifically last year in the Estimates review if it was the intention of the Department of Industry and Commerce to give gifts, to give grants, to give incentives to private enterprise in Manitoba. Last year he said no. And I pointed out and I point out to the Minister today that his colleague, the Minister of Health, when he was a member of the Opposition in 1973, made a speech to the Rotary Club that was quite well publicized and we still have the clippings. And it talked about corporate welfare. It said the DREE incentives are a form of corporate welfare. He said they're not good for free enterprise. They're not good for the free market economy. They buttress the weak and in a sense they impede the strong. Now, given that position, I find it quite astounding that shortly after the Minister, last year, said that they wouldn't be giving incentives to private companies, because they didn't believe in them. They believed in the rugged individualism of the market. The complete strategy of this department and of the government seems to be to rely on a cost-shared program with the federal department of Regional and Economic Expansion, the major feature of which is to give grants, not repayable loans, but grants to companies. And it's really more ironic when this government has spent a lot of its time attacking the deficits of the federal Liberal government.

So on one hand it attacks the deficits of the federal Liberal government. It says that it mismanages the economy. It says that it throws money away. It says that the deficits and this throwing away of money has been hurting the economy, and then it jumps into bed with the federal Liberal government with respect to the program of DREE incentives. You see, the DREE incentives program is one of the programs that has been definitely attacked by the economic community in Canada. Economists have been attacking DREE incentives. These just haven't been left economists, these have been economists of the conference board, economists that have worked for Robert de Cotre who used to be president of the Conference Board, who is now the chief economic critic of the federal Conservative Party. These studies have indicated that these incentives don't really work, that they are a short term buy-off, that they are a short term pay off, that they do very little to establish the strength of the particular industry or company to which they've been given. And studies have shown that when you give these companies a grant they might be there for two or three years until the grant wears off in a sense and then when the grant is gone, they pack up and move to another province or they pack up and move somewhere else. There are a lot of studies of this in the Atlantic provinces. And you see I can understand the Liberal government trying to come up with a program like that, because frankly when the program came out it was attacked as being a vehicle of patronage and Jean Marchand who was the Minister at the time was badly attacked for that, and correctly attacked, because these grants were in fact a vehicle of Liberal patronage nationally.

And so that's why both parties, both opposition parties at the federal level attacked DREE incentives. They didn't work. They undermined the market economy and they cost a lot of money. But you see the thing about that was that the DREE incentives in the past used to be paid out entirely by the federal government. The previous administration said we'd prefer the money to be put into community infrastructure. We'd prefer towns like Steinbach to have a good water supply

and a good sewage system. We'd prefer towns like Portage la Prairie or cities like Portage la Prairie to have a better sewage treatment system so that it could accommodate economic development that might take place in that city.

We said, oh well we still want to run our Incentives Program. And we said, well don't make us less competitive in your payola than other provinces. So if you're going to run the Incentives Program you might as well include Manitoba but we would prefer a community infrastructure program, to make the communities better able to accommodate industrial and economic development. And we'd also like to use some of that money for training the human resources so that they could benefit from the job creation that might take place if an industry moved into a community that had the infrastructure to accommodate it.

So we find it really surprising that the province has taken the drastic step of not letting the federal government continue alone with this Incentive Program but is actually going to cost-share this program that their own people have said is useless at the federal level, and that some of his colleagues have said is useless. They are going to cost-share incentives.

And so what we have is a give-away program, and that's rather unfortunate. It provides for no accountability as to whether in fact that company has done well or not. I can't understand why we're talking about a grant program when we could have had a loan program. We could have had a loan program whereby if the company worked well within the market it would repay the public moneys over a period of time and it would pay its own way. That's the way I thought the market economy worked. But no, we don't have that; we have a system whereby it will be artificially propped up with grants. And the emphasis so far, Mr. Chairperson, has been on the grant program. We have had announcements about grants to companies. I have seen very little in the way of announcements about work undertaken with municipalities to ensure that they indeed have the physical infrastructure: the water system, the sewer system, the streets, possibly the school system, to accommodate a company coming into that community.

And that's been a traditional problem in the past. I came to work in Manitoba as a civil servant from DREE, and I know what the problems of DREE were because I worked there for a little bit of time. I understood how weak it was and how bad that program was, and that's one of the reasons why I left it. But I came to Manitoba to deal with the Town of The Pas. At that time, Churchill Forest Industries had gone into The Pas, had built a plant, but the Town of The Pas became bankrupt; it couldn't accommodate a plant of that size. It didn't have the sewage system to accommodate the growth that was taking place in that community very quickly; it didn't have the water system to accommodate that; it didn't have the street system and yet people had to live somewhere, so that municipality, that town, was bankrupt. It couldn't even get bridge financing from the bank.

And so there was a Manitoba DREE Agreement signed, a special area agreement, which provided infrastructure assistance to The Pas. It provided infrastructure assistance to The Pas, and it enabled The Pas to come out of that brink of bankruptcy, to a degree. Grants weren't needed at that place. What was needed was the infrastructure assistance. And the highlight of the program so far, of the DREE Program that the province is involved in, has been the incentive grants. Those have been the major announcements. I think that's a weakness and I think it's a step backward and I think, frankly, it's a contradiction of what I thought the Conservative Party stood for with respect to the market economy. I didn't think that the Conservatives

I in Manitoba would willingly pick out what people have called sometimes the "British disease" or the "European disease", that is government providing assistance to industries. And I am very surprised that a Conservative Party would embark on that because, frankly, it does not make the companies work better if they are being propped up. A loan system, I think, would be much better and more preferable. It's more difficult from political terms because some of the loans go bad; some industries or some companies in the private sector fail, so that's going to happen. But the way this program works, all of these loans are going to go bad because none of them are repaid; none of them are repaid. That means you can treat every one of them as being a bad loan, every one of them seen as being a bad loan because it's being written off as a grant. That, to me, is not a mechanism or a way of dealing with the economy to make that economy efficient. I don't know if that industry is going to operate more efficiently if it knows it has gotten a gift from the government. I would think that plant would operate much more efficiently if it knew it had a loan, because, frankly, businessmen are saying that their problem is not a lack of gifts. They don't want gifts, any businessmen that I talk to. They say, what we need is access to capital. We need the capital. Give us the capital. If it's a good idea it will work, and if it works we will pay back the money. But the banking system is so conservative they won't provide the venture capital. There is a scarcity of venture capital. That's what they say is the big problem. —(Interjection)— If it doesn't work then

it fails, that's right. Isn't that the way the private sector is supposed to operate, though? You

are the people who are defining the private sector to me. —(Interjection)— Well, then, if you're a smart government would you put out giftst, ? No, you wouldn't. A bank will not put out a gift, but you ask the public to put out the gift. That's the point. That's the thing that's so surprising. And yet the business people are being far-sighted. We will not, as bank managers, give gifts but, as managers of the public treasury, we will give gifts. —(Interjection)— It's not shareholders' money but, as the government, surely that is all the shareholders' money.

So the point is, this is a complete contradiction, and the Member for Minnedosa, I think, is in fact pointing out the contradiction in very graphic terms. —(Interjection)— No, we're not comparing apples and oranges. And this is what I thought the Conservative Party said — we will in fact run the government in a businesslike manner. And we have the Member for Minnedosa, as a bank manager, saying, "The bank would never operate this way." But the public will. So that's a contradiction which I think the Minister has to explain with respect to why this government wants to introduce corporate welfare instead of a program which focuses most of its attention on infrastructure development, on streamlining the economy that we have in Manitoba.

The second emphasis of this government — and it's not necessarily of this department — but the second emphasis of the government seems to be to emphasize low wage industries. Because despite all the talk about agricultural products and mineral resource development and health care product development and aerospace, the major expansion that has taken place in Manitoba over the last year has been in the garment industry. And that's been because of the exchange rate differential; that's been because of quotas that have been established against foreign imports, and that has been because we have got low wages in Manitoba.

Now, that's not necessarily the thrust of this Minister but that's the thrust of the government. So I'm asking how is that going to be turned around? How are we going to get jobs that in fact pay more, because, frankly, a Department of Economic Development should, in my estimation, be interested in increasing the wealth that comes to those people involved in the business. . And that means that those people working to create products should be paid well. And if they're paid well, they'll be more productive.

And it strikes me that that means that rather than really being so concerned about minimum wages, what we really should be concerned about is trying to get more value added to our resources. Is it possible? And I'd like to hear from the Minister what he has to say about the development that will take place in Manitoba which will ensure that we don't have as many raw resources leaving the provinces, but instead that these raw resources are maintained within the province, and that they are refined and processed here in Manitoba, because it's the refining and processing of the raw resources that creates the jobs. It's the refining and processing of the raw resources that creates the better paying jobs. And we in Canada have had a traditional problem of exporting our raw resources, and then importing finished goods and products.

And therefore, we've basically been exporting a lot of jobs to foreign countries when we've done that. I see nothing so far in the Minister's statements, and perhaps we'll find that out as we proceed through the detailed review of the departmental Estimates, to determine whether in fact the Minister is going to tackle the problem in an area, for example, like minerals. Wat are we going to do to ensure that the minerals that are mined out of Manitoba are in fact retained within the province and processed further, and goods developed which will, in fact, add to the wealth of Manitobans.

That's all I have to say at this particular time, Mr. Chairperson. I think my colleague, the Member for Brandon, might have some comments, or perhaps the Minister would like to interject himself at this time.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: I don't know whether the Minister wanted to respond or not, Mr. Chairman, but if he doesn't I'll

MR. CHAIRMAN: The Honourable Minister.

MR. JOHNSTON: Well, Mr. Chairman, I realize that there certainly should be an opening statement from myself and from the critic of Economic Development of the Opposition. I'm quite prepared to listen to anything that the members have to say, but I also would like to say that the program that the honourable member refers to comes under Page 26 at the top of the page, (k), which is the Sub-Agreement with the federal government. And I'd be quite prepared at that time to answer any questions the member may have on that. My only comment on the statement by the Member for Transcona at this time is when he refers to forgivable loans, or that the provincial government is in the business of being DREE is that out of the \$44 million enterprise program which is over

a five year period, there is \$5 million over a five year period out of that program, which is allotted to forgivable loans. And those are all to small enterprise in the rural part of Manitoba. I think that program is defensible and I'm prepared to talk on it when we come to it.

MR. EVANS: Thank you, Mr. Chairman. I would just say at the beginning that my colleague, the Member for Transcona, did refer to your DREE agreement in his opening remarks because the Minister himself made mention of it as a thrust of the department.

I'd say, firstly, Mr. Chairman, that the opening remarks of the Honourable Minister sound very much like the opening remarks that I made for about eight years. I think he's got the same speech writers. —(Interjection)— Well, there are some differences. We didn't have the DREE incentives, when we talk about emphasizing food processing, medical health products, we've heard it before. Hope springs eternal.

And also the organization of the department, this is fine, but this is something that has been done several times over the years, there's nothing wrong with it, I only wish departmental organization would help us fulfill our economic and industrial objectives that I think all of us around the table want to fulfill. I only wish it was a matter of reorganizing a department and having certain things happen.

I am very pessimistic. My friend, Harry Mardon in the Winnipeg Tribune is very good at referring to myself as being overly pessimistic about Manitoba's industrial future. I don't think the word is pessimistic, I think the word is realistic. The fact remains that we have, in Manitoba, some very serious challenges, we have some very serious obstacles, some very serious constraints that we face in attempting to bring about a greater industrialization of the province of Manitoba.

While we were in office we had some years that were very good and we had some years that weren't so good, and if you look at the records — and I emphasize manufacturing in particular because I think, above all else, manufacturing is a major concern of this department. I appreciate there are other concerns of the department, but surely manufacturing development is one of the key thrusts, even though the name of the department has been changed. I wasn't satisfied with the amount of development we've had in the past, but there were some years that were quite good, in particular, 1973 and 1974, we had a very significant increase in manufacturing output in the province of Manitoba.

But we were criticized by the Conservative Party in Manitoba and by the now Premier, that the economy was stagnating, and that the Conservative government, a Conservative government would get the economy moving. And I think the Manitobans that went to the polls in 1977, among other things must have felt, well, okay we'll vote Conservative and we'll get the economy moving. But I regret to observe, Mr. Chairman, that the general tenor, the general thrust of the economic policies of the government, not just this department, in fact it's almost not even this department, but the general economic development approach of the department, in my view, has been restrictive, that there have been a number of moves made that have caused a dampening effect to take place on our provincial economy, rather than a stimulative effect. And I think that there's plenty of evidence to show that our economy is still not doing as well as it could be, there's plenty of evidence to show that we do have serious economic stagnation, particularly in some parts of this province, particularly in some rural parts of this province. And I would even go so far as to say that the city of Winnipeg is not prospering the way it could or should.

So I think the people in Manitoba are expecting some — in fact, a lot of constituents and people that I've spoken to around the province are becoming disenchanted. They thought there would be a lot more jobs created, they thought there would be a lot more economic development, and they're finding that the job opportunities are not there, and they're finding that the economic development is not taking place. There are a lot of signs of stagnation, you can put these in quantitative terms, you can put them in qualitative terms. I suppose I could just say, walk around the city of Winnipeg and look at all the empty buildings, walk down Broadway and look at fantastically well-built buildings, relatively new buildings, empty, great big signs on them. They had been occupied at one point and now they're empty. I believe the IBM building is one in question, although I understand maybe the government will rent that particular building.

But the fact is that there are many, many, too many empty commercial buildings in the city of Winnipeg, and that is a bad sign. It's a sign of commercial stagnation if nothing else. And there's continually reports in the paper of businesses either being closed or head offices being moved out of the province. I'm not going to recite these names; many of us are familiar with them; I have some of them here and we could go over them if you will, but the point is that businesses have closed. The point is that head offices have moved out of the province.

I think one telling sign is the general rate of economic development that has taken place and is forecasted to take place in the province of Manitoba. In 1979, the Conference Board in Canada, which as members know is a privately endowed research institute whose immediate past president

is now a Conservative candidate in Ottawa Centre, I believe, or one of the Ottawa ridings, Robert de Cotre, and I refer to the conference board, not that it's the only organization that we have that does economic forecasts and economic reviews, but it is the one that consistently provides provincial data, provincial breakdown, and this is probably the only research organization outside of StatsCanada and the Federal government that provides consistently ongoing provincial reviews.

I know the banks review the provinces from time to time, but on a consistent and organized basis, to my knowledge, it's the Conference Board in Canada. And their forecast is for Manitoba to have a rate of real domestic product increase, and that's a general indicator, taking the inflation out, the general indicator of our real economic growth, 1.6 percent for the year 1979, which is about the lowest of any province in Canada, and I say, you know, that is a very bad indicator in itself.

The other information, Statistics Canada has now published its report on private and public investment intentions for the year 1979, and again this is unfortunate, because we do want to see growth in Manitoba, but the capital expenditure levels in Manitoba are expected to increase at the lowest rate of any of the Canadian provinces and Canadian territories, so therefore we're including the Yukon and Northwest Territories as well as such places as Prince Edward Island and Newfoundland and so on. Manitoba ranks the lowest. 0.7 percent. I think that is extremely distressing, that our capital investment program, public and private, is going to be the lowest, according to the very latest survey done by Statistics Canada. I compare that with the Maritime provinces such as Newfoundland, which is not known as a centre of great economic prosperity by any means. Newfoundland is expected to have a 29.3 percent increase, and even Prince Edward Island is looking for 4.1 percent, and Saskatchewan, a province which is in many ways very much like Manitoba, is expecting an 8.8 percent increase in total investment spending. Investment spending is important to look at, because it's a very key indicator of the development of any economy. So we have Statistics Canada coming out now with information which would indicate that we are going to have a rate of capital expenditure which is the smallest of all provinces.

Now, the point I want to make about this, according to my reading of this statement, is that we're talking about current dollars. And when we're talking about current dollars, we're talking about figures that have built into them inflation. So if you have an investment of 0.7 percent increase in current dollars, if you translate it into real dollars, that is if you take the inflation out, we probably have negative investment in Manitoba. We have negative investment taking place in the province of Manitoba. We are having disinvestment taking place. There's no positive investment, there's disinvestment. There's a shrinking of the capital stock in the province of Manitoba, as I would read this information. Because if you don't at least keep up with the rate of inflation, and 0.7 percent in no way is keeping up with the rate of inflation —(Interjection)— rate of inflation, well, depends on what indicator you use. It might range 8 percent, 9 percent and it varies, but it's certainly significant enough to indicate that the capital stock in Manitoba if this continues will be shrinking. In other words, we'll have a smaller base of capital equipment and machinery with which to produce goods and services that we wish to manufacture or turn out in whichever way. So when we talk about a 0.7 percent, we're talking about current dollars, not constant, so I repeat, we're talking about negative investment.

Another serious sign — maybe it's an overall telltale sign, and I know there are many factors that influence this figure, and there are many many factors that influence population trends, and sometimes our flow of people outside of Manitoba increases because there are greater opportunities outside and sometimes it decreases because there are fewer opportunities outside of Manitoba. But the information again from Statistics Canada, their population estimates and projection division for the year 1978 showed that Manitoba suffered an absolute decline in its level of population between January 1 of 1978 and January 1 of 1979. We dropped our total level of population from 1,031,000 to 1,029,900. You might say a very small percentage, but at the same time, Mr. Chairman, I don't think we can afford any kind of a percentage decline in the absolute level of population.

Of course the other point is, which contributes to this decline in population because the total population is made up of natural birth rates, birth rates over death rate, which is your so-called natural rate of increase, plus the movement of people in and out of the province, and the fact is the natural rate of increase is a relatively steady figure. It has been diminishing gradually across the western world, but nevertheless it's a relatively stable figure. The inter-provincial migration is much more volatile, and the figures we have on population loss in Manitoba are absolutely astounding. We in 1978 lost approximately 10,500 people through inter-provincial migration. That's a net loss of 10,500 people. A loss which hasn't been experienced of that magnitude since 1966. And the reason for the loss — you can break it down — there's been a drop in the number of people coming into Manitoba, there's been a rise in the number of people leaving Manitoba.

But the sad thing about this loss is not simply the numbers themselves, but it is the actual people

themselves who are involved, because other studies done by Statistics Canada and particularly their census division provide evidence that those people who are leaving provinces tend to have a better than average education, tend to be highly motivated and tend to be in a relatively young age group, namely the age group of 20 to 34 years, and these are very productive people. These are people with a lot of potential, and it's these people that we're losing from Manitoba. I don't like it, and I'm sure the Minister doesn't like it, none of us like it. We don't like to see our population erode. But the reason we have this high outward transfer, high lossage, or leakage of population if you will, is because there are not those economic opportunities for these people who are well trained and who have some level of education and have some motivation within themselves.

You know, so many people seem to think it's the people who can't get work on a chronic basis that are leaving, the people who are perhaps always out of a job, the people who are on the verge of going on welfare and so on. It is not the people who are prone to go on welfare. It's not the people who are prone to always draw unemployment insurance, it's not the people who are prone to not have much education that are leaving. It is the very reverse. It is the very best educated people, it's the mostly highly motivated people and it's the people in a very productive age group, namely 20 to 34 years of age. So you know, these are all signs of, in my view, of very serious economic stagnation in this province, where we see some erosion of the capital stock, some erosion of our economic strength, and I am very pessimistic about what this department can do about it, frankly. I know you have the new program DREE and as my colleague from Transcona says, it's not really a laissez-faire approach, because if you were really taking a pure private enterprise approach, truly laissez-faire approach demands that government leave — what does laissez-faire mean? It means "let alone. Take hands off. Not be involved at all." You know, business should stand or fall on its own merits, and I remember for many many years going around this province, as I have, to dozens and dozens of small towns talking to dozens and dozens of Chamber of Commerce executives and hundreds of businessmen, how often I was told that, you know, really, fine we like some of your service and so on, but we don't want any handouts from government. We don't want them because if we can't stand on our own two feet and make it, you know, there's got to be something wrong.

And on principle, and particularly — I know people around Steinbach — I remember some businessmen out there, no way did they want any government handouts. You know, they want to make it on their own two feet and good for them. So I say that taking this very paternalistic approach isn't really pure laissez-faire, it's not really Adam Smith. My friends, well, they're not down at the end of the table now, but on other evenings and other occasions talked about their great hero, Adam Smith. I'm just saying when you have a DREE program with handouts to business, you're not following the principles of Adam Smith, who said that there should be absolutely no interference, so involvement one way or the other by government. And when he wrote there was a lot of handouts by government. As a matter of fact, when he wrote his "Wealth of Nations", he was objecting to government granted monopolies, monopolies that were given to private companies and other regulations and other government interference to help the private industry. Not to set up Crown corporations, government enterprises, but the government of the day was very much involved in giving monopolies, privileges, rights to different private groups, and he rejected that. He said, "Let's have a laissez-faire approach", and I'm saying that this is really and truly not in keeping with a laissez-faire approach.

I know the Minister can talk about the increase in the number of manufacturing jobs, and indeed there has been. But let's get it clear that the increase in the number of jobs in the manufacturing sector in Manitoba has come about because of three major factors in my opinion. Three major factors, none of which can be attributed to the policies of the government in Manitoba. None of which can be attributed to this department or any other department of the government of Manitoba. And those three factors are: (1) the rise in agricultural prices in North America. The fact is in 1978 and perhaps a bit before there was an upsurge in agricultural prices in North America, all over North America, and this of course affected Manitoba, because we're not an island unto ourselves, and as my farm friends in the Legislature know, as North American price trends go, so do Manitoba agriculture price trends go. And that increase in farm prices did provide a stimulus to the Manitoba economy, which was good. So that's one reason you had some expansion in manufacturing jobs.

A second reason was the tariff or restrictive measures brought in by the Federal government, the measures brought in by the Federal government which in effect provided a substantial degree of protection to the garment business in Manitoba and well elsewhere in Canada; that is the imposition of Federal quotas on clothing items coming into Canada. Provided a real shot in the arm for the clothing business in Manitoba and in Quebec, because I think those are the two centres of clothing manufacturing in Canada. And in fact Jean Cretien, I recall, a couple of months ago, was making a speech in Toronto where he alluded to the beneficial effects, beneficial impact of that Federal

quote system on the clothing industry, on the garment trade. And how there had been in this big expansion that was taking place in Canada and all the jobs that were required because of the Federal quota system, but he also warned them that if they didn't keep the prices competitive that that Federal government who provided the quotas could also take those quotas off or make some change.

And if you look at the want ads in the Winnipeg papers, you'll see that where factory help is wanted I think it's filled with ads. Factory help wanted. But I would suggest, Mr. Chairman, that 99 percent of those ads are for people to operate sewing machines and do other jobs in the garment industry. But I say okay, fine. So there are jobs there, and that's where most of the increase in manufacturing employment has occurred. But it's not because of a policy of any provincial government. It's because of the Federal government's power and Federal government's decision to put a quota on clothing imports, and if that quota comes off or is substantially reduced, you'll see a lot of layoffs take place in the garment industry in Manitoba.

And the third factor, Mr. Chairman, the third major factor which has benefited manufacturing in Manitoba has got to be the devaluation of the Canadian dollar. The devalued Canadian dollar has assisted manufacturing right across Canada. It has stimulated manufacturing in Manitoba, but it has stimulated it right across Canada. Now I don't have the latest figures for the year '78, all I have is the first ten months. But when I looked at the first ten months, I believe, the increase in manufacturing in Manitoba was the second lowest, that's the value of shipments was the second lowest increase of any province in Canada.

And to elaborate and back up my point here, Mr. Chairman, I would refer to an article in the Globe and Mail report on business of last Saturday, April 14th, to, as I said, to support my idea and to support my point that it's not just Len Evans' analysis here, but that there's common agreement that the devaluation has assisted the Canadian manufacturing industry, and the fact is I can quote one prominent manufacturer in Ontario. I could name his name but it's not really necessary but he points out that manufacturing everywhere in Canada is benefiting from the 14 percent discount on the Canadian dollar. And the fact is that the new jobs created in manufacturing occurs because Canadian goods are more competitive in foreign markets because our dollar is cheaper. It's easier to buy Canadian merchandise and of course the reverse happens as well; it's more difficult for foreigners to bring their merchandise into Canada and compete with Canadian industry because when we buy these foreign imports they're much more expensive.

A devaluation of the dollar is like raising your Canadian tariff overnight more or less, or raising it across the board. So I say it's the devaluation of the Canadian dollar that has helped us, so to that extent the devaluation of the Canadian dollar has been beneficial. My colleague and my friend from Virden says not for long and I guess what he is alluding to, Mr. Chairman, is the fact that the Canadian dollar is now shifting upward in value and goodness knows where it will end. It's maybe 87-88 cents. It's gone up quite rapidly in the last couple of months and it may go up and it may show greater strength because it is a relatively free floating foreign exchange market in which the Canadian dollar operates. So, if that happens then of course it's going to remove that competitive edge.

The other point and I'll conclude then, Mr. Chairman, the other point is that this is too recognized by the Conference Board in Canada where it reports in its April 1979 Executive Summary on provincial forecasts, where it recognizes the increase in employment in Manitoba, but it says it is forecasted, well I'll quote it, "But is forecast to level off for the remainder of the year." So, I say that while we've had that stimulus of the Canadian dollar I don't know whether it's going to be with us and whether we can always lean on that. So I say thank goodness for these external factors that have stimulated our manufacturing industry. I repeat the realism of the situation, the reality of the situation is that Manitoba's economy is still sagging and that as a percentage of manufacturing output in Canada and indeed as a percentage of manufacturing output in the prairies we are continuing to become a smaller and smaller proportion, smaller and smaller percentage of the total output. I would dare say and if and it's I had the last couple of year's figures to quote them as well — gone before but it's continuing and that's the point — that we're becoming smaller and smaller in the total spectrum in Canada, smaller and smaller in the prairie spectrum — I don't have the numbers with me — but I would imagine in the prairie region we're becoming smaller and smaller as a manufacturing province. I say therefore that the realism is that we're continuing to have this soft economic situation and it's regrettable for all of us because as I say, we're losing some of our very best people, some of our young people, some of our very talented people.

MR. CHAIRMAN: (e)(1)—pass. The Honourable Minister.

MR. JOHNSTON: Well, Mr. Chairman, I again have said I will be very pleased to go into detail on the enterprise Manitoba program under this section and I'm looking forward to being able to

go into detail because I would like to suggest and without making any inference that the two members that have spoken have not read the program and are not completely aware of the details of it. So, on that basis I look forward to answering many of the questions that were brought up.

I can only say that the honourable member refers to the Conference Board paper which I have in front of me and although real domestic output, let's read it all for Manitoba, although real domestic products in Manitoba are forecast to expand by only 1.6 percent this year, significant output declines are restricted to two industries. Natoon wide a drop in the farm production is anticipated particularly in the livestock sector. The construction industry is forecast to experience weakness in both residential and non-residential fronts and this sector alone cost Manitoba nearly one percentage point of the overall growth. Mining, manufacturing and utilities on the other hand are all expected to turn in excellent years. While the service industries are seen to be repeating their modest 1978 growth performance. Again as the member read, employment has grown very rapidly in Manitoba since mid 1978 but is forecast to level off in the remainder of the year. Nevertheless 5.3 percent unemployment rate is expected for 1979 represents a significant improvement from last year's 6.5 percent average. So, Mr. Chairman, I wish the member had read all of it.

I'd like to say to the member that the private investment in Manitoba 1976 was 1.4; in 1977, 1.5 million, 6.9 percent increase. In 1978 it was \$1.779 million, pardon me, —(Interjection)— \$1 million which was an 18 percent increase in 1978 over 1977, and your forecast by the Conference Board is 5.2 for 1979. So, Mr. Chairman, those figures are significant.

The member chooses to continually use the capital expenditures of 0.17 as he takes this after inflation and everything else but you know, Mr. Chairman, in 1978 the capital expenditures were two million and fifty-eight which was up 8.5 over and it was 4.7, it's up to 8.5, an increase, and there will still be the two million and 73 spent this year as compared to last year in capital expenditures. Now if the honourable member wants to take the 0.7 figure he must be reminded that the expenditure is still there and slightly higher than it was in 1978. So, I don't see where the member has a valid point in saying that Manitoba is not rapidly increasing as far as economic development is concerned.

MR. EVANS: Well, Mr. Chairman, I'm a little concerned about some of those figures the Minister is reading because when I look at the figures, and this is a report produced by Statistics Canada which was released in March and I guess it's been amended in the last week or so, but it shows a drop in — and I don't know whether the Minister was talking about manufacturing investment or total investment — but it shows a drop in the investment in manufacturing in 1978 compared to 1977, although in 1979 there is an expected increase, but those are not the same numbers that the Minister was reading.

Now the point I was making is when you say yes there was still a 0.7 percent increase in total expenditures so that does take place. The point I am making, Mr. Chairman, that's forecast to take place, well let's say it's double that, let's say it's 1.4 percent. It's still way below Prince Edward Island which is 4 percent, that's the next lowest. Certainly it's way below Nova Scotia and Quebec and Ontario and many other provinces as well, much more so. But the point is that that increase in spending isn't in terms of what you can really put in place in buying capital equipment, putting up buildings, it's less than inflation and that's my point, Mr. Chairman, 0.7 percent in current dollars.

MR. JOHNSTON: Let's double it, are you opposed to doubling it?

MR. ENNS: Well, if you double it to 1.4 percent fine.

MR. JOHNSTON: Are you opposed to that?

MR. ENNS: No, I am not opposed to it, but even if you doubled it, it's not positive investment because you can't buy as many pieces of equipment, as much machinery, put up as many buildings in 1979 as you could in 1978 because the dollar just doesn't buy as much. That's my point, Mr. Chairman. The incessant inflation that we have means that unless you're running at a rate close to inflation you're not keeping up in real dollars. You're not keeping up in real equipment, real buildings, that's my point.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Yes, I'd like to ask the Minister at this stage before the lunch break to give him notice that if we could get an updating on some of the charts that were in the annual report, that is the departmental organizational chart for the present organization of the department, if you have

that. And secondly if we could get a staff man year breakdown 1978-79, 1979-80, positions filled, unfilled, number of civil servants, number of term contracts, number of people on consulting contracts?

MR. JOHNSTON: Yes.

MR. PARASIUK: Thank you. I'd like to make a few more remarks not on the sort of year to year changes that take place, because I think that there are probably sets of indicators that sometimes conflict because the business cycle affects different industries in a different way and some lag, some are faster than others in terms of the ups and downs with respect to the business cycle.

I'd like to talk about some of the structural problems that I think Manitoba faces, that I don't think the Minister addressed in his opening statement which I think are with us, have been with us for a long time and will continue to be with us and I think that if we are going to be realistic we should recognize what these are and see if there is any way in which some of the structural problems can in fact be dealt with. I think that Manitoba does have a very difficult row to hoe in economic terms within the country. I think that our functions have been changing and our economic functions have changed constantly I think, since the completion of the Panama Canal. We used to be the gateway to the west. After the Panama Canal there were in a sense two gateways to the west. One in through Vancouver in terms of shipping and we had the Alaska Highway being built through the war which made Edmonton in a sense the gateway to the north. That again changed Winnipeg's role and Manitoba's role substantially. We've had major post-war discoveries of oil in Alberta. Again that caused a further shift in terms of the technology centres west again.

Laterally we've had drastic increases in oil prices. That's led to a tremendous emphasis on some of the, in a sense mining ventures into oil with the Tar Sands and the heavy oil and we used to have a bit of capability there because we were one of the older provinces when it came to mining. But now, Alberta again has developed that type of technology and taken some of our people, a person, Peter Cain who used to be the president of Sherrit Gordon Mines, who spent a lot of time in Manitoba, lived most of his life in Lynn Lake. He's now working for McIntyre Porcupine at Grande Cache because what they are involved in there is a mining enterprise and many of the Alberta people frankly weren't particularly adept at the mining side of oil development if you have it. They concentrated all their efforts on the capital facilities.

They went in there with a big coup. They usually got an international company like Becktall. They went in and as they are doing with Syncrude for example, they spent 3 or 4 years and they built a plant. It takes 2500 people to build a Syncrude Plant. It's going to take 2500 people a year to operate it. Whereas with an oil facility you might require 2500 people to build that plant and they might come back to Manitoba or go back to Saskatchewan. What's happening is that Syncrude requires 2500 people to run that plant on an ongoing basis. Oil companies weren't particularly used to that and they were floundering and I think they've taken some of our Manitoba people in that respect. I think that has hurt us a bit. And as they move to Alberta, they stay there, so they start attracting people around them.

My point is that our economic functions with respect to transportation, with respect to heavy construction, with respect to distribution are changing. And that's because the natural resources, to a large degree, are elsewhere. And those are things that, to a large degree, are beyond our control but, at the same time, the question then remains, well, what should the government do when those things are happening. Is there any way in which it might, in a sense, bend against the wind or try to, rather than just letting the market forces, in a sense, deplete our stock of reserves and human resource reserves that we have in the country.

With respect to manufacturing investment, that has been going more slowly in Manitoba since really the Korean war. I think we probably — and this is relative to the Canadian average — our increases in manufacturing have not been really keeping pace with the increases in the Canadian average.

This is a big challenge that faced the previous administration; I think it's a challenge that faced the Roblin administration and it's one that is a very critical yet difficult challenge for a government to face. How does it face this? Does it, again, just withdraw from it and say, well, we will let the market forces operate as they will? There are transportation advantages to locating in other parts of Canada; there are other comparative advantages. So these things will just happen, but we know that if our manufacturing base erodes then our service sector base will erode, as well.

So the province, then, is faced with this difficult dilemma. What should it do in those circumstances? Should it do anything? If it does something, what are the instruments that it will have at its disposal to try and do something? And I frankly think this was a dilemma that was growing through the fifties and into the sixties.

I can recall, as a University student, interviewing Baldur Kristjanson, who was head of COMEF

at the time. I don't know if you can remember. I think some of the people here might have been involved in that exercise. And the problems that existed then were very much the problems that exist today. And all governments have tried a number of things. Some of them haven't been that successful; some of them have been embarrassments to all administrations. At the same time, the problem still remains. I mean, that's the point. I think we spend a lot of time hammering each other on our CFIs or our Saunders and we magnify these and escalate them but what we lose track of is the fact that that problem that was being talked about by COMEF, I think in 1963, is still here with us today.

So I think we should look very seriously at what are the various instruments that a government has at its disposal to try and deal with that particular problem, if, in fact, it says that that's a problem. I think an activist government will say yes, that's a problem we think we should try and do something to try and deal with it. Now, a government that believes in limited government may say, well, you know, that is a problem but we can't do anything about it, therefore we will roll with the punch. That's another approach and, again, I've not heard whether in fact that's the approach that this government is taking. That's a valid approach to take. It's a different approach; it's a valid approach to take, however, saying, well why take chances, why have the CFIs; you know, why have the Saunders? But at the same time, if your manufacturing base is completely eroded, then it's a long, long climb back to try and establish the human resources that I think are very critical to any type of manufacturing development and spinoffs.

So I'm not sure, and I've never been able to get a clear idea from this government as to whether in fact it feels that the historical slowdown in manufacturing investment in Manitoba, which is a structural problem — it's not anything to do, I think, with a particular policy of a government in power; it has a lot to do with the structure of our economy and the way in which our industries in Canada are organized. Is that something that this government is concerned about and, if so, what are the types of things that it feels it should do to try and combat this, and does it feel it has sufficient instruments to do this?

I will give you one example, I think, to try and make my point. I think when COMEF reported, it said we've got all these timber resources in northern Manitoba. How should they be developed? We think that there is something up there. What should be done? How should they be developed? I think the government at that time, having received that report, was faced with a bit of a problem. How does it turn these timber resources which are theirs — they are public resources — how does it actually cut them down, cut them up into boards or logs, crush them into pulp; how is it going to do all that? And it felt that the government couldn't do anything, to do that; it felt that maybe what it had to do was, again — and I think in line with its philosophy — rely on the public sector to do it.

Now, it felt that there was a resource there that was worth something. The recognized established companies in the timber industry, they didn't move in. Maybe the resource wasn't good enough, but they didn't move in and say, yes, you know, we are entrepreneurs; we will in fact move in; we will develop that; we will pay you royalty on the timber. That wasn't happening so the government had to go a step further. And I don't want to rehash the ad. in the paper calling for people to come and develop it.

But you see if you only in fact follow one course of action and don't have alternative instruments that you might use, in terms of your industrial strategy or economic strategy, then I think you're getting into economic development with one or sometimes both hands tied behind your back. Because I don't know of companies, in a sense, bargaining that way. Because what you're involved in is a constant set of negotiations, I think.

So we called on someone to come in, and someone came in and developed it. Well, it's a few years later and supposedly we have learned something with respect to economic development. We still have a timber resource in northern Manitoba. I have been told in the past by foresters that there is still further potential to that timber resource, especially around Sipiwesk Lake.

Well, the question that this government has to face is, well, if that potential exists and if the market is good — and the market is pretty good right now but, again, that goes in cycles — what will this government do to see that that potential is in fact realized? Because otherwise the trees just sit there, supposedly die, burn, whatever, but they are a wasted or an unused resource at this particular time. I would think that what the government might want to do is take that raw resource, which is just sitting there, and possibly ship it out or, better still, process it as much as possible in Manitoba because it's that processing of that timber resource that creates jobs.

Now, we have a Crown corporation called ManFor. Will that be the instrument that actually undertakes the job of developing the timber resource, or are we saying, well, no, given our particular ideological position, we won't use ManFor as the instrument to do that. What we will do is, again, call on the big companies, MacMillan Bloedel or Abitibi or others, to come in and see whether in fact that's a viable resource.

But the difficulty in dealing with the big companies like MacMillan Bloedel or Abitibi, or some of these large giants, is that in a sense they have become multi-national and they tend to look at those places where they can get the best possible deal. And we've got the epitome of that with this fellow, Ludwig, of New York, who is developing timber in Brazil. And he has had a huge pulp and paper plant constructed in Japan, constructed on sets of barges, and he has towed this thing across the ocean. He has hauled it right into the Amazon. He is sinking his piles and he is going to keep it there, and he will develop that resource for a period of time. I think it's very competitive. It's probably a better deal for him to do it there than in Manitoba right now. In the past people used to say that certain types of capital weren't that mobile; you could move money but you couldn't move the plants. Well, the thing that is really quite incredible about Ludwig's plant is that obviously that's mobile too; he can move that.

So this is a problem that the government, I think, is faced with. What should it do and what type of bargaining position is it in with the big giants, the big multi-national giants, when it talks about trying to develop the timber resource in northern Manitoba? Does it just say, well, you know, we will strike a deal with you and only you, because you're the only game in town, or does the government say, well, you know, we want to see what type of development you might be able to do for us? And we also want to see what type of development ManFor might be able to do, because we're not going to limit our instruments, in terms of realizing that potential of timber.

Now, I don't know if this government is doing that type of work, if it's doing that type of analysis because I can recall that in the 1977 election campaign the present Premier, when he was Leader of the Opposition, had indicated on one of his trips up north that he would like to see the further development of the forestry resource in northern Manitoba. And at that time I recall wondering what range of instruments or how would he go about doing that; how would he go about doing that? I've waited for a year and a half or a year and three-quarters to find out something about that, because that's very important to the economic development of this province — and I will try and get into this a bit later. I think that the strategy of the government, government — frankly, of any government — should be to try and develop those resources where we have some strength and comparative advantage right now.

You know, the provinces, especially the western provinces, are quite wealthy in resources, raw resources, at this particular stage and unfortunately we have just shipped them out in an unprocessed form. So we have timber, we have minerals which are shipped out, by and large, in an unprocessed form. We have agriculture; we have not only the agricultural produce or outputs from agriculture being shipped out in raw form, we tend to import far too much of the inputs of agricultural development. We have implot, which exports a great deal of its fertilizer, yet, at the same time, we import a lot of the fertilizer required for our agricultural production. Should there be some type of balance? Maybe, in fact, Manitoba could do something to substitute some of the imports that we bring in from other provinces, and especially other countries, with respect to agricultural development.

Again, I have heard nothing of that, nothing beyond sort of the general statements, yes, we want agricultural development; we want food and beverage development; you know, we would like to do something about minerals. Well, sure, those are nice things to say but I think you have to go further than that and say, well, what are you going to do? What are the types of things that you propose to do, and what are the various types of instruments, because you need instruments. What are the various types of instruments that you have at your disposal to try and get those things done? Because when we start covering the Estimates of your department in detail, we have to see whether in fact you have got sufficient instruments to actually do your job. Are they enough? Do you have a full enough range of them? Are they sufficiently staffed? Do they have good enough staff? Is your Manitoba Trading Corporation operational; is it doing anything?

When we talk about small business development, you know, I think that's laudable but we seem to be also talking at the same time about increasing our exports. Now, one of the problems with small businesses is that they have a very, very hard time exporting. They don't have the contacts. They can't spend that much time drumming up foreign business. They're of a small size, where the person who is the real entrepreneur in that business has to spend most of his time or her time running that business. They can't be off in other places trying to drum up the demand for those products which that demand may in fact be there, that's why big companies tend to have an advantage in that respect.

So I don't see anything, maybe I've missed it —(Interjection)— (j)? Well, I see that being constant and I don't see any description and I'm glad, maybe we can get into that, in that specific. But when we start asking specifics, Mr. Minister, we will be doing so in terms of determining whether you've got the instruments in place, and whether they're good enough to achieve some of these general things that you talk about. Manufacturing is another point.

I'd like to just point out a few more if I may, in this introductory overview, so that we'll have

a context for discussing some of the specifics when we come to them. You know, the financial and commercial service sector in Manitoba isn't as strong as we'd like. It started off in Montreal and it's moved to Toronto, Winnipeg had some of this, but it really seems to have leap-frogged us now into Calgary. And we have a financial institution like Great-West in Winnipeg, the head office is here, and we look at the Annual Reports and we're impressed at the tremendous increases in sales, and we say, boy, it's really booming, and this must be really good for Winnipeg and this must be good for Manitoba. But if the department has done any homework in this respect at all, I think it would find out that what's happened is that a great deal of Great-West's growth and a great deal of Great-West's own investment in plant and in staff hasn't taken place in Winnipeg, and won't be taking place in Winnipeg, it's taking place in Denver. You know, it's in Denver.

I welcome the Deputy Minister of Industry and Commerce into the public service in Manitoba, but I think the Deputy is quite aware of that shift that can be taking place from Canada to the United States. We've got improvements in technology, transportation and communication technology, so there's this tendency to centralize, to centralize in the country of the largest market. And that will create difficulties for us. And again, I don't know in structural terms how we try and deal with that. Is it possible to deal with it? Is it a problem? Am I just imagining this as being a problem, or is it not really a problem that exists? I think it is a problem that exists. The debate then is, is it a problem that we can do anything about.

And through the course of these Estimates discussions, I think we're going to be asking specifics like that to the Minister. We've got continued attention on small enterprise development, and I think that's a good thing. I think that there is no government that's existed in Manitoba in my memory, that has not really provided for small enterprise development. I think that was one of the big thrusts of the previous administration in the department, and I think if you look at the historical development you'll see that the small enterprise development section of the department grew quite significantly. There was the development of regional field staff who were developing some credibility and some contact with rural businessmen, I think that was a good thing. But I look again from an overview perspective at, I guess it's 2.(i) Small Enterprise Development, and I see a \$200,000 reduction. Now, that may in fact be covered by the DREE program. That may be covered by the DREE program. But again, just from an overview perspective, that is a cause for concern, so obviously we'll be coming back to that.

But I don't see any mention — and I see the Market Development, which again is a general category — but I don't see anything dealing with really the small business development providing those types of supports, not a grant. The grant to a small company won't help it export. The Manitoba Trading Corporation, which is a difficult thing to get off the ground, that may help a small corporation far more than any grant. You know, I've looked, you read the Financial Post, the Financial Times or the financial magazines, and you'll find that Houston is becoming a very big centre in relation to the oil industry. And what it's exporting from Houston is not necessarily goods or products as such, it's exporting services. It's exporting — the most famous one probably out of Texas is the guy, Red Adair, who puts out oil fires, that's a tremendous export. It exports engineers, it exports architects, it exports housing developments, it exports a lot of that technology. It exports the whole drilling technology. It does a lot of that. Calgary is doing a wee bit of that.

Well, the thing that we used to have in Manitoba was an excellent architectural industry and engineering industry. Very good, very sound. And I can recall past instances when the Manitoba Trading Corporation was in fact trying to act as the bridge to put together a consortium, largely of small private companies to export their services to countries that had a lot of money, but didn't have the technology to design and develop buildings or housing complexes or developments. That's happening a bit out of Montreal now and it's happening out of Calgary. But the thing that is so depressing to me about the cutbacks in the public . . .

MR. CHAIRMAN: Order please. Gentlemen, the hour of 12:30 having arrived, I am leaving the Chair to return at 2:30 this afternoon.

SUPPLY — EDUCATION

MR. CHAIRMAN, Mr. Abe Kovnats (Radisson): I would draw the honourable members' attention to Page 31 of the main estimates, Department of Education, Resolution No. 43, Clause 4, Program Development, Item (f) Measurement and Evaluation: (1) Salaries — pass — The Honourable Member for St. Johns.

MR. CHERNIACK: Thank you, Mr. Speaker, I really was not intending to speak. I was just standing at my desk looking at the estimates but that does not make it — you're saying (f)(1) Measurement and Evaluation. I would like to know from the Minister what is currently being measured and evaluated

in his department?

MR. COSENS: Mr. Chairman, the chief direction that we are taking in this particular branch of the department at this time is a test of writing skills throughout the province in grades 3, 6, 9, and 12.

MR. CHERNIACK: Mr. Chairman, the salary item is \$80,000 as compared with \$37,000 for last year I'd like to know if that's an increase in staff or a shifting of responsibilities, how many staff and at what level of academic or experience qualifications are they?

MR. COSENS: Mr. Chairman, this represents an increase in staff of 2.26 SMYs. The increase of course provides for a consultant, CRC to assist the co-ordinator and branch projects and planning analysis and research staff support of PMI and half time term clerical person.

MR. CHERNIACK: Mr. Chairman, I must confess my ignorance of the letters used by the Minister. Could he elaborate?

MR. COSENS: Mr. Chairman, of course I assumed that the Member for St. Johns was familiar with the Civil Service jargon in this regard. CRC is a curriculum, pardon me a PMI is an analyst, a planning analyst and CRC is — I'll have to check that one out myself, I forget the — a consultant is the basic nomination for that.

MR. CHERNIACK: Well, Mr. Chairman, I did assume that the Minister of Education would know what he was talking about but I can understand that one does get into a jargon and one may overlook how it is spelled out. I did ask however what are the qualifications of the present incumbents of these positions?

MR. COSENS: I'm informed, Mr. Chairman, that the co-ordinator is completing his Ph.D. in measurement at this time. As far as the qualifications of the other personnel involved, it would be to get that particular information.

MR. CHERNIACK: Mr. Chairman, while that information is coming, and not that that is quite that important, I would like to refer to my dissatisfaction with the way both this Minister and the Minister of Health dealt with their projected evaluation and measurement of the program which we've discussed at great length, and that is Building The Pieces Together. The reason I say that is that it occurred to me that measuring and evaluating of that program should well come under this department and probably under this section. The reason I mentioned that, Mr. Chairman, and I'm not going to elaborate on it because I have discussed it in the past, is that we were left with the concern expressed by the Minister of Health that children were being adversely affected by that program, Building The Pieces Together. I don't believe it. I stated earlier that I am not an expert such as the Minister ought to be in educational matters but I am concerned that it is left hanging that there may be a form of damage to the children who have this course offered to them and I want to know whether the Minister has looked at that aspect as being a direct responsibility of his, in that the program is in some of the schools. Now, as I say I don't believe it is, but if the Minister — well I don't want to be harsh about this, but it seems to me that that aspect, not the aspect that I've dealt with before as to whether or not it's a good educational tool, which I think it is, but rather the suggestion that it might be damaging in some way. Surely it's something that should have required a very urgent review and the need to satisfy whomever is involved, with the evaluation being that it is not the kind of danger that may have been left in the minds of people other than those who are of the renaissance group, with whom I really don't have any real serious sympathy.

MR. COSENS: Mr. Chairman, we have discussed this topic at some length but I would suggest to the Member for St. Johns that this would not be the particular section that would evaluate that particular program. That would more properly fall under our curriculum Planning Branch where we did discuss this program, or perhaps also the research section would be a proper area to take this under consideration.

MR. CHERNIACK: Mr. Chairman, I sincerely and honestly tried to separate my concerns to indicate that although I'm not happy I've accepted the fact that I'm not in government, the Minister is, and he and his colleague the Minister of Health have determined to deal with the program review in their way with which I disagree. So, I'm not going to debate it again, we have debated it; I've lost

and I expected to lose. That was under curriculum planning or any other way. But I am now speaking specifically and confined to the very narrow allegation that the course, itself, is damaging; that's not whether it's good, bad or indifferent, but that it's damaging to the emotional equilibrium.

Now, that may be a strong phrase, stronger than the Minister of Health used, but he did say that there was concern expressed that this would not be healthy for the children of the younger ages, tender ages to have to make decisions such as are being proposed for them to make in this program; and I don't know where it fits in, but I don't believe that we have discussed that specific aspect. Has the minister satisfied himself that the program being in place, and it is in place, in the school system as he has told us, is not doing that damage which allegations have stated is being done? It seems to be this is about the best place one can ask him that question, unless we have to wait for Salary; but it's such a simple response and I really expect — and I'm saying that both seriously and not in any way in an attempt to derogate from the minister's integrity in this — that I believe he should have looked at that very narrow but important aspect, and made a decision. The decision should have been either pull it out of the program, send caution, say "hey fellows, you school trustees, school Boards, be careful, don't do this", or "it's okay, from that aspect".

Now surely I'm being clear enough and specific enough and confined enough, so that the minister can respond to that without in any way making him make a decision on the larger question, which I know he has not touched yet, or dealt with, and that is whether or not it's a good educational program.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Mr. Chairman, perhaps I can reassure the Member for St. Johns by telling him that we will have, and we are starting into an assessment of this particular program at this time, which we will co-ordinate with the assessment that is being carried out by the Minister of Health. The problem that I would suggest has arisen in this case is this is a course that rests under the jurisdiction of another department of government; having been in government, the Member for St. Johns realizes that different jurisdictions within government have to liaise on different topics and work together on them, and the problem of responsibility areas and so on certainly do not make the ease of getting at these things and getting them done that possible, so that what I am suggesting to him now, I'm assuring him that the Minister of Health has also given him the assurance that an assessment is being carried forward; I give him that assurance, I don't know what further assurance he wants.

MR. CHERNIACK: Mr. Chairman, I've given up now. Now, I said that I did not want to be harsh with the minister; I don't think I was, I think I was enquiring and showing concern.

Now, I have to express not only my disappointment, but my dissatisfaction — the minister used the expression that he hopes he can "satisfy" me — he sure did not satisfy me, Mr. Chairman. I was dealing with the allegation that there is danger involved in this program; that allegation, I think, came from groups outside of the educational system altogether and I think that they have approached parents of children warning them of it. The Minister of Health recognized that there was that danger and stopped the promotion of the program. I understand that.

I have been in government long enough and longer than the honourable minister, long enough to know that when a minister has a responsibility it overrides that of any other department's co-operation or co-operative effort within that responsibility. This minister's responsibility is the Public School System of Manitoba; the education of children at the Elementary and Junior High School level of the Province of Manitoba where this program is being carried out.

I disagree strongly, and I said before I am not qualified, educationally or academically qualified to have my opinion carry a great deal of weight, but this minister should have that kind of qualification. He has not used it; he says we are going to do it, he sloughs off his responsibility — I'm now using these words advisedly because I believe that's what he's done. He said, "it's a matter for the Minister of Health and as between departments one has to recognize other department's programs". This is a program designed by another department used in the schools of his department and I don't think that he has any right to say "well, it's in the hands of the Minister of Health, but I assure you we are going to be dealing with it." I want to know that the danger expressed by the minister, I mean the Minister of Health, not that he said there was a danger, but that he was afraid there was a danger; that that danger is non-existent, and if the minister who has not yet become involved in a study but says he will be, is prepared to leave that danger hanging over the heads of the people like the sword of Damocles, that's his responsibility. But I, as a Member of the Legislature and of this Committee, will not share it with him and that's why I'm saying as strongly as I can that I am disappointed and really dissatisfied and disapprove of

the threat that is hanging over a program from the standpoint of it being dangerous, not valuable, not valid, not worthwhile, which is a matter for debate and which we will eventually hear from from the two ministers.

But this one little aspect that this minister hasn't taken the trouble to satisfy himself that there's no danger, and is not taking the trouble which I think is his responsibility, of reassuring those concerned people. I no longer look for an answer from this minister, because I'm now convinced I won't get one, about what he's doing now. All I will get is projections of the future; I think it's wrong, I'm critical of him for it, that doesn't mean I respect him the less because he's doing his job as best he can; I just don't think it's good enough.

MR. COSENS: Well, once again, Mr. Chairman, I know I'm not going to satisfy the Member for St. Johns; anything short of giving him an instant answer to his concern, it's a concern that I share, and I tell him once again that the Minister of Health and myself are initiating a review that will give us a particular answer and reassure us as to the concerns that are associated with this particular problem. I can't give that to him today; I would hope that it will be forthcoming very soon, and I would suggest, the sooner the better, Mr. Chairman.

MR. CHAIRMAN: (1)—pass; the Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, on measurement evaluation, I realize that it isn't under this Appropriation that we can discuss departmental exams or the reimposition of departmental exams, but nevertheless, I think it's important that we get on the record a few things as far as the minister's intention in measurement and testing.

I have a copy of a letter dated February 12th to School Board Chairpersons, you've even got me saying Chairpersons now, Superintendents of Schools and School Principals and it prompts me to ask the minister first of all if he would be willing to establish a policy which would be rather unique, I think, in that when such information of general distribution is sent out, if he could send us a copy of it. I know the Member for St. Vital was asking for reports and I was asking for a couple of reports, but in general, if things are going out to the school divisions, if we could be included in the distribution of this, I think we could have more responsible dialogues in the Legislature if this was done. I know it hasn't been done by the governments, I think the lawyers sometimes have too much influence on establishing the milieu in which we debate, it's an adversary system.

But nevertheless, I'm kind of pleased in this sense, Mr. Speaker, that from the former staff I have got absolutely no information at all in plain brown envelopes, which means to me that I got across to them that people that send me stuff from inside the department, I wouldn't trust them myself. So I think I got that message across and am therefore put in the position — which may be naive, but nevertheless, I think there are other sources of information which can be legitimately pursued, and I think this is perhaps one approach to it.

But back to the point, Mr. Chairman, in this letter which was generally distributed, the tests will be administered on the morning of May 16, 1979, which is the upcoming month, and I wonder if the Minister could provide us with the information on these tests. I understand he's going to put it in 3, 6, 9 and 12. But some of the information, which doubtless he has on the technical information, such as where the test was developed and by whom, and the norms and whether it's been a norm to Canada, such information I'm sure the Minister would understand, a person would need to properly form an opinion on the testing procedures.

But Mr. Chairman, the idea of testing, in light of the editorial in the Tribune yesterday, I don't know what the Minister's attitude is in testing generally, but from what he has said, I assume that he is as concerned as the rest of the people when we get into this field that we're trying to satisfy one particular need, and that's the need of the public and the parents to know where their youngster stands in the system as far as their own personal growth is concerned, and as far as the growth in comparative terms with others in the population. And that's a real need. But sometimes when we respond to this need, we forget about the proper use of testing — and by what I'm going to say I'm not saying that that need shouldn't be addressed and fulfilled if we possibly can, but nevertheless, that shouldn't be the only goal in testing. Testing should be used, most people would agree, I believe, relative to the child and relative to the teacher, how well the child is doing as far as development is concerned, and from the teacher's standpoint, how well they're doing as a teacher.

Mr. Chairman, in this increase of 2 and a little bit staff man years, what is the Minister's intention as far as expansion of the measurement and evaluation capacity in general terms. Where does he see us being a year hence, Mr. Chairman?

MR. COSENS: Mr. Chairman, the Member for Winnipeg Centre has asked a number of questions and I'm pleased to have the opportunity to reply to these. I appreciate his interest in this particular area. I can tell him that the test will not be normed at this time. He has asked about what the future holds in this direction as far as staff is concerned, I can tell him that the increased operating funds that he sees in this particular Estimate, along with the additional staff, 2.26 SMYs will permit an increase in the number of major test review areas from one to two per year. We're having one this year, the Estimates that he sees before him at this time would provide for two. And it will also provide funds and resources for some follow-up work to provincial surveys and support to school divisions seeking assistance in the area of measurement and evaluation.

Now having said that, Mr. Chairman, I could go into rather more detail in regard to the testing and measurement as I see it for the province. I think the Member for Winnipeg Centre, in fact I would expect all members of this House would agree that if it is the responsibility of the government, of the Department of Education to formulate programs and provide them to the school system, that in turn it has some responsibility to ascertain whether those programs are being effective, whether they are doing the job, whether they are providing the proper material and supports for the teachers in the classrooms of this province. I see that as one of the main goals of a provincial evaluation system, to make sure that what we as government are doing in regard to programs in the schools is being effective and I say to members opposite, without an evaluation system, how can we ascertain that we are being effective in this particular regard.

Well, besides the personnel that we have in this branch, Mr. Chairman, I should inform members opposite that we also have a special committee called the Joint Committee on Evaluation, composed of representatives of the Manitoba Teachers' Society, the Manitoba Association of School Trustees, and the Manitoba Association of School Superintendents; there are representatives on the committee from the faculties of Education, University of Manitoba, Brandon University, and of course we have people from the Program Directorate of the Department of Education. And of course, a major task of this particular committee is working with our measurement and evaluation department to make recommendations on appropriate structures and procedures for what I would call the ongoing monitoring of student achievement in this province.

I can tell the honourable members that in developing these recommendations, that the branch is conducting a major review and assessment of evaluation procedures and techniques used in other provinces and in fact, in other countries, and in addition to this, through the Joint Committee on Evaluation, the branch is providing for the consideration of public, institutional, and organizational concerns in student measurement and evaluations.

I can also assure them, Mr. Chairman, that these concerns will be reflected in the procedures and techniques for student monitoring which are in turn recommended to me. So I would say to the Member for Winnipeg Centre that basically this is our approach to this problem. I would be quite prepared to go into the details concerning the particular provincial test that we are administering this year, in fact administering in some 3 weeks from now, Mr. Chairman, across the province, if that is his desire that I go into those details.

I should also remark on, I suppose, one of his first statements, Mr. Chairman, which doesn't deal specifically with measurement and evaluation, where he has made the request that he be provided with any letters or information that we send out to school divisions, and to people in the educational process in Manitoba. I can assure him that that is something that I will see is carried forward. There is certainly no reason whatsoever that this material should not be placed at his disposal and I must confess, it is an oversight on my part that it has not been done previous to this. It's not our intention to in any way, keep that type of information from him, it's information available to all Manitobans and I would suggest that it certainly should be available to anyone who is acting as an education critic.

MR. BOYCE: I wish to thank the Minister for his assurance that such correspondence will be forthcoming, and I give the Minister the assurance also, if he wants to discuss something on a confidential basis, I would be only too glad to participate with that understanding, because in some areas we are at a crossroads in education and it is somewhat related to this particular item under discussion. The Minister and I had discussed the feasibility or possibility of having some Legislative group to which organizations could relate so we could get in the public forum some of their concerns, but the Session being faced with such emergencies as the flood and things like that, perhaps we won't have an opportunity to discuss that in the Assembly.

I wonder if the Minister could make available to us after the lunch break copies of the tests and the manual which accompanies the tests. Did I understand the Minister to say that the test was not being normed for Manitoba or Canada? The writing test.

MR. COSENS: That is correct, Mr. Chairman.

MR. CHAIAN: (1)—pass — the Honourable Member for Winnipeg Centre.

MR. BOYCE: I didn't bring a copy of it into the House with me, but I trust the staff that the Minister has at his disposal, but it should be noted that when we use tests from outside the country, it has a danger. I really don't know until I see the tests and the manual which accompanies it, just exactly how they will deal with — I'm assuming it's an American test. It's not an American test, I can see three shaking heads so I'm entirely wrong. So perhaps the Minister could tell us where the test originates.

MR. COSENS: Mr. Chairman, I can assure the Member for Winnipeg Centre this is not an American test, the test is being formulated by our branch using the expertise of Manitobans in this regard and also of course, calling on the expertise of a consultant from Alberta who has also worked in this particular area with a similar type of test in that particular province.

MR. BOYCE: On the well-based assumption that the Minister has available to him technically and professionally competent people to devise such tests, I would still like to express the apprehension of some people that tests that are designed on an ad hoc base are somewhat difficult to use. I don't know the number of tests that have been accumulated over the number of years and the intelligence tests that have been used, the various kinds of intelligence tests that have been used, the total number of tests which they relate to. In the college entrance exam system in the United States, I imagine it's in the hundreds of thousands, and they keep adjusting the tests and checking it for bias and everything else over the years. It takes a goodly number of years to devise tests which you can have confidence in its validity and its reliability.

I'm sure that the minister is familiar with the two technical terms, so that perhaps the minister can advise us just exactly what he hopes to accomplish from such testing. Is it something that he hopes to have available within the next year if he's going to have these tests carried out in the next three months, that perhaps he can tell us what kind of internal assessment and manipulation of test data results that he's going to carry out.

MR. COSENS: Mr. Chairman, perhaps I can go into some detail on this particular test and clarify just what is happening in that regard for the honourable member and his colleagues.

As he knows, the decision to assess writing skills in this particular year was based on a number of factors and I'm sure I don't have to outline them all to him, but among the reasons for selecting writing was the fact that those skills were related and are related, to achievement in almost all academic subjects, and of course, this is also an area of which we have little or no provincial data existing at this time. So these were some of the considerations in choosing this particular area.

Let me tell him that the committee that I had mentioned earlier, the joint committee on evaluation has also recommended this as the, what they would feel, the priority area for testing this year and I concur with that particular recommendation quite obviously.

I can tell him that the tests we used in the program have been developed by a Technical Advisory Committee and that committee was made up of 8 English Language Arts teachers from across the province; a representative from the Measurement and Evaluation Branch plus additional consultative support.

The basic purpose of the program is to gather information based on a 10 percent provincial sample — a 10 percent provincial sample in this case, we believe will result in some 5,600 students being tested. The information will reveal the relative strengths, weaknesses of student writing skills at the provincial level, and this information will be used by the department as one source of feedback for program evaluation, development, and improvement.

Testing in four grades will provide schools with information that can be applied to program improvement, developmentally across all levels.

Another aspect of the test is that we are providing copies to schools who wish to test all of their students, who wish to go beyond the random sampling; and for those teachers who elect that particular option of testing all their students, and certainly we are not requiring that, but it's an option that does exist, sufficient copies of the test and scoring manual will be made available. By testing and scoring their own students' work, teachers will be able to carry out an analysis of the writing skills of the classes they teach, as well as having in due course information on the overall provincial analysis.

And let me say, Mr. Chairman, that one of the very rewarding signs or spin-offs if you wish of this particular testing program has been the reaction of the professionals in the field who are supportive to the extent that they not only are quite prepared and enthusiastic about the sample,

but the requests from teachers for additional copies of the test so that they can test their whole class, has been as I would say, very very encouraging and I think indicative of the support for this type of measure among the professional people in the field.

The writing assessment will consist of two parts; the first part will be objective in nature, and designed to test such skills as spelling, grammar and sentence structure. The second part of the test will require a sustained piece of writing appropriate to the grade level being tested, and it is also important to recognize that the test will seek to measure only the key skills at each grade level and will not attempt to assess all aspects of the programs being taught. It's not to be confused with a "content" type of test.

We, of course, acknowledge the complexity of assessing writing skills and we, of course, acknowledge also the importance of teacher involvement in developing the assessment instrument. We certainly recognize that as most important.

Therefore, Mr. Chairman, we have held a series of regional meetings throughout the province in which English Language Art teachers from Grades 3, 6, 9 and 12 named by School Divisions were asked to determine the most important skills to test, how they could best be assessed and the general format the test instruments should take. In other words, what proportion should consist of objective questions, and what proportion should consist of sustained writing exercises; and as a result, Mr. Chairman, it is hoped that the instruments developed will test those skills that teachers find generally to be the most useful and essential.

The tests will be administered at the local school; carefully developed manuals of instruction will be forwarded to each school, I understand that they are now in the mail. In addition, lists of students from each school to be included in the provincial sample will be sent, and have been sent well in advance.

And basically, Mr. Chairman, those are the technical points in regard to the program. When we have finished the program, a complete assessment of the results will be undertaken and, of course, it would not be a worthwhile project at all if those results then were not transmitted to the people who can use them, who can then look at them in relation to the program that we have. It will enable us to assess the effectiveness of the programs that are now in place, I would suggest a more effective assessment than any that we've had in this regard for some time.

So, Mr. Chairman, I hope that in this resume that I've just given of the test, that I have covered some of the information that the Member for Winnipeg Centre may have been concerned about.

MR. CHAIRMAN: The Honourable Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. I listened with great interest to what the minister has been telling us on this particular Section, and I don't quarrel in principle with measurement and evaluation. Colleagues and other people that have been to school through the Manitoba school system have told me about departmental exams and some of the problems that were encountered with them, and indeed I understand that those departmental exams were being phased out even prior to 1969 under the previous government.

We really haven't been given an indication yet as to whether the government intends to reinstitute either those exams or something similar to them. Maybe the minister could tell us, you know, what their intent is in that particular regard.

As far as this writing test is concerned that he mentioned to us, I do have a few more questions on that. Perhaps the minister could tell us whether this 10 percent is a random 10 percent sampling of all the students at that particular grade on a province-wide basis, or is it 10 percent on a divisional basis, or on a school basis?

What will the minister learn from the results that he gets from such a test? Is there an absolute standard where he will be able to say that so many of the students are below a standard, and so many are above or is he seeking to arrive at some standards by means of this particular test, or is it simply for information only and that it will show that there is a certain range of accomplishment by so many children at such and such a grade? These are a few of the questions that occurred to me as I listened to the minister.

I'm struggling to understand the whole matter; I hope the minister will be able to answer some of those questions and hopefully improve my understanding of the matter.

MR. COSENS: Mr. Chairman, let me say first of all that the random sample is on a province-wide basis covering the whole province. What will we learn from the tests? I'm sure we will learn a large number of rather useful things. It will point out, no doubt, it will be able to point out quite obviously the strengths and deficiencies in our current programs and will enable us then to take the proper actions to try to strengthen those areas where deficiencies are indicated. It will be useful to us

in the Department of Education in our Program Planning in that regard; it will be useful to the people in the field as regard their particular practices in the classroom. It will enable them to identify those areas that require more emphasis in the teaching learning process.

These are only some of the very useful details that will emanate from this type of assessment.

MR. WALDING: Thank you, Mr. Chairman. Let me put the question to the minister in this manner. Suppose that his question shows that some of the students are good spellers, and some of them are poor spellers, now that would indicate that those who are poor spellers either need more work done with them to improve their spelling; but where do you find out where the poor spellers are? Are they in a particular school or area? Are they a particular age level because the reading or spelling methods were changed back six years or twelve years from a phonics method to a look-and-see or back again? How will the minister know from his random 10 percent sampling where the problems were caused, and where they can be rectified? Would it not have been better to do it on a much wider sampling, on a school by school basis, or division by division basis, or somewhere where the deficiencies and the strengths can be better identified rather than having a simple — and I don't know how many students are involved; if there's 5,000 they can be put from a number 1 to a number 5,000 in some sort of order or ranking — but what information does that give you, and how can you rectify the deficiencies simply by some sort of a cross section or sample?

I can see that such a random sampling will give the minister an average, perhaps, or a range of skills and abilities, but how will this point out the weaknesses and the strengths and the manner in which those weaknesses can be addressed?

MR. COSENS: Well, Mr. Chairman, let me assure the Member for St. Vital that there's no problem in this type of sample establishing areas where there are deficiencies and areas where there are strengths; these become quite obvious in an analysis of the results. And if, in fact, this test does indicate that — and I will use his example — that students have done poorly on the Spelling Section of the test, I would suggest to him then that would require some action from our Program Development Directorate to try to rectify what is an identified deficiency in our system. And it would then be up to us, working with the school people, to devise strategies to overcome that deficiency, and I don't believe that's an oversimplification at all. It is that obvious that when you establish and when you identify a deficiency from a test such as this, then I think you have some responsibility, in fact a definite responsibility, to respond to that obvious deficiency in the system and do something about it.

MR. CHAIRMAN: The Honourable Member for St. Vital.

MR. WALDING: Then, Mr. Chairman, I'd like to ask the Minister how this deficiency is identified. Is it identified by comparison with some set standards? Is it done by comparison with other provinces, or a Canadian standard, as such, or is the Minister simply saying to me, well, the bottom 50 percent show a deficiency and the top 50 percent are adequate or above some sort of a standard?

MR. COSENS: Mr. Chairman, of course the ideal way to make comparisons, and so on, in this type of program, is over a number of years to build up a data base. Unfortunately, we don't have a previous test in this province to compare our results to at this time, but I would suggest to him also that if we find on the test that 80 percent of the students have difficulty with the items that deal with spelling, that there is an indication there of a problem, an indication of a deficiency, an obvious indication, and that we will respond to it.

MR. WALDING: Can the Minister explain to me — I'm not really too sure how to put this — when he mentions an 80 percent deficiency in spelling, how does he know that that is an absolute level and that that is not the level that you would expect from all children of that particular age? He is testing children at the Grade 3 level, which would make them about nine years old. We would expect nine-year-old children to have difficulty in spelling certain words. Some are quite simple; some are more difficult. But to go to Saskatchewan or B.C., or Prince Edward Island, maybe nine-year-olds there would have the same difficulty in spelling the same sorts of words. That's why I am asking is there a set standard or is the Minister comparing some norm, when he is talking about an 80 percent deficiency? That's what I am getting at and asking him, and that refers back to an earlier question about, are there set standards now?

He says that it would be nice to carry these tests on for several years to gain a data base. I agree with him. That's a very valid way of tackling the problem. And that's why I'm putting the point to him about a pre-determined or some national standard at which these children are to be

measured, or is this simply to be a means of setting some sort of average or norm, or median level for attainment of children.

MR. COSENS: Well, Mr. Chairman, there are several facets to the member's question. Certainly, as we gather data over the years, we can develop norms in this regard. But I would remind him — and to dispel some of his concern in this regard — that these tests, as I mentioned earlier, were formulated by a special committee of eight English language arts teachers from across the province, who have considerable expertise in this area. We have held regional meetings with language arts teachers across the province and have tested the items against what they feel is important. They have looked at the items. They have been carefully screened.

And so his concern that we might be expecting something at a Grade 3 level that would not be appropriate to that level, I would say has been dispelled by the fact that we have had the professionals, who work at that particular level, devise the items that will be used in testing students at the particular grades. And as a result, when we find that perhaps 80 percent of the people might have problems with a certain item, then I think that we can feel reasonably confident that there is reason for concern, because the item was placed there, supposedly, by the professionals, who believe that it is an item that could be handled by students at that particular grade level, whether it be Grade 3, Grade 6, 9 or 12.

MR. WALDING: Mr. Chairman, I'd like to ask the Minister, referring to — I can't remember what it's called, for a minute — the Canadian Test of Basic Skills, whether there is a test within that examination or test that refers to spelling, whether there will be any sort of cross-correlation between this testing he is doing and the Canadian Test of Basic Skills, as it relates to writing and to spelling in these areas; will the Minister have some comparison that he would be able to make of those two tests?

MR. COSENS: At this time, Mr. Chairman, I don't see a cross-referencing in that particular regard.

MR. WALDING: Mr. Chairman, on a slightly different topic. There has been mention made of the departmental exams and the reservations that some people have of them. I would like to ask the Minister his intention in this regard, whether he sees, perhaps in the years to come, a move back to this direction; does he see the reintroduction of some form of province-wide setting of standards, some form of an examination that a student would have to either pass or get a certain score in and, if so, how does he see that exam being set up and how will the testing be implemented?

MR. COSENS: Mr. Chairman, I can tell the Member for St. Vital that I don't see us returning to what he speaks of as departmental examinations as we once knew them. The departmental examinations were content examinations. They examined the content of courses, chiefly. They were geared to the senior high school areas, again, chiefly in the province. They covered all subjects in all senior high school grades. I do not see us returning to that particular format at all, but I do see an increasing emphasis, not only from our department on provincial-wide testing, and I see it in other provinces across this country. There seems to be a rather major move in this direction in most of the other provinces in Canada — whether it be to a system such as we once knew as departmental exams or not, it certainly is a move towards provincial evaluation system that may comprise one, two or three tests on a provincial basis. Whether these tests will be used for promotion, as the old departmental exams were or not, is another matter. In many cases we are seeing tests used that are not being utilized in the way of a promotion instrument but a test used province-wide to evaluate the programs that are being offered.

So when he speaks of a return to the old departmental system, I say I can't envisage us returning to that system, exactly, but I can envisage us moving ahead to more provincial testing, not necessarily for the usage of the system in promoting students, in deciding whether they should move on to the next level or not, but to enable us to continually monitor the achievement of students in the courses that are being provided in the province. And not just at senior high level, Mr. Chairman, but through the grade levels, K to 12.

MR. CHAIRMAN: The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, on this testing, I wish to commend the Minister for following through on this particular aspect. It's regrettable that the press print such editorials as was in the Tribune yesterday, because I have checked around and I find that they have one in the Opposition as

to what their position is relative contacted no to testing. They print their opinion of what they thin was said. But it's regrettable, Mr. Chairman, that this wasn't started some ten years ago because the information that we need today we should have prepared ten years ago, or even eight years ago.

And perhaps this would be the time for me to dust off my speech on the necessity of a human resources research council, which I tried to convince the former government we should have in place, with very little success. Perhaps dig a copy of that out and send it to I'll the Minister. Because I'm sure the Minister would agree that in the field of testing generally a lot is predicated on the assumptions you make in the first instance and then the data that you accumulate is analysed on the basis of the assumptions that you make. I concur fully that if you are going to start, the best place to start is with writing, because if you can't write, you can't think. I will fully support the Minister in this approach. What we're apprehensive about on this side, is what they will do with the results. As the Minister said to himself just now, he doesn't know whether these will be used as a basis of promotion. And I want to thank the Minister for that assurance at this time that they don't know whether this will or not. Doubtless as the time goes by and they have a basis for making a judgment on whether the test results are reliable enough and that they are valid in the sense that they're testing that which they purport to test, doubtless they will be of some utility to ascertain whether a child is ready for the next stage of development, in a developmental sense.

So that, having had the Minister's assurance that he will share the information with us as they progress on this particular test, I give him the assurance that as far as the technical part of the testing procedure and the accumulation of the information and the rest of it, that he will have the co-operation of members on this side. We may have some debate at a future point in time on what is being done with the results, but, Mr. Chairman, when I said earlier, in reference to the teaching profession, that they have, over the last 23 years or so, developed a professional capacity that if we make available to them the tools which exist in the field of measurement and testing, that they will be better able to make the judgments which are their responsibility.

I had used as an example in testing whether a person has learned the concept of A over B is equal to C over D in mathematics, as a simple example. There are many, many diagnostic tests available to find out where people's weaknesses are in the educational system but if you're going to use them properly then you have to be willing to make the commitment to put in place, at the same time, remedial types of courses.

In measurement and testing, we found out that there was a high correlation between people's inability to read and the frequency with which they were in correctional institutions, and I don't know just exactly where the particular program sits at the moment, but Helen Green came out of retirement and put in a program of remedial reading in the Youth Centre, which I was quite hopeful would have some impact. This is not the item under which to discuss that particular program, but nevertheless in the whole field of measurement and testing you have to start somewhere. And I would support the government's intention to test in the way that they have presented the program — as I understand it at the moment, it's across Grades 3, 6, 9 and 12 — and I'd be very interested to see the results of these tests, Mr. Chairman.

MR. CHAIRMAN: (1)—pass; (2)—pass; (f)—pass. (g) Bureau de l'Education Francaise.

A MEMBER: That's my boy.

MR. CHAIRMAN: (1) Salaries—pass. The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. le presidente le temps entendre je pense, that I'd better speak English. But Mr. Chairman, there was a question raised last month about the status of the — well to quote a newspaper article, it says, "However the more contentious question of Federal cuts in formula payments for primary and secondary second language education is still unresolved." So perhaps the Minister could take this opportunity to update us on this formula.

MR. CHAIRMAN: The Honourable Minister,

MR. COSENS: Yes, Mr. Chairman. The Member for Winnipeg Centre is speaking of the particular bilingual agreement between the Federal government and the provinces in regard to Federal funding of French programs. A new agreement was to come forward this year, a five-year agreement. The Federal government decided to change its particular emphasis in this regard from funding at a maintenance level to funding at a developmental level. Now the total sum of money that is involved per by the Federal government is some \$170 million across the provinces of this country. And as the members opposite can well appreciate, the bulk of that money was being paid in the maintenance

area to ongoing programs, to existing programs because there are more of those than there are developmental. It's an obvious fact.

With the change in emphasis by the Federal government to the funding of developmental programs and de-emphasization of the amount of funding available for maintenance programs, there are some rather serious ramifications, Mr. Chairman, with that particular change in emphasis. Because it can mean in the future that we will see a rather drastic reduction in the amount of Federal support that will be forthcoming to the provinces. As a result of this rather drastic change, we have had several meetings with the Federal Minister responsible, meetings through the Council of Ministers of Education of Canada to try to determine a formula that would be acceptable to the provinces, that would in no way threaten the programs that now exist, nor at the same time threaten the development or expansion of French language programs. As a result of those meetings, Mr. Chairman, we have not been able to come to a satisfactory agreement on a five-year program with the Federal government, and what has resulted at this time is a temporary one-year agreement to carry on with the hopes that in the ensuing months of this year we will be able to finalize a five-year agreement.

Now I would suggest, Mr. Chairman, that one of the problems is that it is difficult to negotiate with a Federal government that is involved in an election. And that may explain in part some of the problems that are resulting in this regard. We do have a concern with this cutback in Federal support for programs. It is certainly going to have ramifications for us in the years ahead if that cutback continues and in fact increases. I can say, Mr. Chairman, before I sit down that we do not see a problem in this particular year as far as our programs are concerned. Certainly no serious ramifications, but there has been some slight cutback in this particular year as far as we are concerned and the other provinces also.

MR. CHAIRMAN: The Honourable Member for St. Vital.

MR. WALDING: Yes, Mr. Chairman. I'd like to ask the Minister if this is the section of his department that administers the bilingualism grants to the school boards, that is listed under Other Grants.

MR. CHAIRMAN: The Honourable Minister.

MR. COSENS: Yes, Mr. Chairman.

MR. WALDING: Mr. Chairman, that grant to bilingualism is subdivided into Francaise and French. Can the Minister tell me what the difference is between those two?

MR. COSENS: Mr. Chairman, the Francaise grant covers those programs that are completely French in nature, those school programs where all subjects are taught in French but English as well as the immersion programs that are offered, where again all of the subjects taught are in English. The French program is what we understand as the second language program in schools where English is the chief language of instruction. In other words, where students would study the French language by itself as a second language.

MR. WALDING: I'm not sure that I understand that, Mr. Chairman. Given that there must be far more children who are studying French as a second language, than in the other courses there is an amount of 377 for the second language, French, yet over 2 million in the other one. Can the Minister explain this discrepancy please?

MR. COSENS: I don't know that it's a discrepancy, Mr. Chairman, at all. The amount of moneys that are provided in grants, of course, are based on the amount of time a student spends associated with the French language. So a student in a Francaise program, of course, will be spending shall we say 80-some percent of his time in French, as opposed to the student in the standard school program taking French as a second language, what we call core French, who might spend 12 percent of his time in that particular subject. So we have certainly no discrepancy but we do have an emphasis in one area as far as percentage of time spent in French, and the grants are paid in accordance to the amount of time that the child spends in the French language.

MR. WALDING: One more question, Mr. Chairman. I've noted that among those school divisions that offer this Francaise and immersion courses that there seems to be a tendency to separate the children on the basis of whether they can speak French in Grade 1 or whether they are learning it for the first time under an immersion program. There seems to be a tendency, from what I've

heard people saying, that it seems to be a difference of whether the child comes from a French home or an English home. Is the Minister satisfied that we are not seeing a racial difference in these classes, that the children are being put into one stream or the other, depending on the racial background that they come from?

MR. COSENS: Certainly that, I believe, would be a concern of lay people, Mr. Chairman. A research indicates that educationally that this is the best arrangement, to have those whose mother tongue is French taking the Francaise program, those whose mother tongue is not French but who desire to learn the language through immersion taking a separate program, because certainly the facility with the language and the ability to learn in that particular language varies between those two groups of students, and I think that has been well established by research to this point. Immersion courses are not a new phenomena but I might say in relation to the rest of our educational system or the rest of our language teaching, are a relatively new phenomena. But there has been considerable research evolved in the last eight years or so, that is rather valuable in determining what is the most advisable program and structure to follow in this regard, and I would suggest to the Member for St. Vital that the indications are that the present system of having those two types of students in a different type of course seems to be the best program to follow as far as researches indicate.

MR. WALDING: Mr. Chairman, I didn't like to ask the Minister if this situation is of any concern to him or if it would be his policy at later grades, past the early grades, to seek for a more integration of these two racial groups so that the division does not become institutionalized.

MR. COSENS: Again, Mr. Chairman, this is certainly a concern that I have had and on inquiry and in reading the research pertaining, it becomes obvious that a transition from one to the other does not seem feasible or possible. In other words, I would put the question that probably the Member for St. Vital has in the back of his mind, is there a place, a grade level in the immersion program, let's say Grade 4 or 5 where a student can go over to a Francaise program and perform equally as well as the student who is in that program because his mother tongue was French. The research indicates there is not a point in the process where this is advisable.

MR. CHAIRMAN: (1)—pass. The Honourable Member for Winnipeg Centre.

MR. BOYCE: Mr. Chairman, while we're on this item, it may be interesting if the Minister could keep track of the test results as far as grammar is concerned, of those people who have gone through the immersion system. Because it is my feeling, and I have nothing more than a feeling at the moment, that the one child of five of ours who is bilingual as a result of having gone through the immersion system is better in grammar than the rest of the children because they appear to place more emphasis on grammar in the teaching of French than we do in the teaching of English. That's just a feeling, I have no empirical evidence to support the feeling. But it was interesting to me, Mr. Chairman, that a person that I felt had a rather supportable position on the bilingualism question in our country was given short shrift by everybody, including the Conservatives when they tarred and feathered Jones and ran him out of town, because many of us felt that the way to deal with this problem was to write off all us old crocks and start working with the, you know, new generation coming on into our society. But it is difficult, and I agree with the Minister, to deal with this question when we have an individual running around purporting to be the only person that can save Canada. But I wonder, when we get down to the reality of what we have to deal with, the Minister, can he express at this time his intention as far as taking Jones' recommendation or any others who have suggested that we should start in Grade One, is there any intention to plan a core program from Grade One in French?

MR. COSENS: Certainly there is provision for that now, Mr. Chairman, in our particular curriculum. If the Member for Winnipeg Centre is saying are we prepared to make that mandatory, required, the advice that we get from our Advisory Committees and so on is that that would not be the proper move at this time.

MR. BOYCE: Well, I understand it would be politically difficult, and it takes, you know, effort to have people accept that which is difficult because on the Item we had just passed, Mr. Chairman, doubtless there will be problems and therewith will be criticisms in the testing procedures used by the government. Nevertheless, many of us feel, many of us of the Anglophone community feel that the future generations should be encouraged to become bilingual, and the time to do it is when we're younger. The Chairman here has subjected himself to an immersion course and, you know,

having been through the old traditional way of learning French, where you start in Grade 7, 8, 9, 10, 11, 12, and then you don't get the opportunity to speak it so as a result you forget it. The milieu has changed in this regard, Mr. Chairman, in that you have available in Manitoba a French TV network, you have you know, French Radio Stations and the rest of it, and I know this is an emotional question with a lot of people. I'm not putting forth the position that we should insist that this is part of the structured curriculum that the Minister refers to, but nevertheless I would encourage the Minister, and all of us in the Legislature, to encourage the inclusion of French in Grade One.

If I was in the Minister's position I would find it just as difficult as he would to have this as part of the core subjects at the moment, but nevertheless I think we have to attempt to solve the problem because it isn't going to be the Liberal Party of Canada, or the Conservative Party of Canada, or the New Democratic Party of Canada, which is going to resolve this problem; it's the people of the country. And if we approach it with that attitude, then I think that as the generations proceed this problem will not forever be with the country.

For many people who have had the opportunity to travel — gosh, when I was younger and was in Europe and see people switch back and forth for four or five languages, I felt kind of stupid, but nevertheless I can well understand the basis of apprehension of some people, and I can understand their resistance and a feeling of chagrin somewhat when they go into a store and see the French label, but I think if this is removed from our society by all of us. It's something that we have to address ourselves to and we have to work at it, so when we're talking about the core French program, I wonder, you know, when we start Ukrainian programs, and Cree programs, and all the rest of it on a voluntary basis, whether we shouldn't actually go on a campaign to try and have this accepted by the public because politicians, Mr. Chairman, every one of us knows in this House, you can only do that which the people will accept. And so in some areas I think we have to lay aside political differences and make a concerted effort for the people to get the information where they can see that it is in their own self-interest, and it is in their self-interest on behalf of future generations that we have to make this kind of commitment.

I know the other day when I was listening to my colleague, the Member for Burrows, making his point on the teaching of Ukrainian, I was almost tempted to say, well, what about teaching a course in Gaelic, which I don't understand, Mr. Chairman, but nevertheless when we do say that, you know, there's really a need for more and more people to understand French, then I think it's incumbent upon all members to lay aside our own personal differences. We got into an area here on bias the other day, and the Minister agrees that we're all biased, and I agree with him that we're all biased and we have to check our own biases in this regard. So that I would encourage the Minister, while not suggesting that it should be made mandatory or part of the core subjects or part of the structured curriculum, whichever term one wished to use, I would encourage the Minister to see if he can't allocate under the present economic conditions, some means of drawing to the public's attention the need in a self-interest way, to all the citizens of Manitoba, that it is in our self-interest to proceed as rapidly as possible to make available to everyone the opportunity to learn French.

MR. COSENS: Mr. Chairman, I appreciate the remarks of the Member for Winnipeg Centre. Let me say just on that particular topic that he has touched on that we do have very close to 50 percent of our school population in Manitoba who are taking French, some type of French program at this time, which I think is rather interesting and rather encouraging.

I can give you the breakdown, Mr. Chairman. There are roughly 82,000 students, English-speaking students, who are taking some type of French program in this province. Two thousand, four hundred of them are registered in partial or total immersion programs. The balance of that 82,000 are taking what we term as Core French, French as a second language in some 46 out of 48 School Divisions. The second group of students who are taking French courses are a smaller group, some 8,500 students, and these are the students whose mother tongue is French and who are studying in the French language, giving us very close to 50 percent, Mr. Chairman, of our total school population that is at the present time studying some type of French program.

MR. BOYCE: Mr. Chairman, I guess I had in mind the situation at Turtle Mountain that was reported in the Press here earlier where, because of restraint or something like that — all I know is what I read in the newspapers, so I'm not putting that on the record with any evidence other than it was in the paper — but it is a need in that area also that we have to encourage people, you know, to continue the effort. But I wonder, Mr. Chairman, just as a suggestion to the Minister if he could look at a program to see what would be involved in the ensuing year, and if we couldn't under the auspices of the department set up a program of exchange students, where students from Anglophone homes could perhaps be billeted with parents — in Manitoba I understand there are

many exchange programs across the country, but nevertheless on a more formalized basis whether some program couldn't be put in place.

I know that with our own we did have this opportunity, and it was of benefit, so I wonder if the Minister could look at that particular suggestion.

MR. COSENS: Mr. Chairman, of course I share the feeling of the Member for Winnipeg Centre that exchange programs are useful for several reasons. Certainly they promote an understanding of someone else's culture, of the different cultures that we have in this country, and of course an appreciation along with that of the language of the people of different regions of this country. I can tell him that there are exchange programs ongoing, that this is certainly not an area that we would want to abandon, but are quite supportive of in that regard, and I would expect that they will be continuing and where possible, we will expand that type of exchange program because it is highly useful.

I would also tell him that we do have summer courses for English-speaking students where they can attend universities of this province and take immersion courses in French. We had one under way last summer that certainly was most successful, most popular, and I can tell him that on a voluntary basis there are many English-speaking people who are encouraging their children to learn the other language of this country.

MR. CHAIRMAN: The Honourable Member for Burrows.

MR. HANUSCHAK: Yes, Mr. Chairman. Who is the Assistant Deputy Minister in charge of the French program in Manitoba?

MR. COSENS: Mr. Raymond Hebert.

MR. HANUSCHAK: Would the Minister confirm that Mr. Hebert plans to leave the department some time in the near future?

MR. COSENS: Yes, Mr. Chairman, with some regret I can confirm that particular position.

MR. HANUSCHAK: Is it the Minister's intention to appoint another Assistant Deputy Minister to head up this program?

MR. COSENS: Yes, Mr. Chairman.

MR. HANUSCHAK: I'm glad to hear the Minister indicate that that position will not be abolished; namely, of Assistant Deputy Minister in charge of the program, but that in fact it will be continued. I think it would be most regrettable if, in the process of reorganization, some lesser status were assigned to this program than what it deserves because, being one of the official languages of the country, I think that is a status that it deserves.

I must concur with the Minister of Education in expressing his regret that Mr. Raymond Hebert will be shortly leaving the department, and I think that it should appear in the record that during Mr. Hebert's service in government in this capacity that he did make an outstanding contribution.

Mr. Hebert came to the department a few years ago following Mr. Olivier Tremblay, who was seconded from the Quebec Ministry of Education to assist us in doing the preliminary planning work to get the program on track, and after having designed the framework, a structure, a plan for it as it were, then Mr. Hebert was appointed Assistant Deputy Minister to head up the continued development and growth of it, and I think that the people of Manitoba ought to be grateful to Mr. Hebert for his contribution in this area. It's an education area which we pioneered . . .

MR. CHAIRMAN: The hour being 12:30, I am now leaving the Chair. Committee of Supply will resume at 2:30 this afternoon.