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DEBATES
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LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, May 1, 1979

Time: 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY SUPPLY — ECONOMIC DEVELOPMENT

MR. CHAIRMAN, Mr. Morris McGregor (Virden): Call the committee to order. We're dealing with Page 24; 2.(b)(1)—pass — the Member for Brandon East.

MR. EVANS: Now that we're on the very important topic of transportation, I have a number of areas that I would like to explore with the Minister and his staff, and find out precisely what the position of the government is on a number of matters; and also to ask some questions as to recent developments. Because I think it goes without saying that transportation continues to be a very vital factor in the economic development of the Province of Manitoba, transportation as it affects our agriculture industry, but also transportation as it affects the tourist trade, as it affects the development of manufacturing, among others.

I'd like to begin by discussing the issue that's very uppermost in the minds of many farmers, and that is the whole question of the Crow's Nest Pass Rate Agreement, which goes back in our history into the 19th Century, nevertheless has played a critical role in maintaining relatively cheap rail transport costs for Manitoba farmers and western Canadian farmers.

As we know, I think, as we should know in this room, the railways have been rather unhappy with the Crow's Nest Pass Rate situation for . . . in order to save time, let's just refer to it as the Crow Rate — I think that's the common terminology; that the railways are unhappy with the Crow Rate, they maintain that they're not receiving adequate revenues from the Crow Rate in order to maintain their infrastructure, in order to maintain the kind of service that is required to get Manitoba, Saskatchewan and Alberta grain products to international markets.

So therefore, generally speaking, the railways are in favour of abolishing the Crow Rate, of getting rid of it, or somehow or other changing the situation so that, as they would explain, that there be less of a subsidy involved. Now traditionally, the provinces of Manitoba, Saskatchewan and Alberta — and by traditionally, I mean for decades — have opposed the railways, have opposed any move by the railways and the federal government to, in any way, undermine the Crow Rate. And this fight that has been fought over the many decades is going on. In fact, we may be on the verge of some very serious changes in the Crow Rate. I know there is some moving of position on the part of the Alberta government, and there may be on the part of the Manitoba government, I'm not sure. And this is something that I'd like to explore.

Just where does the Province of Manitoba stand with regard to the Crow's Nest Pass Rate Agreement, as that agreement affects the cost of transporting prairie grains, Manitoba grain products to market, because we know or we should understand in this room, that if those rates are increased, if the Crow rate goes out, if the railway rates are increased, it comes out of the pockets of the farmers of Manitoba. It's we in Manitoba that's going to pay the shot. What's going to happen in effect, is we're going to have a real transfer of cost from the shoulders of the railways — if you like — or the federal government — I should perhaps say, and the federal government to the shoulders of the prairie farmers, to the shoulders of the prairie governments, to the shoulders of the prairie municipal authorities. So that generally speaking, there is something very basic here when we talk about the Crow rate.

So I would like the Minister to advise the committee as to just where we stand with regard to the Crow rate. Is the Manitoba government, is this administration in favour of the maintenance of the Crow rate as it now stands? That's question No. 1. Question No. 2: is there any consideration of a different position at some future time; and question No. 3: how does that relate to the positions that are taken by Saskatchewan and Alberta? And I ask that third question because I know the Minister does meet with the other Transport Ministers in the west and this matter is one of the primary topics for consideration.

MR. CHAIRMAN: The Honourable Minister.

MR. JOHNSTON: Well, Mr. Chairman, as the honourable members know, the Premier has been at meetings re this very topic of moving grain or agricultural products in the Prairie Provinces. The position of the provincial government is very clear, and I quote the opening statement of the Premier: "This is the Manitoba position, the benefits of the statutory grain rates must continue to accrue to the western farmer unless it can determine that a superior system will result."

Now, the problem is that naturally, the railways are complaining that they are not making enough money, and the federal government is looking at studies or ways that these rates can be looked at so that all parties are happy, but that Manitoba's position has been and will continue to be that the grain rates that are presently in western Canada must continue until there is something better to be put in its place. Now we also say that grain handling and transportation system is being hampered by inadequate rail revenue. Consequently railways require additional revenue for transporting grain. This may mean a change in the means of subsidizing the movement of grain. So the position of Manitoba has been made very clear by the Premier. We as a province, or the Premier of the province, has brought it together as everybody knows. He's brought the people from the loading in B.C., from the grain companies, from the railway companies and from the governments of the three prairie provinces together to discuss this particular problem, only on the basis that the problem of moving grain is there and it's going to get greater, and unless we can get a meeting of the minds on this situation that is satisfactory to all, we will continue to be in a very bad position, and that is that we will not, in the 1980s, be able to move the amount of grain to the ports or markets as it should be moved.

So the provinces are really a leader in trying to solve the problems that are facing the farmer, the grain companies, the railways, and also the people that are loading grain at the ports. We haven't at any time said that we want to see the rates go, unless something better can replace it.

MR. CHAIRMAN: The Member for Brandon East.

MR. EVANS: Well, I guess the Minister, Mr. Chairman, alludes to a dilemma I guess that's facing us, and that is on the one hand we know that if the Crow rate is in any way altered, it's going to be altered to the immediate detriment of the farmer. In other words we believe, as I understand Saskatchewan and Alberta also believe that if the Crow rate is changed it will mean that the cost of transporting grain to market will rise, therefore money will come out of the pockets of our farmers. So therefore there'll be less money, less income available to us in Manitoba or in Saskatchewan or Alberta. On the other hand it's recognized that the railways are not receiving what they consider to be adequate revenue to maintain this entire system. Whether it be branch lines, whether it be rolling stock, whatever it be, to take the grain from the prairie basin, from the grainaries of the prairies to the Canadian seaboards, to world markets.

So there is the dilemma, and I suppose an argument could be made that Manitoba should not insist on maintaining the Crow rate, that we should recognize that the railways have increasing costs and that the rates should be allowed to be raised in some fashion so that additional revenues could accrue to the railways and that they in turn would have a greater incentive to put the equipment in, to upgrade the branch lines, etc. in order to ship out our grain and therefore to have a better grain handling system.

So I say that there is a legitimate dilemma. But I would gather, while the Minister alluded to it, I would gather though that the position of the government of Manitoba today is that the Crow rate is inviolate; in other words no way, shape or form is the Manitoba government going to agree with any change whatsoever in the Crow's Nest Pass Rate Agreement.

MR. JOHNSTON: Well, that's our position, as I mentioned in No. 1, and as I follow down to No. 2, this may mean a change in the means of subsidizing the movement of grain and our position is that until all parties are satisfied with their lot as far as the grain handling is concerned, we'll have a problem and maybe solve it in one area, and we'd have it crop up in the other.

We've made an attempt to try and bring all parties together in order to solve this problem. The province has maintained our position, that the statutory grain rates must continue to be there, unless it can be determined that there is a superior system will result. In Saskatchewan, the Minister has presented the proposal that if the federal government would pay the difference between the Crow rate and the Snavely rate suggested in the Snavely Report, that he in turn would pay the difference — on grain, that is — he in turn would pay the difference on other farm products in Saskatchewan. That has been brought forward.

We have a situation where Alberta has subsidized oil for shipment on the basis that they would pay 90 percent of the rental costs of tank cars, which would be costly. The Saskatchewan Program would cost the Province of Manitoba approximately \$2.5 million, and the Alberta move, with rapeseed

oil alone, would cost us about \$160,000, and that's just the beginning. Alberta has already had requests from other agricultural groups to ask for the same type of subsidy. So if it starts there, it could go on peas, or many other products.

We in Manitoba say that there must be a continuation of the present situation until a better situation can be found, or until a better system can be found. I don't think it's going to be found overnight, but I do think that the moves that Manitoba has made in trying to get everybody together to solve the problem is a step in the right direction.

MR. EVANS: The Minister referred to a figure of \$2.5 million as a cost to Manitoba, I believe he said as a subsidy in the movement of grain. If I'm correct I think he said \$2.5 million. Could he indicate how that comes about, and what do we get for that \$2.5 million? What happens if Manitoba — I'm not advocating that Manitoba should spend that money — but the Minister said that that was a cost, that was a number he mentioned. What do we get for that \$2.5 million?

MR. JOHNSTON: Well, the \$2.5 million is the figure that it would cost Manitoba if we went to the proposal of Saskatchewan, and Saskatchewan has proposed that the federal government pay the difference between the Crow rate and the rates published in the Snavely Report. Now, that would be paid by the federal government. If the federal government does that, the Saskatchewan government says that on rapeseed, alfalfa, peas, lentils, etc., they would do the same thing. They would subsidize the movement of those particular products in Saskatchewan.

Under those conditions, or under that system, that would cost the Province of Manitoba approximately \$2.5 million. If we were to immediately do what Alberta has done, which is to subsidize the movement of rapeseed oil by giving a subsidy to only 90 percent of the rental cost of tank cars, that would immediately cost us \$160,000, so the proposals or the movements of the Saskatchewan government would be costly to us and the proposal of — or not actually a proposal — the decision of the Alberta government to do what they've done would cost us money also and certainly I don't think it's the end in Alberta, I think that they will have to subsidize other products as well.

So we in Manitoba don't want to see a situation where everybody is going their own way. We would rather see a situation where we could have a meeting of the minds to solve the problem that would be beneficial to all and until that's done, until that particular situation comes about, we maintain that the present rates of subsidy should be maintained.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: The question then, Mr. Chairman, the present rate of subsidy should be maintained. You mean the Crow rate should be maintained as it is. Is that what the Minister means?

MR. JOHNSTON: The Crow rate should be the present rate of subsidy, or Crow rate should be maintained until there is a better way of doing it that is satisfactory to all parties in the movement of grain in western Canada.

MR. EVANS: Well, I would think implicit in the Minister's statement in referring to the Crow rate as a subsidized rate, implicit in there is the thought or the conclusion that the Crow rate does not provide adequate compensation to the railways to cover the costs of moving grain from the prairies to ports. Is the Minister saying that the government of Manitoba accepts the cost estimates of the Snavely Commission? Do you accept the Snavely Commission which was set up among other things to cost the actual expenditure involved in moving grain? Because there is a big argument, there is a lot of area for argument as to what is the cost facing the railways. It's a whole question of depreciation rates, depreciation methods, and it's a very very complicated thing, and the federal government set up this Snavely Commission to do this costing. And the Snavely Commission, I believe, concluded that the railways weren't being compensated for the movement of grain. I am asking the Minister, does he accept the Snavely Commission's conclusions and is he therefore saying that the Manitoba government recognizes or agrees with the federal government, with the railways, with the Snavely Commission, that the Crow rate is not compensating the railways adequately?

MR. JOHNSTON: Well, the Province of Manitoba and the Province of Saskatchewan agree that the Snavely rates are fair rates for moving grain, and I believe that it's obvious why the Saskatchewan government came up with its proposal to the federal government to try and see that the railways were properly compensated for the movement of grain. The railways lost \$240 million last year.

Now, under those circumstances, a person losing that kind of money is not happy with the

and are trying to find ways that they can make a profit and we say that we would be agreeable to them making a profit or at least breaking even, but only if a system can be devised that will not change the lot of the farmer in Manitoba.

MR. EVANS: The Minister refers to a loss of \$240 million by the railways. I imagine that's a per annum loss and I imagine it refers to the entire prairies, or does it refer to Manitoba only?

MR. JOHNSTON: It's a per annum loss.

MR. EVANS: For Manitoba or the prairies?

MR. JOHNSTON: No, that's for all the prairies.

MR. EVANS: Thank you, Mr. Chairman. Well, it seems then in what the Minister is saying, and I'm not quarrelling with the numbers or anything like that, it seems though that there is now a recognition by the Province of Manitoba that the Crow rate is putting the railways at a disadvantage. I know the Minister has told us that until a better system is devised, Manitoba is sticking with the Crow rate. But it seems to me from his remarks that a better system, whatever that is — or a new system, or another system — I don't know what other system there can be that is not going to cost the farmers of Manitoba more money. If the minister has some ideas along these lines, I think the members of the committee would like to hear these suggestions, these items, but it seems to me that the way the railways would look on the matter and the way the Federal Government would look on the matter, is that it's high time, they say, that the Manitoba farmers and the prairie farmers pay more for the shipment of grain and this means, as I've said earlier, a deduction of income from prairie farmers.

Now maybe when the minister says another system be devised, or a new system, or a better system be devised that can replace the Crow rate, maybe he's got something else in mind, but either you're going to be subsidized if you agree that subsidization is involved — and you know, this is a revelation because at one point the Prairie Provinces argued that there was no subsidy involved — they argued that the railways were doing very nicely with the Crow rate, that they had other advantages, they had other subsidies that they could get by with.

For instance, I remember Chief Justice Emmett Hall saying to us that the railways were heavily subsidized for branch line maintenance and they weren't using those moneys for the branch lines, they were using them to build towers in Toronto or goodness knows what they were doing with it, but they weren't necessarily using it for the branch lines and yet they were being subsidized to the tune of millions of dollars for this. And of course, there's the old old story of all the land rites, all the mineral rites included given to the Canadian Pacific Railway, and all the other advantages and other benefits and my God, this has been the banner cry of farm movements long before any of us were alive around this table.

Years back the farmers in Manitoba, Saskatchewan and Alberta were very concerned about the monopolistic position of the railways and how they were treating the farmers of the prairies unfairly. So traditionally we have not accepted the premise of the Federal Government in the railways, that the Crow rate did not cover the cost when we also considered the other advantages that the railways have and the other subsidies that they get.

If the Prairie Provinces and if Manitoba is now prepared to accept the Crow rate as being a rate which doesn't cover the cost of grain movement, then you have to look to another system as the minister himself said. The question then is if there's another system being thought of, does this system mean money out of the pockets of the taxpayers in Manitoba, money out of the farmers pockets of Manitoba, or does it mean a different kind of Federal Government subsidy?

MR. JOHNSTON: Well, I'd like to make it clear because the honourable member tries to infer that the Province of Manitoba is looking towards the farmer having to pay more money in the province, and I want to make it clear at the present time that that is not our position.

The current level of benefits must be maintained; that is our position. There are many ways that you can do it. You could have a straight subsidy to the farmers as the province of Saskatchewan has done; they've said that if the Federal government will pay the difference between the Crow and the Snavely on grain that they would in turn, as a provincial government, pay a subsidy to the railroads to move other types of products. So the Saskatchewan government has come up with something, at the present time the province of Alberta has come up with something and both would be very costly to the province of Manitoba.

We have put together a study, the University of Manitoba study, the study is being funded by the Department of Agriculture at the cost of \$30,000.00. A consultant to the study is the Department

of Agricultural Economics, University of Manitoba. Dr. Ed Tyrchniewicz and Mr. Chuck Framingham comprise the principal study team. The study is being conducted in two phases, (a) a historical summary and a review of current issues, June 1 completion. We're asking for that completion. (b) an analytic analysis of changes in rail line network, using mathematical model, agricultural production patterns under the various rail rates scenarios, determined by a linear programming model. And the impact on communities utilizing regional input-output tables, requested by September 30th.

No, I'm not in a position to tell you that we have the answers or what we believe the answer should be. But we are working on it, and we have seen what other provinces have recommended. We have seen what one province is doing, which we believe is not the way to go. We believe that we should possibly be able to find a solution with the Federal government and with all the parties involved to maintain the present level of benefits to the farmer in Manitoba.

MR. EVANS: Yes, I thank the Minister for his statement and I'm interested in hearing about this particular transportation economics study, which is fine. Will the government of Manitoba, because I'm sure it is not a new question, inasmuch as the Minister has told us that Alberta has already or is about to buy railway cars and that Saskatchewan —(Interjection)— They are now buying. Okay. Well that's fine, so that Alberta is now spending money to buy railway cars. Saskatchewan has made an offer, a subsidization offer to the Federal government that the Minister has described to us. Will the government of Manitoba be prepared to put cash on the table at some point in some way so that the farmers of Manitoba are not going to be hurt?

MR. JOHNSTON: I'm not prepared to say that until we have the results of the study that we have ongoing at the present time. One of the most important things is that there is no reason for farmers to grow anything if we can't move it, and if the Federal governments and provinces have to take a look at it from a different point of view, that's what we're trying to do.

Unless you're going to have a completely national railroad that is completely subsidized by all the people, I don't know of any other way of looking at it, other than to try and have studies and get all the people involved together to find the best solution to the problem.

MR. EVANS: Well, is the Minister then telling us that — first of all, he says he can't make a commitment at this time in any detail but that there is a study going on, that he does appreciate that our sister prairie provinces are either spending money or are about to spend money in some way to protect the position of the farmer. My question to the Minister is, will the Manitoba government be prepared to take initiatives at the appropriate time to ensure that the farmers of Manitoba are not hurt economically by any alteration in the method of assessing transportation costs for grain?

MR. JOHNSTON: Well maybe I haven't been saying it right, but I think that's what I've been saying, that the Manitoba government is moving to find a solution to the problems in such a way that the farmer will not be harmed. And we have said until we come up with a satisfactory solution that will maintain the benefits that are presently there, we don't really feel that there should be any changes made. If the reports and the studies and the work that's being done by the — I might say that there's a study being done by the Federal government as well. If all these reports come together with recommendations, certainly we would have to take a look at it.

As I said, the two provinces to the west of us are prepared now with provincial taxpayer dollars to subsidize the farmers.

MR. EVANS: I thank the Minister for his statement. So I would indicate that if it came down to it, the government of Manitoba would be prepared to do something in the way of materially assisting the farmers so that they are not going to be hurt financially. If it should come to pass. It's hypothetical, but it may not be that hypothetical in a few months from now if it should come to pass that the Crow rate is changed or disappears. I gather then — I'm not trying to be repetitious — I'm just going to assume, from what the Minister said, that at some point the Manitoba government is going to be prepared to put some cash in the system somehow to ensure that the farmers aren't hurt.

MR. JOHNSTON: Well, the province of Manitoba, as I said, is working very hard to see that the benefits that are there now, at the present time, are maintained to the farmer. We also understand that if the other provinces — and the other provinces are not prepared to sit back idly at the present time. You have two provinces to the west of you that can subsidize this thing without batting an eye and they are prepared to do so. And both of them have come up, one with a suggestion and one has made a move.

Now, we are not about to agree to move into anything like that until we have our studies. We don't agree that we should all be going in different directions and we would like to have something standard across the western provinces.

MR. EVANS: Well, as the Minister will appreciate, there has been considerable co-operation among, not only the prairie provinces, but among the four western provinces, at least since 1973, emanating out of Western Economic Opportunities Conference that was held in Calgary, at which time there was a Ministerial committee set up on western transportation problems. And goodness knows, studies have gone on. A lot of money has been spent by the provinces and by the Federal government to do various kinds of studies to somehow or tther come to grips with some of these problems that we're talking about. And there have been a number of suggestions made.

Moving off the Crow rate per se, it's hard to dissociate yourself just with rail transport costs, dissociate yourself with those and some of the other elements, such as the branch line operations. I'd like, though, to go to another area, which has been considered in the past, but I'd like to put it point blank to the Minister. And that is, is the government of Manitoba in favour of the nationalization of the railway roadbeds in Canada?

MR. JOHNSTON: The Government of Manitoba, as far as I'm concerned as a member of the treasury bench, has never really discussed that at any time that I can recall. That discussion has not come forward at any time. So I am not in a position to say whether we favour it, or whether we don't. I would like to suggest that the philosophy of our party is one of not nationalizing anything.

MR. EVANS: Well, the Minister says that that has not been discussed by Cabinet. Has this item been discussed by the Minister with his western colleagues, the western Ministers of Transportation Policy, this item of the nationalization of the railway roadbeds. I'm talking about the railway roadbeds, not the railways per se.

MR. JOHNSTON: I personally have not, and I can't speak for other ministers, I personally have, with other ministers, not been in any discussion of that nature.

MR. EVANS: So, is the Minister saying that the government has no position on this matter, or is that they are against the question of nationalization of the railway roadbed?

MR. JOHNSTON: To my knowledge, we have not developed any position on that matter. And I might say, I heard the Honourable Member for Burrows say "anything". I said, "The philosophy of the government is such that we do not favour nationalization of anything." But I did not say to him that we had any program or position on it.

MR. EVANS: Mr. Chairman, going back to the WEOC Conference, Western Economic Opportunities Conference of 1973, a position paper was developed by the governments of western Canada at that time, the four provincial governments, which favoured the nationalization of the railway roadbed. I might add for the information of the Honourable Minister that the initiation of this proposal, the idea, came from Peter Lougheed, and the Alberta Conservative government, that the railway roadbeds of Canada should be nationalized, to put the railways on the same basis as the harbours of Canada, whereby all the major ports in Canada, all the major harbours in Canada, are owned and operated by a federal government or a municipal government. In some cases by provincial, but mainly by federal, such as Churchill, so that that infrastructure is owned by the federal government — Churchill, Thunder Bay, Vancouver. A ship comes in, it uses the facilities, it pays a fee, a charge, whatever, and so on. But the facility nevertheless is owned and operated by the government of Canada.

In the case of air transportation, the airlines of Canada do not own and operate the air terminals. The air terminals, all the major air terminals in Canada, are owned by the federal government; a few are owned by municipal authorities. And the taxpayers in general pay for the operation and maintenance of these air facilities, air terminals, the air terminal infrastructure; not only the maintenance of the runways, but the provision of weather information, the provision of assistance to the pilots to land, etc.

With regard to road transportation, obviously the trucking companies do not own the highways. The highways of the country are owned by the provincial governments, and in some cases by the municipal governments, and a fee is charged to the truckers and others who use those

A MEMBER: Is it sufficient?

MR. JOHNSTON: I don't know whether it is sufficient or not. Mr. Chairman, the Member for Wolseley asked me whether it's sufficient. Whether the fee is sufficient I'm not sure, Mr. Chairman. I'm not arguing that point. The point I'm making is that it was agreed to, after Premier Lougheed of Alberta had suggested it and presented us a brief with it on the matter, it was agreed by the western provinces that we should press the federal government to nationalize the railway roadbed so that therefore the railways would be put on the same basis as water transportation, as road transportation and as air transportation, and that the C.P. and C.N., and indeed other railways — there are two or three other minor railways — the B.C. Railway and the Alberta Northern Railway and the Northern Ontario Railway, and so on, would use, in common, would use this roadbed. And the theory behind it ultimately was that we would, hopefully, lessen the burden on the taxpayers of western Canada, ultimately lessen the burden, because it may not have been stated explicitly, but it was at least implicit that perhaps we could reduce the cost burden to western Canadians by having the roadbed, the railway roadbed, owned and operated by some federal or national agency, and that the C.P. and C.N. and other railways could be free to operate over that roadbed, as the airlines are free to operate into air terminals, as the trucking companies are free to operate over the roads, as the ships are free to operate in and out of harbours.

So perhaps the Minister has nothing further to say about this matter, but, for his information, I say that there was unanimity and I just wondered whether that unanimity was still there or whether Manitoba has disassociated itself from that position that the other provinces had agreed to.

MR. JOHNSTON: I can say that the Manitoba position on that has not been one of disassociating from it or working with it. I am informed that neither Alberta or Saskatchewan have raised that issue at any of the conferences on railway or handling of grain in the last two years.

MR. EVANS: Well, the Minister may be correct; they may not have raised it in the last two years, but if his staff would care to look back to the WEOC Conference and other documents prepared and consult with their colleagues in Alberta, they will indeed find material on this matter.

MR. JOHNSTON: My staff informed me that it was something that was brought up. It has not been carried through as an issue or a subject for discussion at the meetings in the last two years, so the Province of Manitoba presently does not have a position on it.

MR. CHAIRMAN: 2.(b) — the Member for Brandon East.

MR. EVANS: On the question of branch line abandonment, I wonder if the Minister could give us an update as to where we stand now in this whole matter. Just by way of background, as members may appreciate, there was the Hall Commission, Chief Justice Emmett Hall, a very fine gentleman, who conducted what I thought a very thorough review of the whole question of branch lines, you know, the continued operation or the discontinuing. And let's face it, some of them should be discontinued. No one is suggesting that every branch line in Manitoba, Saskatchewan and Alberta should be maintained; obviously some of them should not be.

But, on the other hand, there are many that Manitoba believed and our staff in their research — it wasn't my research; it was the research of the staff — in consultation with information given by the municipalities of Manitoba, the farm organizations, the Manitoba Branch Lines Association, and others, in consultation with all these groups we came to the position that this is what we thought, in Manitoba, that if there has to be abandonment we'd go this far, but no further, because this was a realistic position.

And we were pleasantly surprised that by and large the Hall Commission was fairly sympathetic to the position of the Manitoba government at that time and treated us, I would say, very fairly and indeed went beyond that and said there should be a prairie rail authority that would oversee the operation of branch lines in the prairies that too long they had been neglected by the Canadian Pacific and Canadian National Railways. Too long had those railways been recipients of subsidies, millions of dollars of subsidies for branch line improvement, branch line maintenance and too long had those railway lines been using them for other than branch line maintenance.

I remember in a discussion with Chief Justice Hall along with my colleagues from Alberta and Saskatchewan on one occasion a few years ago, he said to us, and this is after his report had been handed down and been made public, he said you know if you or I were recipients of public money for one purpose and spent them on another purpose and another cause, we'd be thrown in gaol, but the railways of Canada can get away with it. They receive millions of dollars for branch

line maintenance and upgrading and they turn around and spend it on other purposes, and that this is unconscionable, and I agreed with the Chief Justice at the time. At any rate he suggested in his report that there be a prairie rail authority which would oversee the upgrading of those branch lines that would be left. He said okay, let' get rid of X, Y, Z, etc., those will go but these others will stay at least till the year 2,000 and certain others will be protected in a certain fashion and they must be upgraded and these moneys must be utilized in a fair fashion to upgrade them. If we are going to have them, let's use them, let's keep them in good shape.

Now the federal Minister of Transportation, the Honourable Otto Lang, was not very happy with Mr. Hall's report, in fact I think he was highly annoyed with the Hall Commission, I understand that he refused to discuss the Hall Commission Report with Mr. Hall and his commissioners, which is almost unheard of. Where a Minister of the Crown who has set up a Royal Commission, gets a report and then doesn't want to discuss it with the commissioners, obviously Otto Lang didn't like that report. He wanted to see more branch line abandonment, in my view, and I certainly do not sympathize with the point of view of Otto Lang. As a matter of fact, as far as I'm concerned Otto Lang is a disaster for western transportation, a great disaster. We are far better off — I remember dealing with little Jean Marchand — little Jean Marchand from Quebec understood and sympathized with the needs of western transportation and western farmers far better than Otto Lang could ever understand it.

At any rate Otto Lang proceeded to ignore the Hall Commission Report and instead of setting up a prairie rail authority which would be a positive force to upgrade branch lines in the prairies, he set about establishing the Prairie Rail Action Committee; and action indeed, the Prairie Rail Action Committee was to kill as many branch lines as Otto Lang could possibly kill without getting killed politically himself. That's what the Prairie Rail Action Committee is all about, and it's made a farce, in my view, of the Hall Commission and I think that this government should be on its guard against the Prairie Rail Action Committee. I think it should be on its guard against Otto Lang because Otto Lang, as far as I'm concerned, is no friend of Manitoba. Whether you are talking about air transportation, whether you are talking about Churchill, or whether you are talking about the railways, Otto Lang is no friend of Manitoba, and he is no friend of the west, and the sooner he gets kicked out of Parliament the better. Since there are no Liberals around I guess nobody will disagree with my statement.

At any rate, I see a statement has been passed around. I haven't had a chance to look at it, but maybe the Minister would comment on it. Where do we stand on the question of branch line abandonment? Is the Minister concerned about the negative impact of the Prairie Rail Action Committee headed up by a cohort of Otto Lang by the name of Fred Anderson from Regina — whether you're satisfied with what the Prairie Rail Action Committee is suggesting — whether your able to fight their recommendations — what progress can you report with regard to saving those branch lines which deserve saving. I know that's a matter of judgment, Mr. Chairman, I know it's a matter of judgment because some branch lines shouldn't go; they've gone decades ago — there are bushes growing over them — the lines are there if you can find them underneath the trees, I mean, so we're not talking about some of those; let's face it, let's be realistic, some of them have gone. But there's a grey area here whereby the federal government and Otto Lang in particular and his Prairie Rail Hatchet Committee are ready to kill them, but I think we should fight the good fight and try to keep some of these and keep them courtesy of the federal government, not the courtesy of Manitoba taxpayers. So, perhaps the Minister would like to update us on this.

MR. JOHNSTON: Well the member is quite right as we've given him on the first three items of the report or the summary that I have given him. The Hall Commission studied 1401 miles of line and recommended that 167 miles be added and 615 miles be abandoned. It's quite true that the Minister at the present time, and it's not my intention to comment on any of the Ministers in the federal government or any other government in my Estimates, but the Railway Action Committee that was established in 1977 conducted a review, as we say here, an additional 448 miles for abandonment, and 170 miles for retention to the year 2,000. Now following the release of the Prairie Rail Action Committee Report, the federal Minister of Transportation were at least advising communities of redress available through the Canadian Transport Commission, the CTC, that this would require setting up of local retention associations. Manitoba has encouraged the development of local associations through the branch line association of Manitoba, the Manitoba rural municipalities and media releases.

The province has been providing, as I told the member in the House, technical assistance to any group that sets up a retention committee on how to set it up, how to make application to the CTC to maintain that line, and at the present time in the province of Manitoba there have been retention committees set up on the — well maybe I could do it another way for the honourable members — the PRAC Report was Carman/Belmont to Somerset, 39 miles, 11 elevators; Birchwood

to Baden 29 miles, 1 elevator; Belmont to Elgin 42 miles, 13 elevators; Lenore/Kenton to Wheatland 15 miles, 2 elevators; Lenton/Delaney to Deloraine 22 miles, 6 elevators; Miami/Morris to Somerset 62 miles, 13 elevators; Miniota/Quadra to Hamiota 11 miles, 3 elevators; Neepawa to Rosburn Junction 4.7 miles, no elevators; Oakland/Delta Junction to Amaranth 53 miles, 4 elevators; Ridgeville/Emerson to Fannystelle 6.9 miles, 1 elevator; Rosburn Junction to Russell 104 miles, 21 elevators; Ste. Rose/Ochre River to Yorkton 37.1 miles, 2 elevators; Winnipegosis, Sifton to Winnipegosis 20.1 miles, with 3 elevators.

The retention committees that have been set up to date in the province of Manitoba are the CN Morris to Hartney; CP Deloraine to Delaney; Neepawa to Russell, C.N.; C.N. Ochre River to Ste. Rose; C.P. Ochre River to Crandall and C.N. Delta Junction to Amaranth, and assistance has also been provided to the industrial centre at Rivers in efforts to maintain access to rail service. And we're very sure or, as I am informed, think that Inwood Subdivision CNR Interlake is in progress of being set up.

Now, we have set up special assistance to provide development of producer trucking costs, establishment of current potential transport demands and development submissions, and we definitely continue to press for full compensation to offset any losses resulting from the abandonment. We also re-propose the reduction of grain handling and transportation capacity at a time when the system is unable to meet present demands in a growing international market.

Mr. Chairman, the province has been actively working to set up and work with the Retention Committees on how they should be set up, what they have to do to set them up after they have decided to organize, we go in and give them all the advice they require. We inform them how to make the presentation to the CTC, also Dr. Ray, with his department, works with the Department of Highways. They also are very active in this program in that certainly there will be highway costs involved. Certainly, also' the effect of the farmers with the railroad line abandonment is something that the Minister of Agriculture is involved in and is working very closely with us.

So that when the hearing for that particular line or Retention Committee is held the province will be in a position to make their position known and only then, and that's the only place the province has to make their position known.

I did, when I read out the names of the lines that were recommended for abandonment in Manitoba, I neglected to say that there are dates here, and the ones in 1979 are Birch River to Baden. Well, you have Quadra-Hamiota; it's to be abandoned December 31st, 1979, and the rest are 1981 and 1983.

So we have Retention Committees set up. That's in the Ochre River-Crandall, which is Miniota, 19.6 miles, and the other one in 1979 is Kenton-Wheatland. There has not been a request for a Retention Committee set up on that particular one. I think that's the one, if I'm not mistaken — and I just checked with my staff — that that's where the manufacturers . . . No, that's down south.

We also have a map here showing the lines according to the numbers that have been given you in your run down there. We have numbered them one, two, three, the same as they are numbered in your small brief.

I might say that the Province of Manitoba is certainly not in agreement with the figures of the PRAC Report of \$24 million for the costs of highway upgrading, generally, and we certainly don't think the six cent a mile for 20 miles, I believe, or over 20 miles, is something that's of benefit to Manitoba. It might not be too bad in Saskatchewan but it's certainly not a benefit in Manitoba. And we oppose those parts of the PRAC Report and will be opposing them, certainly, when we have the opportunity to . . .

MR. EVANS: Well, I thank the Minister for that information. It's very useful. Would it be too much to ask for a copy of the map at some time, not tonight, but would it be possible to get a copy at some time? You could send it to me.

MR. JOHNSTON: Yes.

MR. EVANS: Thank you. Okay, thank you. One other item under point (2) it says, "Detail listings of the Manitoba rail network and lines recommended for retention abandonment and the current status are attached for reference." I didn't have it attached to my sheet and I just wondered is there something that I'm missing?

MR. JOHNSTON: No, these sheets can be supplied to you, but that's the detail with the dates and everything on them, and that's the PRAC one and this is the Hall one here.

MR. EVANS: We'd appreciate getting a copy of those two, if that was possible.

MR. JOHNSTON: I can see that the honourable member gets more, I will give the member these now and we will make some extra copies for him.

MR. EVANS: All right, thanks. Well, one copy is probably adequate; we can xerox it, too. Okay, thank you very much.

There are one or two other detailed items. The Minister stated that the preference was to work through the local Retention Committees, Retention Associations, which is fine and there is some logic in doing that. I am really not knocking that, but what I am concerned with, is the Minister telling us that it is legally or constitutionally impossible for the government of Manitoba, per se, the government itself, is it impossible for it not to make direct representation to the CTC with regard to the railway branch line abandonment question? I mean surely it seems to me that we're not precluded. And the reason I ask is I'm sure the Minister doesn't mean that because I, myself, on behalf of the Province of Manitoba, have appeared before the Rail Committee of the CTC and presented briefs and have been submitted to questioning by the railways with regard to various lines in the past, and it seems to me that it's quite in order if the province so desired, to make that direct representation to the CTC.

MR. JOHNSTON: The province will be making a direct representation to the CTC, and we can. As I said in the House to the Minister, we don't have any other recourse. We can make a presentation and we can write letters, but it's far more effective for the province if we can stand up and say that we believe this line should be kept or that line should be kept, and they say on what basis; do the municipalities agree, this type of thing. We're in a much better position, we feel, and I might say all of the western provinces feel that you're in a much better position when you're making representation on a specific line which has a Retention Committee formed.

MR. EVANS: Thank you, Mr. Chairman. Well, the Minister has confirmed my view, and that is that it is possible. Whether it's the best way to go that's a matter of judgment. I'm not quarreling with that because in fact there is a lot of logic to work with the local committees. In fact, I recommended that myself a few years back but it doesn't preclude, if circumstances should warrant, the province from making direct representation to the federal authorities as deemed necessary at some time and I gather that's what the Minister has told us. So that's fine; I don't want to belabour that.

Just one other detailed point on branch lines and that is under point (5) you state that the province continues to press for full compensation to offset any losses resulting from abandonment. Has the Minister's staff, Mr. Chairman, made any estimates to date of potential losses resulting from what looks to be those lines that will definitely be abandoned? Maybe this is too early and if he says no, that's fine, but maybe there are some estimates and if there are some estimates of losses, you know, do we have any idea of what are we going to lose in Manitoba; and also what degree of success has the Minister and his officials experienced respecting the gaining of some compensation from the federal government to offset any losses resulting from abandonment?

Is there any indication that the federal authorities or the railways are prepared to provide some compensation, either to the communities or the farmers, or to the province? Because, as the Minister said, we've got to put more money into highways — and that's a real expenditure — and so have the municipalities. The farmers have got to ship — some farmers, not all — some farmers have to ship their grain many many more miles, and that's a real cost: gasoline, wear and tear on the truck, etc. So I just wondered whether there has been any indication of compensation forthcoming from either the federal government or the railways.

MR. JOHNSTON: No, there has been no indication forthcoming from the federal government. There hasn't been an indication from the federal government as to whether they agree with the figures that are presented in the PRAC Report. The PRAC Report gave a figure of approximately \$24 million for the whole of western Canada for compensation and I suggest that we have been working in the Department of Highways at the present time. I suggest that across western Canada it would probably be five times that amount, to be the proper compensation, and the compensation of six cents a mile over 20 miles in the Province of Manitoba is not adequate. And we have made that position known. I must say that we have disagreed with those two suggestions in the PRAC Report and will continue to, and we say that full compensation must come forward to the provinces and to the farmers, who are going to be inconvenienced by the loss of these lines if they are moved, if the Retention Committee is not able to hold them there.

So we say that it isn't the Province of Manitoba that has come along with the PRAC Report, or the Province of Saskatchewan or Alberta, or any other province; it's the Minister in Ottawa who

has commissioned the report and they have made suggestions, and we don't agree with them and we don't agree in the loss of many of these lines, as we have shown here.

MR. EVANS: Well, Mr. Chairman, the Minister is saying then, that the province is pressing for compensation but thus far there has been no positive sign that some compensation will be forthcoming. Is there any hope whatsoever for some kind of compensation for whatever?

MR. JOHNSTON: I think that, if I'm not mistaken, recommendation, if there is a presentation by a Retention Committee to keep the Morris to Hartney line and there is a fight put up to keep it, and the CTC say that they don't agree and it's going to go, we then would say that we want full compensation. I think it has been said, and if I'm not mistaken I have a couple of colleagues here that are involved in that particular line that have been involved in the fight on that particular line, that there's no question that they would ask for full compensation.

MR. EVANS: Well, my question, Mr. Chairman, is whether there has been any sign or any indication from the federal authorities or the railways that some kind of compensation would be forthcoming?

MR. JOHNSTON: The only sign that we've had at this point is what has been recommended in the PRAC Report. We do not agree with it.

MR. EVANS: Mr. Chairman, I'd like to go on then to — this topic of branch line abandonment is very important and we could spend weeks on it —(Interjection)— At any rate, I thank the Minister for that information he has supplied us and we look forward to getting a copy of the map.

I'd like to go on to another topic. I have, I guess, three more topics on transportation. One of them is the Port of Churchill. Can the Minister update us on what's happening to Churchill. By way of historical perspective, I can mention, Mr. Chairman, that Churchill, the only prairie port in existence, has become somewhat antiquated in the past ten years, antiquated in the sense that shipping vessels, boats, have become larger, there have been changes in navigation, changes in techniques, and so on, and as a result there is a necessity for Churchill to be modernized. In my view, there is a need for the harbour to be deepened, for new facilities to come in and so on.

Now, I think it was about five or six years ago, the federal government announced that they would put some money into Churchill, but it seemed to me that that money was really, for all that was said and done, was really in the way of maintenance money, that is, sort of a holding action, you know, keeping it more or less on a status quo basis. It wasn't money that would necessarily bring the port of Churchill into the late 20th century, modernize it, bring it forward 50 years, because it's at least 50 years old, I had gathered. And I think it's incumbent upon any government of Manitoba to continue to press the federal authorities for the upgrading of Churchill, not just the maintenance but the improvement of Churchill so that it can accommodate these big new vessels that are coming in from Europe or wherever they come from.

There are a lot of other things that have to be done as well, but can the Minister update the committee on any recent efforts in this respect and just what is the assessment of the state of the Port of Churchill now?

MR. JOHNSTON: Well, let me give you a brief run-down. I thank the members for giving me notice last night and we were able to put it into sort of a brief form. I have been reasonably close to the situation but I have had discussions with Mr. Ed Guest who is the Executive Director, the Manitoba representatives on the Churchill Development Board are Bishop Robidoux of Churchill, and we have replaced Mr. O'Connor with Mr. Henry Einarson, MLA. The other provinces in western Canada have representation on that board by elected members, and we felt that to be very close to the situation, we would like to have an elected member on, too. We, this year, will be making a grant to the Port of Churchill Development Board of \$26,400, and each prairie province is doing that. The major expenditure, rail, in 1978 was \$4,105,000 for siding extension and bank widening and bridges. 1979, there was \$8,770,000 in rail relay and surfacing.

And Item 2, the 1977-79 \$6 million plus dredging program has not been completed but is still being carried on through 1980. The major activities and accomplishments are Number 1, season for 1979 extended from 90 days to 104 days, July 20th to October 31st. The experimental container movement for 1979, that has been carried on. New ice-strengthened vessel Motor Vessel Arctic built in 1978 and commissioned for voyage into Churchill after season closed, further test facilities of season extension. I take that, and I believe and I know, that the Arctic has been commissioned and it is for voyage into Churchill after the season closes. And of course, then the further test

facilities for season extension will be done when that vessel is in there.

The grain program 1979 was a record year of 30 to 33 million bushels, anticipated, pardon me, in 1979. We hope to reach that record. In 1976 it was 28.4, 1977, 27 million, 1978 there was a labour strike up there, it was 23.5. So with the longer season that's anticipated from July to October 31st, we expect to have a record year in 1979.

The ongoing research is the potential of movement of potash and the Port of Churchill Board are working with Saskatchewan Potash Corporation in this regard. The examination of movement of non-board grains and a major research into effects of permafrost on rail subgrades by the federal government. The Port of Churchill Churchill Development Board reviewing a proposal to examine further increases in the shipping season, use of icebreakers and ice-strengthened vessels. That's basically what is continuing on the Port of Churchill, and I'd like to say to the honourable member that Manitoba regards itself as a Maritime province because we have a salt-water port, and we want to see every use made of it and every upgrading that can possibly be done. It's something that only very few, well, we're the only inland province that has that terrific benefit.

MR. EVANS: I thank the Minister for that information, Mr. Chairman. That is useful information. Obviously there are some developments that are occurring. We all look forward to a longer season, that's always been a hope to somehow lengthen the season. I don't know whether members recall, but in 1970 the federal government tried to send the ice breaker, the St. Laurent into Churchill in December — the St. Laurent incidentally was the ship that brought the SS Manhattan through the Arctic seas and that was quite a famous voyage, but the St. Laurent couldn't get into Churchill that particular winter, December 1970, this was a Centennial project, because of the buildup of ice. The wind had blown the ice in and it was difficult. So at any rate this has been a long time endeavour to lengthen the shipping season for Churchill, and without getting into the details of how this might happen, because I know there are a lot of aspects to this, such as the icing in the Hudson Straits, and the question of insurance, and so on. I'd just like to ask the Minister whether the province of Manitoba is satisfied with what has gone on.

I know we have the board, and incidentally, the board that we have there that the Minister referred to and that the MLA for Rock Lake is a member of, which I think is a good experience for that MLA because he can get some idea of all those problems, and I think it's probably a good move because there are other MLAs from other provinces and I think it's a good move. But I think that we've got that board because of the failure of the federal government to promote Churchill to the extent that it should be promoted. It was a failure of the federal government in the view of the western provinces to promote Churchill as it should be promoted, to develop it as it should be — that led to the formation of this board, and in fact it was the late Gordon Beard who was very instrumental in pushing for a local port commission, a local board made up of prairie provincial representatives and local representatives. So, we've gone this far, and I wish that board every success.

But my question to the Minister then is, is the province satisfied that the federal government is doing sufficient to upgrade the Port of Churchill to bring it in to the late 20th century so that it can handle the new ships that are now available to take grain around the world?

MR. JOHNSTON: No, I can sincerely say that the province of Manitoba believes the federal government should be doing even more, and we are certainly working with the Port of Churchill Development Board to try and accomplish that, and as a government we are trying to accomplish that. The Board of Churchill Board has done an exceptionally good job since it's been set up and when I take a look at the history of it, it operates right here out of Winnipeg offices, very close to all the grain people in the area, and has worked very hard in the accomplishments since the board has been set up as one that was much better than before. And I think the pressures from them, from that board which has direct representation from government on it, plus the strength of the Manitoba government, anything we can do, is something that is good.

No, we're not completely satisfied with everything that has been done. We're happy that it's been done to now but we believe there can be more done.

MR. EVANS: Specifically and again I don't want to spend too much time on this, but specifically could the Minister indicate, is there any major serious limitation with the Port of Churchill now? In other words, can the Minister indicate, what is the major obstacle now in the use of the port of Churchill, apart from weather. What I've been alleging, more or less, or implying in my remarks about the ability to handle the big ships, is that still probably the major problem, to bring the bigger vessels in, or some of that equipment that they've got on the Port, to put the grain into the vessels and so on. What is the major, if there is any one major, single major handicap that that Port has, that should be overcome to improve it? Can the Minister enlighten us on that?

MR. JOHNSTON: I'd like to suggest, and not being a complete expert, that the handling facilities, the handling of grain cars and the upgrading of the handling of grain cars is probably one of the most important items at the present time.

MR. EVANS: The handling of grain cars? I'm not quite sure what the Minister means. Do you mean simply, is this the deficiency on the part of the railway organization, or is it some physical problem?

MR. JOHNSTON: It's the handling of the grain cars from a point of view of unloading the grain cars and again loading the grain into the boats, but the unloading of the grain car facilities, I think is one of the most important things that has to be done.

MR. EVANS: Does this require some new equipment that should be put in place?

MR. JOHNSTON: Yes, I'm told it does require some upgrading, and I think also the handling of the new type of containers, and they're experimenting on that at the present time. I think those two items have to be overcome with the equipment that is needed to do that. I'm told by the board that that's one of the most important things that has to be done, or the most important thing that has to be done at the present time.

MR. EVANS: Is there any indication from the federal government that they're willing to spend some money on that in the near future?

MR. JOHNSTON: I haven't personally had any indication at the present time that they're indicating that they will do it. I can ask the Chairman of this Commission to maybe break a rule of the committee and ask the member on the board if the federal government has given any indication to the board that they will be doing that, but I personally haven't had any indication from the federal government, through the board.

MR. CHAIRMAN: The Member for Rock Lake.

MR. HENRY J. EINARSON: Mr. Chairman, I appreciate the comments made by the Minister indicating that I will be part of the Port of Churchill Development Board. I should probably, for the edifice of the members opposite, inform them that an annual meeting is being held in Edmonton next week, at which time I will be officially placed on that board.

Secondly, Mr. Chairman, the problem has been, it's a historical one, that the nature of the rail going into Churchill has not lent itself to hopper cars, which is something that we've had across this country. And as a result of that, as the Minister did indicate to you, and he gave you a very good outline of what is happening today in regard to the upgrading of the Herchmer Line, which is between Gillam and Churchill, some \$7.1 million and this is being replaced by heavier rail. Now, having said that, we have no indication from the Federal Government as to just what is going to happen when this is completed. We have yet to experiment I would suppose, by waiting to see how it's going to work out in regard to taking hopper cars over that rail after those heavier lines are put in place. But if that does come to be successful, then it's going to mean that the unloading facilities of railway cars at the Port of Churchill will have to be redesigned in order that we can facilitate hopper cars. This is really in essence what I think the minister was indicating — proper track, according to this particular situation.

But the Port of Churchill, the fact is the minister said it's in the Province of Manitoba. It doesn't benefit us directly in this province but moreso it benefits the Northern Saskatchewan farmers and farmers who can grow are limited in what they can produce, and barley is one crop that is up in the northern part of Saskatchewan, and therefore benefits them. But as a result of the three Prairie Provinces I can add to the minister's comments that the famous Mr. Gray, Secretary of that association for many, many years fought very diligently, very hard, and it was a political battle whereby he had to compete with the Lakehead and Montreal, and all the rest of it, but more or less probably I'm diversing from the question a little bit.

As I understand it, we can't indicate at the present time just exactly what will happen until such time as the rail has been upgraded and if we are able to get hopper cars in there, then we will be able to proceed from that point on.

MR. EVANS: Well thank you, Mr. Chairman. I thank the minister for asking the future member or the present member, or the about to be member of the Churchill Development Board, for that

Information, which really led to the question that I was going to ask and just for clarification I will ask it. Did the member, I guess I should ask the minister but maybe the member could answer, the Member for Rock Lake, and that is: Did the member say, Mr. Chairman, that there is no clear indication when that line, the Herchmer Sub-Division, when the line all the way to Churchill in effect, will be upgraded with heavier steel, so that it'll take the hopper cars? Is there any year that we think that, because we've been talking about that for many, many years and I know there's been work on it, and Mr. Chairman, the member has indicated, when should that process be completed? Is there any indication at all?

MR. EINARSON: No, Mr. Chairman, through you with the minister I would like to say to the Member for Brandon East, that that's as far as it has gone so far. The Federal Government, which is a federal responsibility, has given us that assurance that this amount of work will be done, approximately \$10.1 million and I think Dr. Rea, you could correct me if I'm wrong on some of these comments, that is to be spent this coming summer. And that's as far as the Federal Government has indicated.

The thing is, and the unfortunate situation, Mr. Chairman, is that we have an election coming up on the 22nd of this month and we don't know whether there could be a change in government, and as a result of that who knows what the future will tell? There could be a complete change in policy, but that's all we know at the present time as to the commitment of the present Federal Government, is what the minister has indicated and what I added to it.

MR. JOHNSTON: I'd just like to say I probably put the Member for Rock Lake on the hot seat a little sooner than he wanted to be on it, but I do know he takes his position on the board at the next meeting but he has represented me on two occasions at meetings of that board.

MR. EVANS: Thank you, Mr. Chairman. Well, at least this development that money is being spent, may be spent very slowly, progress may be rather slow on the part of the CNR but at least they're moving in that direction because the Vice-President for the Manitoba Region, when the Hall Commission Report was published had stated that the CN was going to cease and desist from upgrading that line because of the Hall Commission Report, and I think there was a misunderstanding and I remember Chief Justice Hall being absolutely floored or flabbergasted by that attitude and statement by the CNR Vice-President, and I think there was quite a bit of communication and somebody or other in the CN I think, later said, well no, that was not the official position of the CNR, that they would continue and attempt to upgrade that line to Churchill. I think, Mr. Chairman, the member wants to make a point.

MR. EINARSON: Well, Mr. Chairman, perhaps I should indicate to the Member for Brandon East that the minister requested that I make a trip last summer to the Port of Churchill. It was just before the House prorogued. The CNR put on an inspection car and at that time a group from China and a group of experts from Russia went up to do a similar inspection of the Herchmer Line, what is called the Herchmer Line. I flew up to Churchill and then went aboard the train in Churchill in the evening. We started off early the next morning to inspect this line and as the Member for Brandon East is familiar with the President, Mr. Ralph Hanson, I believe whom he was talking about, sort of gave me the impression that he wasn't really interested in upgrading this particular line. But having made my comments and I think perhaps, Mr. Chairman, I should add that because of what the Premier of this province did when he was able successfully to summon a conference in January last, and because of the fact that he made mention of the Port of Churchill, and its importance to the whole of the grain movement in Western Canada, I believe that those two facts had some contribution insofar as impressing upon Mr. Lang and the CNR railroad that something should be done.

I do agree with the member with some of the comments he is making that they really weren't interested, and as I said earlier, it's been historical and I believe if the truth were known, that the Federal Government and the CNR would have liked very much to see the Port of Churchill close up completely. But I want to say, Mr. Chairman, as the minister did indicate that I've represented him while I haven't been on the board, on several occasions and this was one of them — whereby I took a strong position insofar as this Port of Churchill is concerned, and as a result of these and as I said because of the Premier's actions last January and meetings following from that, that I think there's been some change of heart insofar as Mr. Lang is concerned and as far as I am concerned the CNR had no choice but to carry out what they were instructed to do.

MR. EVANS: Thank you. Well I'm prepared to go onto another topic unless the minister wanted to add anything further. Well, very briefly, I don't want to belabour this particular sub-item in the

Estimates — into the field of air transportation, and ask the minister whether he has from his staff any idea, or from any of the information that's available to him in his department, any idea what has now happened to Transair, inasmuch as it has been taken over by Pacific Western Airlines. We know that Transair has unfortunately had a history of many years of financial losses for some good reasons, one of the major reasons being that it didn't have adequate basic routes to serve and it simply wasn't given a big enough market area in my judgment to be able to make a profitable enterprise of it. At any rate, the long and the short of it is that it was about to go bankrupt, and as a matter of interest to the minister, Mr. Chairman, on more than one occasion Transair approached the former government to be purchased by the former government, and the former government I might add, was not interested for different reasons. So much for ideology and all that. We were not interested in buying out Transair although the owners at that time, the majority of the owners were interested in us taking it over and as we know now, of course, PWA has received permission of the Canadian Transport Commission to purchase it and is now integrating, the two are now integrated.

The question I have is: What has been the impact, and maybe this was a logical thing that should come about, you know, I think it would be good to have Manitoba's own air line functioning with head office in Winnipeg and so on, but that is not to be I guess, but has there been any negative impact on Manitoba from this takeover by PWA? Have we lost any jobs from this takeover, and if so can the minister indicate what the loss has been?

MR. JOHNSTON: No, there has been an increase of 15 jobs since the ACT authorized the takeover by PWA. There were 122 jobs in Manitoba, April 30 and as of April 23, 1979 there's 677. They have been able to overcome the problems with the pilots, flight attendants, etc., with the dispatchers, the clerical staff, customer service and the maintenance — the maintenance work Transair-PWA is getting additional maintenance work in Winnipeg, such as painting, eight Department of National Defence Buffalo aircraft, overnight maintenance for Nordair, overnight maintenance for Frontier Air Lines, building 200 bar boxes for PWA and repair and overhaul of all seat upholstery for combined Transair-PWA fleet.

The takeover as it's described has increased jobs and the problems with the different departments coming together have been solved internally by themselves.

MR. EVANS: Well, that's good to hear, that there have been, I think the minister said 15 more jobs this year compared to last year roughly, and that overall there hasn't been any loss in jobs by this integration of the two companies. We'll have to watch this and that's good, if that's the case that's good. Okay.

My other point on air service is with regard to the City of Brandon. The City of Brandon is now serviced by a third level carrier; I've forgotten the name of the company, it's a small company, Perimeter, and it's operating under a subsidy that was promised by the Federal Government in the election of 1974, and there's a long history of ups and downs with regard to the implementation of that service. There were some promising reports in the papers about the Perimeter service to the City of Brandon. I'm wondering if the minister has any updated information as to how Perimeter is doing in servicing Brandon and Dauphin, I guess they were servicing both City of Brandon and the Town of Dauphin?

MR. JOHNSTON: All reports that we've had on that particular service through Dauphin, Brandon, to the western points, has been good. You know, there was a lot of people I might say, that didn't think that the service would be used because of the price to fly versus the price to travel by car or by bus, but the reports that we have from Perimeter Air are that they are very satisfied with the traffic that they are doing at the present time, and they are giving good service to that area.

MR. EVANS: Going on then to jet service, which is referred to as first-class service to the city of Brandon, is the Minister and his department making any efforts with regard to getting jet service east-west to the city of Brandon?

MR. JOHNSTON: We, in the department, the department is presently reading to start a research and survey of the amount of traffic going west from Brandon and going east from Brandon. Now, PWA and both Air Canada have shown interests in that survey; and at the present time PWA can fly west but they can't fly east, if I'm not mistaken. Air Canada is in the other position of being able to move east, and as you know, Transair cannot move east from Winnipeg. We did try to have, I believe Great Lakes Airways come in and supply a service from Brandon East but that was not allowed. Nordair, which is owned by the federal government, fly into Winnipeg and back

The jet service to Brandon is something that we, in Manitoba, believe in. We have talked to the Air Canada people in my office, we have had meetings with the PWA people, I unfortunately was wasn't able to attend but Dr. Rea and the Deputy met with them. We have had some discussions with them when we were at the Westac meeting in Saskatoon.

We have informed the airlines that our particular drive in economic development in Manitoba, which is to try and build up the rural areas in Manitoba and Brandon which is growing greatly, should have, as far as we're concerned as part of that development, good air service. And we intend to keep pressing for that, and as I said, Dr. Ray and his staff will be starting that survey and research in the very near future.

MR. EVANS: Thank you, Mr. Chairman. At one time, of course, the city of Brandon was served by Trans-Continental Service. Air Canada, Trans-Canada Air Lines used to come in there with a Viscount at one time and then Transair did later. But eventually Air Canada got out of it, got the CTC to agree to give the service to Transair and then Transair eventually got out of it and gave it to a subsidiary, Midwest, and there's been a general downgrading. Eventually Midwest got out, the only way we got Perimeter back in is with the subsidy program. And indeed, there are the realities of transportation, air transport economics of whether there's simply enough traffic to warrant putting down a jet aircraft into the city of Brandon and out again.

I say that because I recall my conversation with Mr. Reese Eaton, the President of Pacific Western Airlines at the time that the PWA and Transair were about to amalgamate, it was around that time in 1972, early 1976, early 1977, thereabouts, and Mr. Eaton told me quite candidly at that time that he couldn't see any way of justifying setting down a jet aircraft in a city the size of Brandon and make any money, that they'd be losing their shirts in other words, if they did this. It was just completely impractical. I think they would consider it with a subsidy, but as a normal operation the PWA stated at that time.

I've also had conversations in the past with the former President of Air Canada, many years back, the same matter, and sort of the same answer comes forth. They don't see the economics of running a so-called first class jet air service. I want a first - class jet air service, we would all like to see a first-class jet air service, but I don't know whether the population configuration, the population size, the market size warrants it, and also given the fact that there is good highway communications and other forms of transportation, highway transport and other forms of transport that are available as alternative forms to people who wish to travel.

So could the Minister indicate, while these studies are going on, some conversations have gone on, is he at all optimistic of getting a first class air service into Brandon in the next year or two?

MR. JOHNSTON: The indications that we had from the Air Canada people while they were in our office were that certainly they weren't really opposed to coming back into a jet service in Brandon, and the PWA people were the same way. The member, when he states that it's not economical, and it hasn't been economical for them, but we have been trying to make the case that western Manitoba, as far as we are concerned, is an area that as far as the economic development is concerned, is something that we are pressing for. And we think that jet service will certainly help that particular drive that we are going on.

Now, the surveys that Dr. Ray and his staff will be doing, — and I would like to ask him, I know he's just planning to start it — how long it will take. Approximately two months is the answer I receive, and at that time they've shown interest in those surveys and they certainly haven't said definitely no to us on the proposals that we've put forward to them that the western part of Manitoba should have a jet service.

MR. EVANS: Mr. Chairman, we'll look forward with eager anticipation to some good news in a few months from now. Although I must say, not to be a pessimist but to be a realist, I doubt very much whether this would come to pass, whether jet service would come to pass, as much as I would like to see first-class air service come to Brandon, as I said a minute ago, I don't know whether the market is big enough to sustain that type of service, given the very high energy costs of just taking the plane down and bringing it up again. That's the reality of it and I think none of us are magicians.

On the other hand, if the federal government were prepared, because of some economic development policy, to say okay, we're prepared to have Air Canada go in there, or we're prepared to subsidize PWA as a matter of a developmental thrust, because goodness knows there's been a lot of transportation subsidy in this country of ours for developmental reasons, where the railways have been subsidized to the hilt, where the airlines have been subsidized in cases, and other forms of transportation have been subsidized for the economic development of Canada, not for narrow

market considerations but for long term developmental objectives.

I've always argued that when I was involved in this in government, I've always argued that transportation should be used as a tool of economic development and I used that argument very much with regard to Churchill, for example, and with regard to other remote areas in our province, and I think you could use that with regard to air service as well. But it's rather difficult to persuade someone like Otto Lang, who is very enamored with service to central Canada and so on.

The irony of it all is, Mr. Chairman, as far as Air Canada is concerned, I understand for some years, and I think it's still true, that the western traffic subsidizes the traffic in central Canada, that if it wasn't for the profits made in the western traffic areas of Air Canada, they would be in a much worse position than they are. To a large extent, it's the long trips that occur in western Canada that make money for Air Canada to sustain some of the losses that they sustain flying DC8s, huge aircraft between Ottawa and Montreal, if you please, and Ottawa and Toronto.

So, at any rate, unless there's a change in philosophy or a policy thrust on the part of the federal government, I can't see jet service occurring. But nevertheless, I do look forward to positive results from this study and any negotiations that could or might take place, so that we indeed could have a decent first-class jet service to the city of Brandon.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: I have just a couple of comments to make on this item. In listening to it it's really as large an item as the entire department itself in terms of its impact, because we've talked about rail line, rail service, rail rates, rail line abandonment, air service, and I was looking at the reconciliation sheet and I really don't see any transfers of funds to the Department of Highways and Transportation. The Task Force had recommended the creation of a Department of Transportation to rationalize government activity, and the name of the department was changed from Highways to Highways and Transportation, and I thought that maybe some rationalization had in fact taken place, but it would appear, at least in this year's general Estimates, that rationalization hasn't taken place and that the analytic functions relating to alternative modes of transportation, those alternative to highways especially, are being retained within this department.

That may be fine, but to ask a specific in this respect, has this branch, — I guess I'd call it a branch — has this branch done any calculations on what the impact will be on highway costs from rail line abandonment? What will the impact be to the province? Because these are costs that right now are being borne by the federal government through their subsidy program, and to the extent that we get rail line abandonment. That means that that is a cost that's being shifted onto the Manitoba taxpayer generally, through its highways programs and it would strike me that that would be a very important function for this particular branch to do. It should be determining what the costs to Manitoba will be of the federal government getting out of providing rail line service, ultimately, because they are the ones ultimately responsible for providing rail line service.

I would like to ask the Minister what work has been done in this respect.

MR. JOHNSTON: Well, it's logical for the member to assume that the department would be the one as far as transportation is concerned in this area from the discussions we've had tonight, the research that Dr. Ray does. Dr. Ray does transportation, the department does transportation research for all departments of government.

Now, when the honourable member speaks of the costs of upgrading highways because of railroad line abandonments, the Department of Highways with their staff, has designated one person — one and a half — if we talk in SMYs and have developed a complete map of the railroad line abandonment and also a complete map of the roads that would have to be upgraded in the province, should this take place, and are presently working on estimated costs. I'd like to say to the member that the PRAC Report was just released towards the end of January and that particular study that's being worked on by the Department of Highways, who really are the logical people to give us the figures of that cost so that we will have the figures available to us when we make presentations in support of retention committees. But the Department of Highways is working on those costs at the present time.

MR. PARASIUK: I understand then that the Department of Highways is doing calculations on the costs of upgrading highways, and I assume that they will be putting in and working into their calculations, annual maintenance costs as well.

MR. JOHNSTON: Yes, that's certainly part of it. I might add that the federal government on one hand talks about rail line abandonment and cuts off \$6 million for road strengthening, and the Minister of Highways has made his position on that very clear to them.

MR. PARASIUK: I think that the federal government really is trying to transfer a cost on to the province, and the point is how great is the cost to the federal government of maintaining the rail lines, and how great is the cost to the province of having to absorb this cost with respect to highways? I think that's a very critical and clear economic question that can be asked, and I think that some economic analysis can be done on it so that we can get some numbers in terms of making the argument, and I think that that's the type of argument that probably can best be made by the department and by the government, as opposed to arguments that in a sense can best be made by the Retention Committees. So if the Minister is saying that work is being done in that area, fine, I will try to keep myself apprised of what comes out of that and what figures are put out on that.

I do think that the federal government is engaged in an exercise of trying to transfer both capital and ongoing costs on to a province, and to the extent that that's undertaken we will find our flexibility — our budget flexibility — constrained in the future, and that's why something like rail line abandonment, is such a critical thing from a provincial point of view, not only in terms of the social costs involved with respect to the deleterious effect that this has on communities. But I think from the perspective of the Provincial Treasury, it also will have a deleterious impact, and I think both of these have to be measured and I look forward to getting this information from the department when it makes its presentations to the appropriate federal authorities in this particular matter. That's all I have to say with respect to transportation.

MR. JOHNSTON: Well, certainly Ministers don't want to prolong their Estimates, but I just go back to saying that the PRAC report that said \$24 million for the whole of western Canada is obviously outrageous without even estimating, and we're estimating it at the present time.

MR. CHAIRMAN: 2.(b)(1)—pass; 2.(b)(2)—pass; 2.(c)(1)—pass — the Member for Transcona. 2.(c)(1).

MR. PARASIUK: We're on Technology, and you have a fairly substantial decrease in this sub-appropriation on Other Expenditures and Grant Assistance, and rather than just dealing with the sub-item (c)(1), (2) and (3), I think the general introductory question that I would like to ask the Minister is what accounts for this pretty substantial decrease?

MR. JOHNSTON: Mr. Chairman, the substantial decrease in the Technology Department, is because the technology centres in Brandon and Winnipeg are the SMYs basically, and the operation has been transferred to the Enterprise Manitoba Program in this particular case. We can't transfer it all, because the federal government under the program is very fussy about how many people they take over as employees of the provincial government. But under the program it's a 60-40 split and we were able to move a lot of the work that is done by the Technology Department into Research and into the technology of Enterprise Manitoba.

MR. PARASIUK: Mr. Chairman, I can assume then that there has not been an overall reduction of expenditure and service provided for technological service, but that rather the appropriation has been split? It is not possible to tell from (k) that that's the case, you see, it's a lump sum.

MR. JOHNSTON: Yes, if you take the \$200,000 on Grant Assistance in 2.(c)(3), and you turn to Page 26 and you take a look at the Grant Assistance Manitoba Research Council, you find that there's a \$2,200,000 appropriation in that particular area.

MR. CHAIRMAN: The Member for Burrows.

MR. HANUSCHAK: Yes, is this a service offered to the private sector on a cost recovery basis, or is this another welfare program?

MR. JOHNSTON: Well, it's a partially cost recovery, and as I've told the member before, I do not regard giving technical assistance to small business in Manitoba as a welfare problem.

MR. HANUSCHAK: Mr. Chairman, a Program of Assistance is a Welfare Program, and he could check any dictionary he wants.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: Yes, I want to know if it would be possible for (k), just as a sub-notice for 2.(k), I think it might be possible to go through a number of the following items to lead to (k), but is it possible to get a better breakdown for (k)? Because what we have here are just lump sum amounts and it is very difficult to make that reconciliation because a lot of questions that one could ask about (c), (d), (e) and a number of the programs that follow indeed, really many of them we could ask a general question on that and then defer some detailed questioning on it until we come to (k), which the Minister has indicated in past comments to past questions, in other parts. But when we come to (k) we have one fairly large sum, which gives us a bit of difficulty in the Estimates review. I'm not saying that this is anything unusual to this administration or to this particular department. That happens from time to time, but when you have sub-items that have some degree of specificity to them, and then when you get to the final item which in a sense pulls all these together and it comes in as a lump sum, it is somewhat difficult to deal with.

MR. JOHNSTON: I'm informed that we can give you a breakdown of (k), not now but we can supply it to you tomorrow, as soon as we start in the Estimates.

MR. PARASIUK: Mr. Chairperson, I'd appreciate that. I think — tomorrow is Wednesday — we might go into Bills for an hour or so tomorrow, so if the Minister could possibly provide me, as a critic on this, with a sheet of that say around Question Period or some time like that, then it would give me a chance to quickly go through it, and then I think it would be possible for us to go through a fair amount of the items today leading up to (k), and we might stop at (k) and get into it tomorrow, and probably proceed fairly expeditiously with the Estimates in that way.

Given that, just on 2.(c), if we could just get a capsule comment from the Minister as to what this does, just a quick capsule comment from the Minister on Technology, and with some examples, just a couple of examples as to what's provided?

MR. JOHNSTON: The type of work that is done by the Technology and Supply Branch is analysis made to total operations of 80 companies and 40 selected for intensive technology assistance. The technology assistance provided 114 individuals and companies plus 28 computer literature searches were made, and they interpret it on behalf of the clients.

General assistance was provided to 117 inventors on terms of technology and economic merit of their inventions. In 28 cases, searches of the patent literature were made; 98 requests for sources of raw material were satisfactorily answered. For the above functions, direct cost savings to the clients were approximately \$30,000 projected to economic benefit \$200,000.00. Staff supervised progress on the following major Manitoba Research Council Projects: Hydro D.C. current transducer for monitoring and control of high voltage D.C. transmissions; completed technical evaluation for silver panels on Legislative Building; continued joint project with Atomic Energy of Canada and Trans-Canada Pipelines on using of peak electricity and generating hydrogen fuel. Raising costs of electricity makes projects less attractive.

A pilot study on system of possibly Saline water problem south-west of Winnipeg was completed, data being interpreted by the Department of Mines and Resources and Environmental Management. Support provided to three regional Science Fairs was \$2,724 as a method of promoting understanding of technology. Three projects for new product development were cost-shared with the small private companies: provincial costs \$14,466, projects sales \$1 million, with 7 new jobs, it's a research and development type of work.

MR. PARASIUK: . . . given the size of Manitoba firms, I would think that a lot of significant research and development will be done in the province; will in fact be done through a public body like the Manitoba Research Council. I can comment on that further, but we're positively in support of this type of endeavour.

MR. CHAIRMAN: 2.(c)(1)—pass; 2.(c)(2)—pass; 2.(c)(3)—pass; 2.(d)(1)—pass; — the Member for Transcona.

MR. PARASIUK: Again, I assume that the explanation for Industrial Design is basically the same as the explanation for Technology. I see a reduction here from \$255,000 to \$146,000.00. Is that the same situation? Was that found in (k)?

MR. JOHNSTON: Well, the decrease staff reduction of contract employees and the Product Research Development Officer will be retained by the province to provide service under the Industrial Development Sub-Agreement. Other Expenditures, the Product Research and Development is a two year federal-provincial cost-shared arrangement approved by the previous administration by

and MC227711-11A. The program will be terminated in the spring of 1979, and the remaining funds of the \$45,000 are required to meet provincial obligations under that agreement. So those are the reasons for the reduction in that particular department.

MR. PARASIUK: Could the minister indicate why the program will be terminated? I gathered this is providing industrial design service; I understood that there was something last year, the Premier's Award for Industrial Design, I think that there was work being done in this area and I thought that the companies involved found this very useful. Now, is there any particular reason why this program would be terminated?

MR. JOHNSTON: The work will be continued; the 1979-80 Program is going to be as large as it was before, and the Premier's Award in Design Excellence presentations are going to be carried on, and these will be more or less funded by a 100 percent or Funds Recoverable from the federal government; there is also some of the design work that went into the Enterprise Manitoba has also been transferred into Enterprise Manitoba which we have some recovery from the federal government.

MR. PARASIUK: I'm getting a bit confused on this particular item. I see a reduction from \$255,000 to \$146,000; the minister has indicated that some of this is in the Enterprise Manitoba Program, and what I'm trying to get a handle on here is the extent to which any of these items (c), (d), (e), (f), you name it, are in fact being reduced or cut out. If that's so fine, but it's very difficult when you see a whole set of reductions and then you see a fairly substantial increase in the Enterprise Manitoba Program; if this is a Program that is on-going and continuing, fine, if it has validity, if the department has made some assessment and it finds it's a useful program, we can debate that; if it's being phased out or cut back, again that's something that I'd like to know is happening. What I'm not able to discern from the minister's answers is whether indeed this program is being cut back, because the figures themselves would indicate that the program is being cut back whereas with respect to the past item that we passed — (c) Technology, the minister was able to quite clearly tell us that the program wasn't being reduced.

MR. JOHNSTON: Well, as I explained the reasons for the reduction in Staff are the Product Research and Design will be funded partly under (k) and partly under 100 percent Federal Enterprise Development Programs and there will be more programs for less provincial dollars. I can outline the programs that are being planned for the 1979-80 Program:

Promotions, Speaker Rosters, Media Publicity, Special Incentives, Industrial Industry Sectors, Participation in Industry Sector Advisory Board on Application of Design, Tourism, and Hospitality Sector, Assistance to the Department of Tourism on design products with Canada-Manitoba Tourist Development Agreement, Education, Design Management Centres, Seminars and Courses on Design Management, Implementation of Design and Development — we have under that, Counselling, Field Work and Assistants, Personnel Calls by Manitoba Design Institute Staff, Selected Industrial and Commercial Establishments, Consulting, Industry Product Evaluation, Evaluation of Design Quality, Development of Comprehensive Manufactured and Processed Products for Five Priority Sectors, Designer A Day, Make Available a Product, Packaging or Graphics Design for One Day to a Manufacturer who will Demonstrate Potential Design Benefits, Program Support, Product Development Program, Financial Assistance to Manufacturers for a Specific Design Project under Cost Shared Arrangements.

Enterprise Development Program: Assists to Obtain the Federal Funding for Product Development, Demonstration of Design Achievements, Recognition, the Premier's Award of Excellence, Performance, Display of Design Achievements, Exhibition of Design Projects Nominated for Design Awards in Seven Categories, Case Studies, Documentation of Manitoba Design Products, Projects in Printed or Filmed Format or Promotion in Educational Purposes.

We have a liaison inter-government, inter-department and intra-department coordination Design Programs and in-put with federal government and National Design Council and other government departments, and within the Department of Economic Development. The department is set up to work with businesses to help them, educate them and help them, and give seminars on the basis of the importance of product design within the industries.

MR. PARASIUK: I assume then that the Manitoba Design Institute is funded out of this appropriation, is that correct? Because it's not indicated in the Estimates here.

MR. JOHNSTON: Yes, that is correct.

MR. PARASIUK: And the \$146,700 — does that all go to the Manitoba Design Institute and is it then dispersed from there, or what is the funding of the Manitoba Design Institute this year as compared to last year?

MR. JOHNSTON: Well, I'm not saying that it goes to the Design Institute; those funds are, well, the Design Institute oversees those funds.

MR. PARASIUK: I would like to ask one specific question — how much money is spent on running the Manitoba Design Institute?

MR. JOHNSTON: Well, the operation of the Design Institute is the honorarium of the Board which is \$3,200.00.

MR. PARASIUK: There's no full time staff person involved with the Manitoba Design . . .? Isn't there an Executive Director of the Manitoba Design Institute?

MR. JOHNSTON: The department staff of the Design Institute which is an Executive Director, also an Executive Director of the Manitoba Design Institute, one Industrial Design Officer, and one Administrative Secretary; they are the support staff for the Members of the Board of the Design Institute.

MR. CHAIRMAN: 2.(d)(2)—pass; 2.(d)(3)—pass; 2.(e)(1)—pass; The Member for Burrows.

MR. HANUSCHAK: Mr. Chairman, this is the Item that deals with Human Resource Management, and the Branch is intended to provide service and support to improve the capability of enterprise to manage and develop its human resources; by that, I would take it that it means the human resources of the Province of Manitoba.

Now, last night the minister told us, or he would want us to believe that through his efforts, through the efforts of his department that he had created some 1,000 and some odd jobs which formerly were non-existent and thanks to the government, this government's program, those jobs came on track.

Well, Mr. Chairman, we did some research on that and we find that the 1,000 and some odd jobs really isn't 1,000, but it's much, much less than that; it's probably something much less than 100 jobs, because many of them would have come on track anyway, in spite of the minister's efforts.

Anyway, the matter of Human Resource Management is still before us and I would suggest to this minister, as I had to a colleague of his, the minister responsible for another Welfare Program, for Social Development and this minister is responsible for economic welfare, that he and his colleague and Cabinet give some consideration to amalgamating or at least bringing about some closer liaison amongst all the Welfare Programs, all the Welfare Programs designed to develop our economic resources, designed or intended to develop our human resources. And if the minister thinks that I am speaking facetiously, well, I'm not.

When we were government, we did have a Co-ordinating Committee of Cabinet, Manpower and Employment Sub-Committee of Cabinet and that Sub-Committee of Cabinet did have representation from Industry and Commerce, from Continuing Education, from Health and Social Development, and from all the departments which did have an interest in, and could provide some input towards the maximization of the human resource potential which we have; and I would suggest to the minister that the need for that type of liaison, for that type of co-ordination inter-departmentally still exists, because here we have a minister who's charged with the responsibility of Economic Development and let us assume that he is going about his job very, very diligently and he is developing economically, developing the Province of Manitoba, and in the process of economically developing the province, he does create jobs. Let's for one moment assume that he is doing that.

In the meantime, there's another department in government who is responsible for people who, for whatever reason, find themselves without employment, find themselves in need of retraining, upgrading, find themselves in need of being matched with a job because they may be in one location and the job is in another location; then there's the third department whose responsibility it is to provide a Manpower Training Program, and so here in this government — and there hasn't been anything to indicate that there is any sort of co-ordination amongst those three, we have three ministers, each in his own corner doing his own little thing and perhaps not really being aware, as the saying goes, of the right hand knowing what the left hand is doing and that type of thing. So therefore I would suggest that the minister do give some consideration, and I realize that he can't do that on his own initiative, that he would have to put this proposal to the First Minister,

to the Executive Council, or whatever fashion this government makes its decisions, I don't know, I don't sit in Cabinet, not in this Cabinet, but that some co-ordinated effort be provided to bring together the economic resources, the economic resource potential that we have in the province and the human resource potential.

I think, Mr. Chairman, the more I think about bringing the two under one umbrella, as it were, putting them in one department, the more the idea appeals to me because if you were to bring all the Welfare programs, the Economic and the Human Welfare Programs, put them into one basket, it would perhaps remove some of the stigma that's presently attached to our Welfare Program; because then you would have, you would have Mr. Weston and Mr. Taylor and Lord Thomson sitting in the same waiting room, waiting to see the same minister as the Welfare applicants from my riding, and both would be applying for Welfare; one would be applying for Welfare to develop ' seeking public assistance to put his economic resources to greater use for a greater benefit of the people of Manitoba; the person from my riding will be there seeking assistance from the minister to put his human resources to greater use to make his own human resources more productive for his own benefit and for the benefit of the province.

So I don't think it will be all that bad, Mr. Chairman, if Mr. West and Mr. Thompson and the people from my riding were to wait to see the same Minister with a similar application form in hand applying for welfare. And let the same Minister deal with both of them. And as I have said it would remove the stigma that's attached to . . . You know, people from my riding, they are embarrassed; they are ashamed to apply for welfare. This way they would march into the Minister's office with pride. And when the Minister will grant them welfare, they, together with the Westons and the E.P. Taylors, and the Lord Thomsons, will put up their sign, maybe a smaller sign, a little modest sign on their lawn, but they, too, would put up a sign that they are recipients of welfare, the same way as Mr. Weston does. And if you travel through Inkster Industrial Park or through any other industrial community of any city, you find signs. The welfare recipients are proud of the fact that they are in receipt of welfare, that the taxpayer is assisting them by way of a grant in developing their economic resources.

Well, my people want to be similarly proud and they, too, would like the Minister to be present to present them the cheque and to have a photographer there and, you know, throw a little cocktail party in recognition of the event that they were given public assistance to upgrade their own human productivity. And there is really nothing wrong with that. And let's do it on the basis of what the individual . . . Let the individual put forth a proposal to the Minister of what he or she thinks that he feels that he or she is capable of producing, the extent to which he feels that he or she is capable of enhancing his own productivity and thus, in turn, enhancing the productivity of the province, without a means test. Mr. Weston doesn't have to submit himself to a poverty test. He doesn't have to plead poverty. He simply comes to the Minister, to this Minister or to a federal Minister, or to this Minister in applying for federal funds that this Minister may be responsible for the distribution in this province, and he doesn't plead poverty; he simply comes forth with a proposal and says I feel that I can expand my operation to this extent and this would create X-number of jobs, and this would produce X-hundreds of thousands of manufactured products, whatever it may be, and then the spinoff benefits of that, and that would enhance the economy of the Province of Manitoba by X-hundreds of thousands or X-millions of dollars and therefore I feel that I am entitled to this welfare assistance.

Well, my people can also, and constituents of other members can also present a similar case, on their own behalf and in their own support, demonstrating how they could enhance their own productivity and thus make a greater contribution toward the economy of the province.

So, as I have said initially, I am not suggesting this is any way facetiously, because there was a co-ordinated effort in the previous government; there is a co-ordinated effort in many other governments relating the supply of manpower, relating the economic resources that the province has that could provide employment, tying in the economic resources that could be developed to create jobs, to create employment. So there has to be some co-ordination amongst those various areas of operation, various areas of responsibility of government, which in this government does not appear to exist. Because, for all the time that we've spent dealing with the Minister's Estimates up to this point in time, I have yet to hear what is the connecting link, what is the pipeline and the liaison between this Minister and his colleagues, the Minister of Labour, the Minister of Education, the Minister with his present title of Health and Community Services, all of whom are involved in the whole business of making our human resources as productive as possible to their maximum degree.

And here is a Minister, as I have said, who is involved in the Economic Development of the province. Here is the Minister who, a few months ago, was busy taking a survey of the number of people who wanted to work in Altona or Winkler, or whatever it was that he was interested in attracting — Morden — an agricultural implement parts manufacturing firm to, and, if there would

be some co-ordination, he would be able to say, all right, here I have an investor interested in building such and such a plant; here I have a supply of manpower; here I have a supply of manpower that is readily available to go to work; here is a supply of manpower that, if I talked to the Minister of Education, I could upgrade, I could train and have that supply of manpower available for this prospective employer. And it would lead to some co-ordinated effort, rather than proceeding just by chance, flying by the seat of one's pants because, as I have indicated, our research does not show that the Minister had created 1,000 jobs or 1,000-plus jobs, or whatever the figure was, but I would say about 47.5, according to our calculation. And this is using an old reliable formula. It works out to about 47.5 jobs that the Minister can really take credit for, but not the 1,000-plus. But, if there were some co-ordinated effort, then he would be able to get a better handle on both issues: The potential for economic development, the needs and the supply of manpower that he has to work with, and train it to fit the economic needs that he is developing within the other area of his operations.

MR. CHAIRMAN: (2) — the Honourable Minister.

MR. JOHNSTON: I will outline for the member the purpose of the Human Resource Branch, which was started under the previous government, which has been very successful.

To improve the capability of enterprise to manage and develop its human resources, as well as to assist in the general improvement of all management skills, the Branch is responsible for the provision of professional consulting service, the development of comprehensive human resource development and training packages in selected companies, the delivery of small business owner-operator courses throughout Manitoba, the provision of assistance to industry in the recruiting and training of special needs persons, as well as co-ordinating departmental activities related to special needs in industrial development projects.

The consulting, in 1978-79, but the consulting that's continuing is 121 new companies contracts made regarding human resource management matters; 275 repeat contracts made regarding human resource management matters, for a total of 396 contracts.

Human Resource Development: 46 firms agreed to undertake comprehensive human resource management projects. These firms committed themselves to examine their human resource management practice, plan and put into place practices and procedures to properly manage their people resource.

Training: 225 small business owner-operators are trained under the Department of Small Business Management Training Program. 80 special needs persons were placed in employment as a result of departmental efforts in working with companies to employ special needs persons.

There is a co-ordination provided through the Canada-Manpower Needs Committee, involving federal Department of Employment and Immigration, plus the Manitoba Departments of Economic Development, Labour and Manpower, Education and Community Colleges.

Institutional: For industrial training and general manpower needs.

I might also say, Mr. Chairman, that the Minister of Labour also sits on the Board, the Committee of Economic Development Ministers, and this type of work is discussed among the Ministers certainly when the subject is on the agenda, which it has been. So the department is very busy working to the benefit of the people of Manitoba, working with industries so they will have a knowledge of how to manage their human resources and how to work with them. And it has been a very great benefit for our small companies to have this service.

MR. CHAIRMAN: (2) — the Member for Burrows.

MR. HANUSCHAK: Yes, Mr. Chairman. Would the Minister agree that it would make the whole process so much simpler if both the Westons and the Taylors and the Thomsons and the welfare applicants who go to the Minister of Health and Community Services, if they were all in the same office? You know, and there the Minister could match the two. Along comes Mr. Weston. He wants welfare. So the Minister gives him welfare and then he says, having given you welfare, you will need manpower. Here is a man applying for welfare to upgrade himself, and here we could train him and I could put him to work, rather than go this cumbersome circuitous route that the Minister has outlined. It would make it so much simpler if all welfare programs, human and economic resource development welfare programs were in the same department.

MR. CHAIRMAN: 2. (e)(1)—pass; 2.(e)(2)—pass; 2.(f)(1)— pass — the Member for Brandon East.

MR. EVANS: On the Promotion and Information Services I see under Salaries some reduction and

obviously this particular section or branch has been downgraded. Two questions: How many people are now employed in this particular branch? And the other question is, whether any advertising money is included in here, well that may be under the Other Expenditures, so if you want to talk about that at that time, fine, but my question was related to advertising expenditures and whether that's under this section (f) or whether that information is also included in the other sections of the department?

MR. JOHNSTON: Mr. Chairman, your decrease of \$51,000 in the Salaries is due to the provision of funds for general salary increase shortfall of \$5,000.00. Salary adjustments when a position is vacant, it reverts to its minimum step. Three positions were vacated and subsequently abolished. The abolition of three vacant positions was: One director, one clerk-typist and one contract writer, bringing it to a total of \$51,100.00. The present staff includes the provision of three staff: One co-ordinator, one illustrator and one graphic artist.

MR. EVANS: Can the minister advise whether any promotional or informational service work is being done for the department or is being planned by the department on a contract basis and paid out of other items in the departmental Estimates?

MR. JOHNSTON: The total advertising budget, Mr. Chairman, is on advertising and is in industrial design. I'm sorry, Mr. Chairman, the total Advertising Budget for this department is \$216,800 and that the Advertising and Industrial Design you'll find \$4,700; Business Development, \$70,000; Small Enterprise Development, \$1,500; Market Development, \$1,500 and Enterprise Manitoba, \$138,600.00.

MR. EVANS: Yes, so that the item Promotion and Information Services relates directly to the payment of three staff years plus and then when we get to Other Expenditures, expenses involved with those personnel. But as far as the total advertising expenditure of the department, it amounts to \$216,800 and that's scattered throughout. Could the minister indicate the name of the advertising agency or is there an advertising agency assigned to the department?

MR. JOHNSTON: The McKim Advertising is assigned to the department at the present time.

MR. EVANS: Is it expected that some of the promotional activities of the department will be done on a contract basis through the advertising agency or through a P.R. agency, because it seems to me those three persons that you have are, well besides the co-ordinator, the other two are technical low grade, low classification technical people — I'm sure they're good people — but they're low grade people so that where would be the innovation for whatever promotional material that the department may wish to have? I see a lot of it will be spent on the small enterprise, \$135,000 I think it is, some large sum, and \$70,000 on business development — those are the two biggest single items and you have McKim Advertising, but will that be the sole source of the innovative material or will you also be contracting in addition to that, to have promotional work done?

MR. JOHNSTON: No. The promotional program will be developed by McKim Advertising, which has been designated as the agent of the department for the purpose of the agreement. The agency may also provide services to the department as the need arises, and the man in charge of the Promotional and Information Services is the co-ordinator, who works with the advertising people and with the department.

MR. EVANS: The \$135,000, if I have the figure correct approximately — \$138,600, is that item to be found under (i)(2)? Is that included in the \$162,100.00?

MR. JOHNSTON: Well, the \$138,000 relates to Enterprise Manitoba, under (k).

MR. CHAIRMAN: The Member for Transcona. Pardon me, the Member for Brandon East.

MR. EVANS: Yes, just one follow-up question on this particular item. What would be the nature of the Promotion or Informational material under this \$138,600 item — now we can defer that discussion until we get to (k) but that was my only other question, what would we spend the money on, what would we be doing for that? One of the things, you'd be making the potential users of the program available, give them information so that they would have it available to make up their mind whether or not to apply, and I guess general advertising of the program.

MR. JOHNSTON: To outline it for the honourable member, I can give him the following list of materials required: News Releases, all components; Speeches and Speaking Tours; Writing; Editing and Organizing Brochures; Advertising; Media and Collateral, I think that word is; Mass Media, Manitoba only; Trade Development; Industrial Development; National and International Sport Advertising; Yearbooks; Ethnic Publications; Special Programs, etc.; Special Event Advertising; Seminars; Tours and Conferences; Direct Mail Advertising, and the Application Forms; Participation in Programs; Request for Services; Analysis of Program; the form letters to acknowledgement and form letters of confirmation. This is some of the type of the advertising and promotional work that has been done under Enterprise Manitoba.

MR. CHAIRMAN: The Member for Transcona.

MR. PARASIUK: I'd like to ask the minister how much was spent by the department for advertising last year, and if he has any information and he might not have it at his disposal, how much was spent by the department on advertising the previous year? Just to get some idea of what's happening in the area of advertising. I know that some members are very interested in transportation costs and I am as well, but I'm also interested in advertising costs.

MR. JOHNSTON: The advertising for the department last year was \$112,000 in 1977-78.

MR. PARASIUK: I wonder if the Minister has, at his disposal, the numbers for 1976-77?

MR. JOHNSTON: We would have to provide the 1976-77 figure. We have the 1977-78.

MR. PARASIUK: If the Minister would undertake to provide it, I'm just trying to see if there's been any great change or trend developing with respect to large increases in advertising, and the reason why I ask that is that some of the activity by the advertising companies seemed quite valid. Three points did concern me though: (1), the development of all press releases by the advertising company; (2), the writing of speeches; (3), the writing of speaking notes. I get concerned when an advertising agency, or a public relations agency starts doing that for government or for departments — and that's happened elsewhere, I have some knowledge of the advertising industry and I know that in some instances that task is undertaken on a wholesale basis, complete basis, by an advertising company — which means in a sense the communication with the public really is done through a P.R. firm often not located even in the province, or the head offices of which aren't located in the province and you really don't have very much in-house capacity, especially when it comes to something like press releases. We have Information Services, which undertakes that function for the government generally.

Speech writing, I think is done internally. The Minister has asked for an Executive Assistant, for example, and we have salaries for an Executive Assistant. I would assume that speech writing for the Minister will be done in part by the Executive Assistant, and the same thing holds true with speaking notes. Maybe that's not going to happen with respect to the department in total, maybe the points that he made related primarily to the Canada Manitoba Industrial Sub-Agreement. I can understand possibly a somewhat greater role on the part of a P.R. advertising firm, but I am very concerned if this development is taking place because on the one hand it might appear as if there is a reduction in staff man years, a reduction in in-house capacity, but at the same time, there's 100 percent increase in the advertising budget, which is a very substantial increase, 100 percent, an increase of \$104,000.00. And there are a whole set of other connotations or implications, nuances, in relation to advertising companies, which really I won't go into. I don't ascribe to them and I'll give the Minister the benefit of the doubt on that. But I certainly will be keeping my eye on the whole advertising budget within this department. It's an area that I think can be very easily abused.

We have an advertising audit procedure within the government, and I'll be checking with the Minister of Consumer Affairs when we get to his department, but I do have concerns about this fairly dramatic increase in advertising on the part of this department. If I could get the figures for 1976-77, I would be pleased, and the Minister I think has undertaken to do that. I don't think it will create too much difficulty for him to do that and I'd like to ask if the advertising expenditures of the department have gone through the advertising audit process within the Department of Consumer Affairs — I think it's the Department of Consumer Affairs where the advertising audit function is still performed.

MR. JOHNSTON: Well, first of all I can understand the member's concerns regarding press releases. But let me first say, the major increase in the advertising is in Enterprise Manitoba, which is \$138,600,

which is 60 percent paid by the federal government. The press releases that are written by the advertising department are written on the basis of releases, they have been up to this point, announcements about the programs as they have been released. Those advertising releases come to my department and they are approved by myself and a person from the federal government before they ever hit the media. So they don't have the responsibility of just putting out advertising ad hoc.

The speech writing has been very limited. I don't have a speech writer. I write my own speeches or I work from notes. I find it very hard to read a speech. But the brochures that we've shown you and the work with the media, as far as Enterprise Manitoba is concerned, has been McKim's major job, and I could add that they've been involved with audio-visual and feature articles. Then, of course we have letterheads and envelopes, which was all designed by McKim Advertising, and all of these things when I say feature articles, there's nothing that is done by the advertising agency that isn't approved by the two partners as far as Enterprise Manitoba is concerned.

The advertising audit department, the practice was that there were quotations sent from several — and I don't have the list but I know there were several advertising agencies quoted on the Enterprise Manitoba contract — it was taken into the advertising audit. There is a committee set up in government to analyze the quotations sent to us and a recommendation is made as to what they feel is the best proposal, and it's chosen on that basis. But the increase is basically in the Enterprise Manitoba as far as the advertising is concerned.

I think you'll find — and I'm not prepared to make a complete commitment that 1976-77 will be approximately what 1977-78 was — but we'll certainly supply you with those figures.

MR. CHAIRMAN: 2.(f)(1)—pass; 2.(f)(2)—pass; 2.(g)(1)— pass — the Member for Brandon East.

MR. EVANS: Could the Minister explain why there are no figures, why there are no estimates under Regional Co-ordination? I noted last year there were no salaries or other expenditures. First of all my first question is, are there no personnel involved in regional work, or are those persons to be found under small enterprise development or some other branch of the department? My second question is, what about the grants to the regional development corporations? Are there to be no further grants to the regional development corporations, and if the answer is yes, we are going to continue grants to the regional development corporations, where do we find that information?

MR. JOHNSTON: Mr. Chairman, I'm almost ready to jump up in my chair and pat my staff on the head. I'm happy to tell you about this one. We have one person in the small enterprise development involved with working with the regions, as the honourable member knows. In the negotiations with the Enterprise Manitoba, the federal government believed and accepted the costs, which is \$36,000, — the numbers you see in front of you here, the cost — they accepted that to go into Enterprise Manitoba under a 60/40 cost-sharing. So the province naturally moved it into the Enterprise Manitoba Agreement. I give the compliments to the staff for negotiating that with the federal government.

MR. EVANS: Thank you, Mr. Chairman. So I gather that the province will continue financially assisting the Regional Development Corporations under the federal/provincial agreement —(Interjection)— and is there any change in the level of financing this year as opposed to last year? In other words how much are we spending for assisting the regional corporations this year?

MR. JOHNSTON: Mr. Chairman, there is no change and the formula that has been used for the development organizations if they bring in so many members is all still there so that they can make excess dollars. Well you are saying that Westman is not operating at the — I'm sorry Westman is not operating at the present time, but I started about the formula and I believe that I am right on this — they receive so much per corporation plus a share of additional contributions.

MR. CHAIRMAN: 2.(g)(1)—pass. The Member for Brandon East.

MR. EVANS: Well can the Minister advise how many people, he may have said it but I didn't hear him, how many people are involved in regional co-ordination? There used to be a person in Brandon, Dauphin, Portage, there's three anyway and Mr. Bergman as well, I believe was very much involved in regional co-ordination, and a few others. I won't mention any other names, but there were a number of persons in the Department who have been involved in this and I am just wondering,

are those people still involved in regional co-ordination and therefore because of the agreement with the federal government, are they now being paid under (k)?

MR. JOHNSTON: Yes, Mr. Chairman, we still have the man in Brandon, Dauphin, Portage la Prairie, and Mr. Norm Bergman has been transferred to the executive appropriation of 10-2B1 and he is still interested in the program. Mr. Bergman carries a card that says Assistant to the Minister and I'm not quite sure how many Ministers he's assisting but he is well known by everybody.

MR. EVANS: Appropriation 10-B1, is that in the Department here, or is that in another department? I understood that Mr. Bergman was working with Mr. Banman. That's what I thought, but is he still in the Department of Economic Development? Is he still paid in the Department of Economic Development?

MR. JOHNSTON: Yes, he's in the executive appropriation which is back in the first one here, and Mr. Bergman is still paid by the Department of Economic Development. He works with Mr. Banman, the member is quite right, but he has to be paid somewhere, but he works with myself and he works with Mr. Banman.

MR. CHAIRMAN: 2.(g)(1). The Member for Brandon East.

MR. EVANS: Although there's no moneys under Regional Co-ordination, nevertheless, this is an important thrust obviously of the Department because there are staff, there are moneys being spent elsewhere. Can the Minister advise any new thrusts in Regional — I hate to use the word co-ordination, but Regional Development or do you wish to discuss that under (k) also?

MR. JOHNSTON: Well the appropriation has been transferred to 2.(k)(2), Mr. Chairman, and there are more people to be put in the field in Brandon, and Portage under (k). The Regional Development offices are still working as they always have done and we do have people working with them.

MR. EVANS: One other question — it's unfortunate that the Westman Development Corporation decided on their own to fold up. Is there any indication from any of the other regional development corporations that they wish to cease to operate or are they continuing on as usual? Is there any sign that any other may wish to close shop so to speak?

MR. JOHNSTON: No, we have no indications of that at all, Mr. Chairman, and I'd like to inform the honourable member that these ones are working very hard. I have been with the executive and at meetings of all of these that are shown here and they're very healthy and they don't show any indication of packing up like Westman at all.

MR. EVANS: M. Chairman, is there any possibility of the Westman organization getting back into operation again or is that matter closed for the time being?

MR. JOHNSTON: I'm informed that it's up to the people of Westman to form it again and there is no question that our Department would encourage them to form it again. We think it's a definite advantage to have the Development Corporations in all the areas.

MR. CHAIRMAN: 2.(g)(1)—pass; 2.(g)(2)—pass; 2.(h)(1)—pass; The Member for Burrows.

MR. HANUSCHAK: Mr. Chairman, is this the item that deals with business development of our province, and over the past number of days while we were dealing with the Minister's Estimates, the Minister attempted to portray a rather optimistic image that he and the Department are doing all that they can to boost the province's economy, and I think, Mr. Chairman, it should be noted in the record how the performance of this government, of the First Minister, and of the Minister, is perceived by the province at large, and in particular what some of the comments are from various parts of our province.

I happened to note, Mr. Chairman, in a newspaper issue about a week, less than a week old, dated April 25th, and this is not the Manitoba New Democrat or published by the socialists in Manitoba, or the Commonwealth published by the socialists in Regina, expressing their views on the economic state of affairs in Manitoba as perceived by them over there, but this is an editorial appearing, and I regret that the Honourable Member for Pembina isn't here because it appeared in a newspaper published in his Riding, the Valley Leader printed in Carman.

The title of the editorial was as follows: Lyon King of the Jungle but not of Our Economy. And

then the editorial goes on to read as follows: "The April edition of the Bank of Montreal's business review includes a regional economic growth forecast for April and Manitoba according to them is suffering in comparison to most other areas of the country. As one might suspect Alberta setting the pace for 1979, with the Atlantic provinces coming in second. There was a time not long ago when most provincial politicians, no matter how poorly their own economies were going could at least say they were doing better than the Maritimes. Will that be replaced by, at least we are doing better than Manitoba." That, Mr. Chairman, was in an editorial in our province in Carman." British Columbia and Quebec are also expected to finish the year with above average growth according to the Bank." And this, Mr. Chairman, is not an assessment by some socialist organization but by a group of rugged free enterprise individualists, bankers, shareholders of the Bank of Montreal.

I continue with the editorial: "Because of below par performances by manufacturing and mining, Ontario is expected to be a little below the national average, but growth well below the national average is expected in Manitoba and Saskatchewan, the review says. Agricultural growth is expected to be only modest because of weaker grain markets. Prospects for sales of nonferrous metals are not overly good and moderate construction growth in Saskatchewan will be offset by a standstill in Manitoba." So much for the quote from the Bank of Montreal report, and then the editorial concludes with the following paragraph.

"Manitoba seems to be about the worst province in Canada as far as economic growth is concerned and may even be dragging down its neighbours. It is without doubt time for some stimulation, Mr. Lyon."

That, Mr. Chairman, is not a view from the Opposition side of the House, but this is an opinion expressed by a publisher of a newspaper in a Tory Riding, what his political party stripe is I don't know — I'm asked what date was it, April 25th, this was less than a week ago of this year. So, Mr. Chairman, the people of Manitoba are not dancing in the streets with joy at the accomplishments of this government in the area of economic development but they are worried, and I will tell you, Mr. Chairman, that if one were to go to the library and take a couple of hours and just browse through the newspapers printed in other communities of the province, one would find the same type of pessimism expressed, as is expressed by the editor of the Valley Leader in Carman.

Now, Mr. Chairman, I happened to come across a couple of other items related to a point which I had raised during the Estimates debate last night when I asked the Minister whether he and his department are involved in any way in any monitoring surveillance of the corporate takeovers which appear to be on the rampage in our country over the past while, and the Minister's response was, Mr. Chairman, you will recall, that, well, this really is not a matter of concern to the little businessman out here in Manitoba. He sort of wanted to leave the impression that whatever is happening in the whole corporate takeover exercise, that's something that only takes place in the Board rooms on Bay Street in Toronto and the lawyers' offices in Toronto, and the stockbrokers' offices and so forth, but it doesn't concern the little man out here. It is a matter of interest, yes, but it is of no direct concern to him.

Well, Mr. Chairman, once again I would like to refer — and I believe that this newspaper is published in the constituency of the Honourable Member for Rock Lake — I think that Glenboro is in his constituency — the Glenboro Gazette. And a month ago, less than a month ago, on April 4th, appeared an article prepared by one Frank Caplan, a prominent writer on Canadian business and finance, in association with the staff and information facilities of the Investment Funds Institute of Canada. It is quite unlikely, Mr. Chairman, that this is any type of a Socialist organization, the Investment Funds Institute of Canada, which represents financial organizations investing more than \$1.85 billion of the savings of over 500,000 Canadians. And Mr. Caplan writes an article titled "Little Man in the Middle of Corporate Takeovers". I think, Mr. Chairman, if you will listen carefully you will find that the matter of corporate takeovers, the games that the Westons and the Taylors and the Lord Thomsons and the Hudson's Bays and the Sears, and whoever else is playing, is a matter of great concern to the little guy in the Province of Manitoba. It should be a matter that this Minister, as one interested in and concerned about business development in the province, should be concerned about and should at least hold a watching brief over and analyse what is happening and do one of a number of things. Either, number one, advise the people of Manitoba what effective impact a proposed corporate takeover may have on the people of our province, and if it should appear to him that the corporate takeover may be to the net disadvantage of the people of Manitoba, then take what actions are within his power, either in his capacity as a provincial Minister or in attempting to persuade the federal authorities to prevent whatever happening that may have an adverse effect upon our people.

Why should the little man be concerned about corporate takeovers? Here's what Mr. Caplan, an expert in business and finance, has to say. He says, "Usually when it comes to such high finance subjects as corporate takeovers, most people are tempted to skip the financial pages to get into

the Sports Section, but the corporate takeover has been making front page headlines because of the involvement as such household names as MacMillan Bloedel, Pacific Petroleum, Simpsons and Abitibi Paper. Public attention most often focuses on the Titans of finance and business, who direct such industries."

"Shareholder meetings to consider takeover bids are surrounded by complex legal financial documents that suggest the owners of the effected companies are the sophisticated rich coming together to decide the fate and future of major industries."

The picture is about as out of date, Mr. Chairman, as the stereotype of a capitalist robber baron. It's more than likely the people most affected by a takeover or merger are Canadians of modest means trying to build savings for an uncertain future.

And then Mr. Caplan goes on to explain how that little guy could be affected by the takeover that may be negotiated in Toronto and New York. "The chances are high that many are employees of the organizations caught up in the top management moves. Companies are owned by shareholders. For example, in retailer Simpsons Limited 17,000 shareholders had to consider the takeover bid by competitor Hudson's Bay Company. Even that number of shareholders proved misleading. It was subsequently learned," and this I would suggest to you, Mr. Chairman, is one of the key points, "It was subsequently learned that a large number of Simpsons' shares was owned by a pension fund representing Simpsons' employees across Canada. The pension fund would be recorded as a single shareholder. Another large group of Canadians was also hidden in the official list of shareholders. These were people saving and investing money through investment funds."

And I just wish to pause at that point, Mr. Chairman, that I am surprised that the Minister couldn't understand this yesterday when he said that corporate takeovers are not of direct concern to the little businessman, to the average Manitoban.

But, Mr. Chairman, you know as well as I do that there may be many many people of modest means who may have investments tied up in an RRSP, in a mutual fund or whatever, and some of their funds, some of their dollars of the few dollars that they have invested in that particular investment fund may be tied up in a corporation that is involved in a corporate takeover, and the result of that exercise — it may work to the advantage or the disadvantage of them — but they being people of modest means, of the few thousand dollars that they may have invested in the mutual fund, it might only be a few hundred dollars invested that could be attributed to a particular corporation involved in a corporate takeover exercise. Those people are not in a position to do the type of scrutiny and analysis to determine whether that particular corporate takeover is going to work to their advantage or not, and it is at that point, Mr. Chairman, that I suggest that the Minister ought to step in and offer the people of Manitoba the type of advice that they deserve.

"A reference booklet published by the Financial Post Corporation Service shows that at the end of 1977, 44 such investment funds held over \$4.2 million Simpsons' shares, or about 9 percent of that company. In Hudson's Bay some 1 million shares, or 7 percent of the company, were held by 32 funds."

Investment funds, Mr. Chairman, are owned by thousands of people, mostly of modest means. "Statistics compiled by the Investment Funds Institute of Canada an association of such funds show that 76 such pools of savings held some \$4,840,000,000 . worth of common shares of Canadian companies. Since there are more than 420,000 shareholders of these funds, the average personal stake in the shares of Canadian companies works out to less than \$2,000.00."

So, if it works out to less than \$2,000, so we're not looking at the investor of millions of dollars or hundreds of thousands but we're looking at the person of modest means. And if there are 420,000 such shareholders in Canada, Mr. Chairman, just on the basis of a law of averages, if Manitoba's population is roughly 120th that of Canada, so it would follow that approximately 20,000 are resident in the province of Manitoba.

Then the article continues, "In other takeovers the same pattern is evident of widespread ownership, first through many shareholders and then indirectly through such pools of savings as investment funds and pension plans."

With that kind of finely-spread ownership of Canadian industries is it any wonder that takeovers and mergers are making headlines, because, Mr. Chairman, they are matters of concern to the average guy on the street and not just to the person who is a member of the Winnipeg Stock Exchange or the Toronto Stock Exchange, but to you and me and to tens of thousands of others.

Then there is one other concern about takeovers, why takeovers are a matter of concern, and one of the reasons why takeovers are a matter of concern to the average man on the street and why they are a matter of concern, Mr. Chairman, to the man that this Minister professes to be most concerned about, and that is the small businessman that he is the backbone of our province,

that he must be protected, and that he must be given all the assistance that he can, and here, Mr. Chairman, when the Minister says that corporate takeovers do not affect the small businessman, Mr. Chairman, how could the Minister make such a statement? He must be an ostrich with his head buried in the sand, because, Mr. Chairman, it's true that Mr. Weston didn't come into Winnipeg and go to every street corner and buy up every grocery store. He had other ways of eliminating competition, because he doesn't like competition. It's true that no one came around and bought up every little drugstore in Winnipeg and drove him out of business. Those who don't like competition have other ways of getting rid of them. And they did, Mr. Chairman. So this is the reason why the small businessman is concerned about the corporate takeover.

And once again, Mr. Chairman, I'm quoting from a man, who, I'm sure by no stretch of the imagination is a socialist, an organization which does not have membership in the New Democratic Party, an article written by one Roger Wirth, Director of Public Affairs, of an organization of which it's quite conceivable that the Honourable Minister may have been a member of while he was in business, namely the Canadian Federation of Independent Business. And if he wasn't, I'm sure that many of his friends and business associates were and are members of it.

And Mr. Wirth says the following, why the small businessman, not excluding the small businessman in Manitoba, is concerned about the corporate takeover campaign which is gaining increasing momentum. And he says as follows, "To most Canadians, the battle for control of one of the nation's largest department store chains is little more than a business game to be viewed from the sidelines. Yet the massive deal that so excites shareholders and the media as the bidding war progresses, has the capacity to affect all Canadians, perhaps" — and I want to underline this, Mr. Chairman, "perhaps driving up retail prices as competition is reduced."

Now, Mr. Chairman, between him and the Minister for Consumer Affairs, surely neither of the two could shrug this responsibility off their shoulders and say, well, this isn't a matter of concern to us. "The players in this conglomerate war that involves hundreds of millions of dollars, and here they are, the George Weston group of companies with sales of \$5.2 billion," — this isn't the small businessman that the Honourable Minister talks about who sells less than \$500,000 a year, but this is in the billions of dollars, Mr. Chairman, "derived from interests in food processing, fisheries, forest products and the 350 or so supermarkets operated by Loblaws and associated companies. The other actor is the cash-rich Thomson family, which owns and operates about 50 Canadian newspapers in addition to hefty world-wide investments in everything from the media to oil, to travel and tours, and the target, of course, is the 309 year old Hudson's Bay Company which recently took control of Simpsons Limited and Zellers Limited, combined sales of that operation almost \$3 billion. In addition, the Bay owns about 1/3 of Simpsons-Sears Limited, the company's other big department store retailer.

While the federal government's combines investigation branch has been concerned about the increase in corporate concentration, an official complaint from six smaller companies, backed by the 54,000 member Canadian Federation of Independent Businesses, expected to force the Combines Branch to completely investigate the takeover attempt by Weston. As a result, the case for consumers and smaller Canadian businesses that compete with and supply the corporate giants will be heard. The politicians may also be forced to act."

I would hope, Mr. Chairman, that the politician in our province, the Minister of Economic Development, would feel compelled to act, calling a halt to any deal, at least until after the federal election. "While either of the proposed takeovers would have far-reaching effects on competition, the bid by the Weston empire is troublesome indeed. The combination would have enormous power in the Canadian marketplace. A couple of examples of how that power could be used" — and Mr. Chairman, this will affect the small businessman that the Minister is concerned about — "the Weston group could extend its policy of vertical integration in the food industry to the department store field, replacing smaller Canadian manufacturers with company-owned suppliers."

Now, Mr. Chairman, can the Minister still say that corporate takeovers are not a matter of concern to him, not a matter of concern to the small businessman in Winnipeg and Portage, in Winkler and Brandon and Swan River and Dauphin and Russell, wherever he may be? "In addition, the temptation to subtly squeeze out present suppliers of the Bay, replacing them with Weston controlled manufacturers, would be difficult to overcome. By controlling the Bay, Weston would also gain a powering influence on shopping plaza operations. The combined companies could control the anchor stores, grocery and department merchandising outlets so necessary to draw traffic and support shopping centres."

"In the case of a Thomson takeover of the Bay, the potential for the department store chain to receive preferential treatment by Thomson owned newspapers, particularly on advertising, is significant."

Mr. Chairman, with respect to newspapers, and this was something that I wasn't aware of myself, I have come across another item appearing in one of the other weekly newspapers, of which I do

not happen to have a photostat copy at the moment, which made mention of the fact that Lord Thomson owns the Yorkton Enterprise, a weekly newspaper in a small town. And there happens to be a Hudson's Bay store in Yorkton, and there's also another independent newspaper being published in Yorkton.

Well, it so happened that the other newspaper succeeded in getting the Bay advertising contract. Well, Mr. Chairman, you know as well as I do, that if Mr. Thomson were to buy the Bay, where the advertising is going to go in the Yorkton paper, where the advertising is going to go in other communities, wherein the Bay sells, and wherein Mr. Thomson publishes newspapers.

And concluding the article, "Un til now, Canada's media has generally not been involved at such close range with its paying advertisers. Whatever the outcome, Canadians can at least be assured the situation is now being reviewed." Mr. Chairman, this is a dangerous thing. It's a frightening thing if you stop to consider that if either of these corporate takeovers should occur, it would be frightening. If Weston takes over, then we're faced with the danger and the risk of vertical integration from the production, the growing of the vegetables, and the production of the meat and poultry, all the way up to the retailing of it, and all the other processes in between. If Lord Thomson takes over, then we have the close link-up between the media and the retailing business, coupled with all the other subsidiary business operations that they may be involved in.

So Mr. Chairman, it is a matter of concern to the very man and woman that this Minister, you know, is always so quick to defend and so quick to stand up and say that that's the person whom he wants to protect and assist and defend. So I would want the Minister to reconsider the comment that he made last night that this is not a matter of real concern to him, it's something that's occurring elsewhere but of no direct impact or consequence upon the small businessman in Selkirk or Teulon or Steinbach or Emerson or wherever he may be. Because Mr. Chairman, it will have an effect on him. And the small businessman is concerned. And the small businessman is very much surprised, was very much surprised to have heard the Minister say what he did say last night, and if the Minister — either the Minister is prepared to correct himself and indicate that what came out wasn't really what he intended to come out, that he meant something else, or if not, then the only conclusion that the small businessman can draw is that this government, this Minister, is not really a supporter and defender of the small businessman, but he's a supporter and a defender of Mr. Weston and Lord Thomson and Mr. E. P. Taylor and Mr. Rockefeller, and others who fall into the same league as those three gentlemen.

MR. CHAIRMAN: (2) — the Honourable Minister.

MR. JOHNSTON: I will check Hansard tomorrow when I have it. I did not say, or use the words, "Was not concerned." I seem to recall my remarks to the Honourable Member for Transcona as one of being, when he showed concern about this himself, that takeovers of small business were not as common as takeovers or amalgamations of large corporations with one another. And as far as the member says, or wants to carry on, regardless of what he says this government is concerned — this government is sincerely concerned — to develop business and small business in the province of Manitoba and assist them in any way we can assist them the way a government should be there to help them when they ask for help.

MR. CHAIRMAN: The Member for Burrows.

MR. HANUSCHAK: Mr. Chairman, once again the Minister says he is going to check Hansard to determine precisely the exact terminology that he used. That's fair enough, and I hope he does that. And then he repeats again — he repeats again — that takeovers of small business is not as common as takeovers of large business. But, Mr. Chairman, that is where the Minister once again is demonstrating himself to be an ostrich with his head buried in the sand about 10 feet deep, if he's not aware of the damn takeovers which have occurred in our own city over the past number of years by big business. And a few minutes ago, I just finished explaining to the Minister the subtle process in which takeover occurs. I had indicated to the Minister Mr. Weston didn't go knocking on a corner grocer's door in my neighbourhood to buy his grocery store out. The big chain drugstore didn't go knocking on my druggist's door and buy him out, they put up their shop in the vicinity and they undercut him, undersold him and drove him bankrupt and drove him out of business. That's how they took him over, and that's what's been happening, and that's what the small businessman is fearing. That is free enterprise; yes, that's free enterprise; those are the freedom fighters; that's the type of freedom that this government wants to defend. The freedom for E.P. Taylor; the freedom for Mr. Weston; the freedom for Lord Thomson to do as teey damn well please, and that's what this Minister wants to defend. And that is what he has just admitted to tonight.

MR. CHAIRMAN: 2.(h)(1)—pass — the Member for Brandon East.

MR. EVANS: Well, Mr. Chairman, on this item of Business Development. This is the area of the department I know that is concerned particularly with trying to locate in Manitoba new enterprises, where the staff, from my understanding, are very much involved in going out trying to bring in completely new enterprises, new processes, and frankly I would say of all the sections or branches of the department, this has got to be the most difficult — the most challenging — because the fact is that there are a number of disadvantages that Manitoba suffers under. I'm not trying to underrate our province and I'm not trying to say we don't have some good features, obviously we do, but the fact is that it is extremely difficult — it's almost impossible in some instances — to try to bring in new enterprises, especially advanced technology enterprises and so on and there are a lot of reasons for this.

One reason, there's a reason of a marketplace, the reasons of our geography; there's also another reason which is perhaps subtle, and maybe my colleague the Member for Burrows who was talking a minute ago, perhaps alluded to it in a sense when he talked about this corporate takeover. The fact is that there is plenty of evidence from the mode of operation of large corporations that there's a tendency for the corporation to not necessarily locate a branch plant where that branch plant may be located if a big corporation wasn't involved. Now maybe that sounds a rather abstruse statement — maybe it is — let me give you an example, and I've used that example before but I'll use it again because it's a good example and it puts your finger on the problem that we're facing in Manitoba.

There are many enterprises, many new products that we could make in Manitoba and make them profitably, by private enterprise. But, the fact is that in our industrialized world, most of the decisions are made by large corporations, and those large corporations will make their decisions for their welfare and their benefit, and if I was the president of one of those large corporations I would be doing the same thing, so I'm not faulting them because it's the system under which we're working. But I specifically refer to Alymer Foods, or Canadian Cannery Limited, that used to own the cannery at Morden, Manitoba, and I recall a Mr. Borden who was then the president of the company telling me in my office, this was back in early 1970, "I'm sorry, Mr. Evans, but we've been thinking about it for a couple of years, but we're finally going to close that cannery at Morden." And I asked him, "Well, how much money do you lose?" And I do recall from memory that he indicated well they weren't necessarily losing any money in Morden. They weren't losing money, but they could make even more money by concentrating around Hamilton, and that's the dilemma. You know, if you had smaller corporations and medium-sized corporations, I believe that could make a product in Manitoba, could manufacture goods, could make profit here. I'm talking about privately-owned corporations, but when you get a big corporation such as Canadian Cannery Limited coming to you, what's your response? What can we do about it?

The fact is, that we're faced with the phenomenon of the large multi-national or national corporation, and many of the decisions that are good for them, and I don't fault them because they are in the business of making their profits, I'm not faulting them, but I am saying that is what we have to contend with in Manitoba. What was good for Canadian Cannery in that case wasn't good for Manitoba, so they were going to cannibalize the plant, close it down and move all the equipment to Hamilton and that would have been the end of the jobs in Morden and that would have been the end of the contracts for those farmers supplying the produce to the cannery.

So this is what I mean when I say that the phenomenon of the big corporation making decisions in their own interest sometimes and very often, are not consistent with the best interests of a region of the country — of any country. So I repeat, this has got to be the most difficult part. The people who work in this section have got to have the most difficult challenge of anyone and that is to try to attract new — and I would imagine these are the larger companies — the larger enterprises.

What I would wonder if the Minister could supply us, if not tonight, if he could take it as notice and supply it tomorrow, or in a few days, information as to the number of jobs that the department was directly involved in creating in the manufacturing sector for the year 1978 and the first quarter of 1979? Now, what I'm asking for is nothing new. As a Minister, I remember for many years I was asked those kinds of questions, and I tried to supply it. Where we listed the new firms — I'm talking about the new firms that located in Manitoba — and the type of operation, the amount of investment involved and the number of jobs, information along those lines. I don't think this is any secretive information, it's not confidential, I'm talking about firms that have established in Manitoba in 1978 and the first quarter of '79' and if you wish you can also add perhaps a supplementary list, those that have announced the intention of coming here. I mean, that's in addition to that. I don't know whether the Minister heard my request totally, but I can repeat it if he

MR. JOHNSTON: Mr. Chairman, I heard the member's request. My staff tell me that they have been putting it together. If I were to offer it to the member tonight, I wouldn't be satisfied that it's accurate, I'll have it for him tomorrow morning. I think I know what he's asking for, the same thing that always concerned him, statistics of that nature were always being looked for by Ministers in our position and I will try to supply them.

Mr. Chairman, I'd like to comment on the member's comments about the food business that left. It wasn't good for them, but we have had success with Campbells in Portage la Prairie and McCains since that time, and I might say they came not this year or last year, but they are working successfully and giving us some indication of happiness in the province of Manitoba. We have mentioned that small new type of factory that's going into Portage la Prairie as far as processing of peas, but I think that the way we want to move, and I'm sure all of us want to move and I'm sure you tried to move that way, is if we can with our Technology Centre expanding in Portage la Prairie, if we can start to not have the biggest in the world, but start to have processing of Manitoba agricultural products being done in this area.

We think, with co-operation of the Minister of Agriculture and his program on Added Value Crops, that that's the right direction to move at the present time. Certainly, the gentlemen who work in this particular department, there's 16 of them, are all designated to certain industries, and they not only work with those industries but they also have a responsibility to try and bring the type of manufacturing that they particularly are involved in into Manitoba and expand that particular manufacturing.

Regardless of the figures that the Member for Burrows gave, I'd like to give some figures from the Bureau of Statistics. Manufacturing in the first three months of this year, secondary manufacturing, 1958 (sic) was \$57,000; 1979 was \$62,000.00. We have a percentage increase in Manitoba of 8.8, in Canada is 8 percent.

In your transportation and communications in the first three months, \$45,000 in 1978; in 1979 we're up to \$51,000.00. We have 13.3 percent increase, Canada has 5 percent increase.

Trade is up from 76 to 80, which is a 5.3 percent increase, Canada had 4.7.

Public administration, I must say is down by 10 percent, \$30,000 to \$27,000, where the whole of Canada is down 2 percent.

Mr. Chairman, private investment in the Province of Manitoba in 1978 was in Manitoba in millions of dollars; in 1978 was \$1,387,000 — that's a Manitoba percentage increase of 21.9 over the previous year. It is projected in 1979 in private investment to be \$1,400,000, which is a 3.9 increase, and in a two-year period it is the intention of having a 25 percent increase in a two-year period which gives us . . . and Canada is projected to have a 16.1 percent increase.

The employment statistics in the Province of Manitoba in 1978 were 59,000, that was an increase of 9.3 over 1977, the increase in Canada was 3.6. In 1979, the intention according to the Bureau of Statistics is 62,000, which is 8.3, when Canada is 8 percent. The investment in Manitoba, the total investment was \$82,000 in 1978, up 2.9 percent; the intention for 1979 is 96.3, which shows a 17.4 percent increase, and Canada is projected to have an 8.9 increase. Also according to the Bureau of Statistics, the number of people employed in the province has increased by 18,000, 4.2 percent, between March 1978 and March 1979. This is much faster than the provincial long-term average annual rate of growth, which is 1.8 between 1966 and 1978. No other province had a larger percentage point drop in its unemployment rate, than Manitoba did in March, over March period,

Mr. Chairman, if I could read from newspaper articles, Mr. Kiwasser and Mr. Pitblado, while they visited the Province of Manitoba, commented in an interview that at a meeting about 20 local business dealers left them with the impression that business prospects here have improved greatly in recent months. All 20 reported profitable operations, and some who had plants elsewhere, were repatriating activity into Manitoba — that was a good economic forecast for the Province of Manitoba.

I'm not trying to paint the greatest rosy picture in the world; I'm saying that we are working at it, and working at it very hard with the plan that we outlined the other night and that we discussed last night under Program, where we outlined the plan to you. In this particular department we have four staff, for our Deputy Minister's office — one Assistant Deputy Minister, two Administrative Secretaries, one Word-Processing Secretary. We have three staff for the Consumer Products, includes apparel, consumer goods, furniture, two senior development officers and one development officer. We have four staff for Industrial Products, includes aerospace electronics, and electrical machinery and transportation equipment. In that department we have three senior development officers and one development officer. Two staff are for Resources and Construction Products; one senior development engineer and one development officer; one staff is for Health Care Products; one senior development officer; one staff is for Food and Beverage Products; one Senior

Officer, and one staff for Leisure Products; one senior development officer. These gentlemen, their duties are to work with the particular industries that I have named that they're working in, to help expand them and help do everything possible to bring those types of industries to the province. They also are on call, when we have requests from people who have shown an interest in the Province of Manitoba; to go out, meet them, negotiate with them and present to them the benefits of working in the Province of Manitoba.

So you know, as I said, we are working at it and this is the process that we have chosen to work at it, and I appreciate the member's statements that it's not the easiest thing in the world but we can't sit back and not try to tackle it, and that's what we are hoping to do.

MR. EVANS: Yes, well I'll have to study those figures I guess when I read Hansard, that the minister has just quoted. The thing is that there's no question that there has been an increase in the number of people employed in manufacturing in the last year or so, that's obvious — and there is other information available that there has been some expansion in manufacturing, but the real question is this: To what extent can this government or any provincial government have much impact on that expansion of manufacturing? I'm not suggesting for a moment we shouldn't try, Lord knows we tried for many years and you've inherited a good department with a lot of good quality staff, and it's not a matter of working hard, it's not a matter of putting one's shoulder to the wheel. I mean, that is being done — I'm not quarrelling with that.

The point I would make is that we have certain very serious limitations in Manitoba that we have to contend with, and I've also suggested which was a follow-up to my colleague, the Member for Burrows comment, I also suggested that we were being disadvantaged by some of the practises of the large corporations. Now the minister's rebuttal was, well, look we've got Carnation in Portage, and there's McCains that came there, came there a couple of years ago, and so on, but I daresay that if we did some research we would find that in the Province of Manitoba, we are not getting the degree or the level of manufacturing that our economy would dictate. In other words, the amount of manufacturing that we should see here as a natural phenomenon, as a natural development based on our agricultural resources, based on our other primary resources, based on our population and so on. I believe we have a smaller share of manufacturing than we are entitled to, if you wish, entitled to by straight economic factors. I'm saying one of the reasons we are not getting our share of manufacturing is because of the nature of the modern corporation and of modern industrial organization, and I'll give you another example and it's a historical example.

At one point in our history it was customary to have a certain favourite beverage brewed on a relatively local basis, namely beer. Beer, lager, ale was manufactured in small centres as well as the big cities right across Canada. Brandon had its own brewery, Winnipeg had, I don't know a dozen, 15 breweries. I remember the City of Ottawa used to have two or three or four breweries; I don't think Ottawa has one brewery today. Brandon has no brewery. Winnipeg has had a shrinkage of its breweries. The fact is, and I'm using this only as an example, the brewing industry in Canada has become more concentrated. It's become more concentrated in terms of ownership, a very few number of companies, and it's become concentrated in the method of production.

So that you remove the jobs from Brandon, you remove some of the jobs in other smaller centres across the country and they're concentrated because of technological changes, because of technological advances if you will, they're concentrated in few centres, so to that extent I say we are a victim of this phenomenon of concentration of ownership and concentration of production because of the technology; and as a result we have in my view, fewer people employed in various categories of manufacturing than we should have, and I don't know what this minister or this government, or indeed any government can do about that, I really don't know.

And I'm not suggesting for a moment that we stop trying, and I'm not suggesting that we shouldn't encourage people, and we shouldn't go out and so forth, but I think we've got to be honest with ourselves and recognize that a lot of the economic events, a lot of the economic development that occurs in Manitoba occurs because of factors that are beyond the control of any provincial government, that are beyond the power or jurisdiction of the people of Manitoba. They're because of international factors, they're because of national events, they're because of federal government policies and so on.

I'm not suggesting that the provincial government and provincial corporations do not have any influence whatsoever, by no means, certainly provincial government policies come into play, but with all due respect, I don't know exactly what this government has done and what this department has done to bring forth all those jobs that the minister has referred to, all that increase in manufacturing jobs. I really submit that a lot of that has come about, and I've said this before and I don't really want to be repetitive, because of the devaluation of the Canadian dollar, because of the quotas that have been placed on imported garments, and because of rising agricultural prices.

Now some factors are going to be at work this year that are going to cause a lower rate of employment in manufacturing and this has been recognized by the Conference Board in Canada. Our farming sector isn't going to be, unfortunately, as buoyant I believe this year as it was last year. The residential housing construction and all the multiplying effect of that is going to be down this year for a number of reasons. And there are other factors at work — the Canadian dollar is becoming more valuable vis-a-vis other currencies and we don't know where that's going to go, it may go over 90 cents, it may not go, but whatever, there seems to be an upward swing and that's going to have a negative impact on the development of manufacturing in Manitoba and elsewhere.

And so, while we recognize there's been growth in manufacture, we have to recognize there's been growth right across Canada, and I guess I read a couple of quotes about that the other day from the Globe and Mail Report on Business where it's recognized by all manufacturers in Canada that the devalued dollar has stimulated manufacturing finally, thank God it's been stimulated.

In effect, there's a form of protection from foreign imports, that's really what has happened with the devaluation of the dollar, and I'm not going to drag out a whole pile of statistics which one may want to do to sort of rebutt some of the points that the minister's made; I just say this that the facts of the matter are that Manitoba, in terms of its output of manufacturing industries, is continuing to shrink. In other words, our total output from manufacturing is continuing to be a smaller portion of the total pie, of the total picture and this has gone on for some years so I'm not blaming this minister. I'm just pointing out to the minister and to the government that I don't see any real panacea, I don't see any turn around in a trend that's gone on — well I've got figures here back to 1960 — in 1960 Manitoba accounted for 37.4 percent of all manufacturing output in the prairie region; that's Alberta, Saskatchewan, Manitoba, 37.4 percent and by 1977-78, it was 27.7 percent. There's been a downward trend; it's been through the years of the '60s, it's gone on through the years of the '70s; it has just happened. I'm not saying there hasn't been an absolute increase; there has been percentage increases in manufacturing and the minister's quoted some numbers, but what I'm saying is there's been even greater increases in Alberta and Saskatchewan, so that in 1978, 1977 Manitoba accounted for 27.7 percent of the output of the three prairie provinces in the manufacturing sector, 27.7 percent.

By 1978, this had dropped to 27.0 percent; and I've only got the first two months of '79 and I don't know what they mean because the other figures were annual averages or annual totals, but in January we only accounted for 25.7 percent and in February we accounted for 26.9 percent. But again, I hasten to add that those are monthly figures and you've got seasonal trends in there and you should really wait for the year-end, I suppose, or try to take the seasonal out of them.

So just say, Mr. Chairman, that it's an uphill battle and I don't envy the people in this particular Branch and the kind of work that they have to do because it is extremely difficult to bring in new industry to Manitoba. Yes, there are some exceptions, but you know there are some leaving as well, unfortunately. As a matter of fact, unfortunately according to Statistics Canada, there were 7 business failures in Manitoba last month, and for the first three months there were 26 business bankruptcies already for 1979, so while we've got some coming on the horizon, we've also got some folding and that's sad. At any rate, I still maintain that it's a very difficult job and I don't see any, no matter how hard the minister works himself, no matter how sincere and how dedicated he may be, no matter how hard, sincere and dedicated the staff may be, I don't see any evidence of any turn around in the economic trend of this province.

For a few figures that you can pull out of a hat to say "look, there's been more jobs in manufacturing," I can point to features outside of the provincial government's control and I could also pull out some figures which makes this look pretty bad. So, I guess the one major thrust has been the Canada-Manitoba Industrial Sub-Agreement and we'll have to see how that evolves, there's no question.

But what I would like to know is has there been an increased interest on the part of new enterprises? And again, if the minister doesn't have that information, perhaps he'd rather just list this for us and provide it tomorrow or the next day. I'm quite agreeable because I don't expect him to pull things out of the hat. I have done it in the past and I'd be interested in having a list of those for the year 1978, first quarter of 1979 that have located in Manitoba — the number of jobs, the amount of investment, and the name of the company of course, and then perhaps a list of those that have announced some intentions.

MR. CHAIRMAN: The Honourable Minister.

MR. JOHNSTON: Mr. Chairman, I don't know quite how to answer the honourable member. I quoted figures right out of the Statistics Canada that showed that we have more manufacturing jobs, and

in Statistics Canada again the 1978 increase was about three times the 1977-76 increase, and exceeded the 1975 increase. —(Interjection)— The figures for last quarter, just let me finish . . .

MR. EVANS: Well are you talking about jobs .

MR. JOHNSTON: No I'm talking about manufacturing .

MR. EVANS: The value of shipments, is this what the Minister is telling me?

MR. JOHNSTON: The value of shipments .

MR. EVANS: Okay.

MR. JOHNSTON: The figures for the last quarter of 1978 show an increase of 25 percent over the same quarter a year ago. The trend certainly appears to be up. The increase in the rate of Canada was nine points to our twelve points. In 1976 our shipments were 2,773,000 up 7.5 over 1975. In 1978-77 they were 2,885,000 which is up 4 percent over 1976. In 1978 they were 3,364,000 up 16 percent over 1977, and Canada was up 18 percent. Now, I fail to see how the member can say that manufacturing and shipments and more shipments are not taking place in the province of Manitoba and we have more people working. I'm not trying to sit here and talk about the previous government. I don't think I've brought it up, as a matter of fact. I'll sit here and say I don't care where it comes from, and we want to work to keep getting it. We want jobs for the people of Manitoba, for economic development and certainly for a better way of life, and I think we all want that. But I can tell you that yes, we have had more people coming to us, showing interest in the province of Manitoba. I'm afraid that I cannot give the Minister a list of those because as I mentioned everybody else is after them as well, but we have had some interest shown in the province of Manitoba, of increased interest.

So, you know, I can only say that we are continuing to work at it as I'm sure the previous member did and hopefully we will continue to have an increase. I don't know how else I can explain it. I know the circumstances of larger corporations around us, but even if we can get one of those to come and manufacture in the province of Manitoba, a branch that creates jobs, we're interested in it.

MR. EVANS: One question, the Minister can't supply a list, could he give us an indication of how many jobs the Department was involved in creating in 1978?

MR. JOHNSTON: That's the figure that I thought I said that I would —(Interjection)—

MR. EVANS: Oh, you're going to get that . Oh, I see.

MR. JOHNSTON: Yes, that's the figure that I said that's being worked on and I'd like to have an extra for the member tomorrow.

MR. EVANS: That's fine, I didn't understand that.

MR. HANUSCHAK: Mr. Chairman, I had an enquiry from a constituent of mine which I wasn't able to answer and I promised her that I would ask the Minister and hopefully he will supply me with the answer. She's a subscriber to a newspaper published in Morris, the Scratching River Post, and in the last issue of it she read a front page story that there is some large real estate developer who plans to build a \$4,000,000 shopping centre one mile south of Morris on certain conditions providing that he gets sewer and water concessions and tax concessions and provided that a feasibility study be done, and he doesn't want to do it because it will cost him, a multi-millionaire, between \$7,500 and \$10,000.00. However, if the town requests it then the town will be able to receive 85 percent assistance from the province to do that feasibility study for this multi-millionaire.

My constituent is living just on a modest income, just on her old age pension. So her question is, why should she have to pay for that multi-millionaire's feasibility study?

MR. JOHNSTON: Well, if the member had been in the room last night while that particular subject came up — it came up when the Member for Transcona asked questions about whether municipalities would be allowed to give incentives or not. I informed him that I didn't really want

to give the name of the municipality where the councillors who were requesting that the province allow them to give tax concessions or incentives, and I informed the Member for Transcona that the policy that is in effect at the present time which is laid down by legislation in the provincial government does not allow municipalities to do that so as far as the shopping centre is concerned there is no way that we are going to do that.

I'm informed that we met with the Morris councillor and the developer two weeks ago — the study being done to help council with the decision, council not requesting tax concessions, it's not allowed — and as far as the feasibility study is concerned we were requested by the town of Morris to make a feasibility study which is what we have available to help cities and towns in the province to do feasibility studies, but at no time would we change the legislation, or would we be a part of having municipalities give the tax concessions. In fact representatives from Municipal Affairs were down there and informed them of that. But, by the same token Morris has also requested that we come in with our group that will do an economic development study of the present businesses that are there and help to assist them to build up their businesses in the community. That request has been made.

So this is part of the program that we have. So I don't know what the member is really speaking of. If a feasibility study is done and the town of Morris chooses to sell those people property to build a shopping centre, I don't know what we can do to stop them but we certainly will not allow them to give tax incentives as a municipality or town.

MR. HANUSCHAK: Well, Mr. Chairman, I appreciate the point about tax incentives and the prohibition on the part of municipalities to offer them, because that goes back to legislation passed by our government. However, insofar as a feasibility study is concerned, my constituents' concern is that it appears that the feasibility study will be done for the shopping centre developer. Now, if the feasibility study is being done for the municipality to determine the cost benefits to the Morris Municipality then that's one thing, but if it's done for the shopping centre developer then she feels that if he can invest \$4 million surely he can find \$10,000 to do his own feasibility study.

MR. CHAIRMAN: 2.(h)(1)—pass — the Honourable Minister.

MR. JOHNSTON: Well, I'm not going to let it pass; it's being done for the town. The study is being done to help the Council with the planning of sewer and water installation involved, the request came from the town.

MR. CHAIRMAN: The Minister of Fitness and Sport.

MR. BANMAN: Well, Mr. Chairman, just to have the record, I think, clear on this particular matter, I think that the Member for Burrows is referring to a program which was established over the last number of years. And when I say last number of years, I say it's about four or five or six years old. It was established to help industries identify markets in the province of Manitoba and help identify areas of location, and I think that is no new program and I think if the member is concerned about it maybe he should talk to the Member for Brandon East, who was also involved in that particular program when it was in place.

MR. CHAIRMAN: 2.(h)(1)—pass; 2.(h)(2)—pass — the Member for Rock Lake.

MR. EINARSON: I move that Committee rise, Mr. Chairman.

MR. CHAIRMAN: Committee rise.

SUPPLY — EDUCATION

MR. CHAIRMAN, Mr. Abe Kovnats (Radisson): I would draw the honourable members' attention to Page 30 of the Main Estimates, Department of Education, Resolution No. 40, Item (1) Departmental Administrative Support Services, Item (a) Minister's Compensation—pass — the Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I was motivated to speak on this item by the Minister's responses this afternoon dealing with a program for which he is no longer responsible, when he was asked questions about the manner in which the applicants for aid under the Private Sector Grants were reviewed and what evaluation took place. And he took what I thought was a rather indignant position suggesting that one should not question the integrity or honesty of the people that apply. And to me, Mr. Chairman, that was in effect saying that those who apply are to be trusted and we will therefore do it and he sort of threw back at the opposition the thought that anyone would question the honesty of the applicants.

Mr. Chairman, he no longer has that responsibility on that program. It's no longer within his field of reference but he has other programs which involve applications being made for aid and where there are grants given. And he has referred to the fact that there could be triflers involved amongst those people who apply for aid in a program for which he continues to be responsible. I would like to know how he deals with triflers and how that compares with the attitude that I think he showed this afternoon in dealing with people who applied for help in paying wages to students in private enterprise. Is there a difference in his way of thinking, is there a difference in his attitude, is there a difference in his evaluation, does he believe that one should look into the application and in the history?

The reason that I mention that, Mr. Chairman, is that for some number of years I was involved in being responsible for tax collections and I know very well that of all systems, the income tax system of all, is one which relies on the participation of people who volunteer information. Income tax forms are completed by the taxpayer and it is expected that they will tell the truth. But it is also well known that they must be subject to the spot checking of inspectors to make sure that their tax returns are correctly shown. And that's obviously essential to the carrying out of monitoring of a program which involves applications such as the Minister spoke about this afternoon. If there was no system whereby there would be a review, an evaluation, spot checking if you like then it is almost an invitation to people who apply knowing that they will not be checked upon, inspected, reviewed; it is almost a temptation which they, some triflers — I'm using the Minister's word — may be tempted to abuse. So I'd like to know the Minister's philosophy about how you deal with people who come and ask for money.

We noticed, and I don't want to belabour the point — we dealt with it at some length this afternoon — we found that because of, and the kindest way one can describe it is mismanagement, maladministration, a situation took place which was embarrassing, which was wrong, and I quote the Honourable, the Minister of Transportation to support my statement, that it was the wrong thing to do to grant money as was granted under this Minister's administration last year and I am sure that he didn't know about it — I shouldn't have said that — I'm not sure of anything. I'm assuming, or I accept his statement that he knew nothing about it, but it shows a maladministration, a bad bit of business, even though he says legally they were entitled to get the money and legally his department was entitled to give it. Nevertheless it is now an admitted statement by government that it was wrong.

I have to ask the Honourable Minister, with that kind of an attitude how can we rely on the proper administration of the programs which continue to be his responsibility where people apply for grants and get them, and he has already suggested that there could be amongst them triflers, and again I use his word, not mine.

MR. CHAIRMAN: The Minister.

MR. COSENS: Mr. Chairman, it seems to me that I have heard all this before but we are apparently going to hear it again from the Member for St. Johns. He has expressed his concern, as have one or two other members on his side of the House, in relation to the inspection, policing, whatever terms one may wish to apply, in regard to the Private Sector Youth Employment Plan. I mentioned this afternoon that in those areas where we had Hire a Student Centres operating the young people who were operating those particular centres did some monitoring of the programs that were in place in those particular areas, and we have had not one single report, Mr. Chairman, not one single referral in my office from any citizen suggesting that their neighbor or anyone else was taking inappropriate advantage of this particular plan.

That is not the case, Mr. Chairman, as far as Student Aid is concerned, and it certainly has not been the case over the years. There are always a number of referrals that are made by other interested parties who feel that someone that they are acquainted with has taken undue advantage of the plan. That is becoming less and less, I might suggest, but it has been a pattern. As far as the Student Aid plan is concerned, it does have rather rigid criteria and of course people there, to take advantage of that particular plan, would have to either resort to dishonesty or to say the

least, ignorant of the requirements of the plan and unconsciously make some error in their particular application. And of course, in the Student Aid Program, for some time, we've been carrying on an audit of each application. We have some time, of course, in which to do this, because we are talking here about a year while the student is attending a particular institution. In the case of the Private Sector Youth Employment Plan, we are talking about people who may be working 16 months at a maximum and in some cases less.

So, I say to the Member for St. Johns, if we had an indication — maybe he has an indication, that people have taken advantage of the plan. We have no such indication, not one single referral from anyone who felt that someone had taken advantage of it, and as I say, we did have people in our higher student centres, who are very close to this plan and who are monitoring how it actually was functioning in the particular centres where they were operating. So, I don't really share his rather drastic concern in this regard, and I would suggest, Mr. Chairman, that the concern really and quite honestly is not with this aspect. The concern is that the program has been too successful, and this is what the honourable member really is perturbed about.

Here is a plan that was able to employ almost 5,000 young people in our province last year, and the type of employment that they had was something that they found useful and meaningful. The employers seemed well satisfied with the particular plan, and as I've mentioned before, Mr. Chairman, we saw for the first time a valuable spin-off, in that many of the students employed under the plan continued in employment. If they had finished or completed their particular schooling or post-secondary course, they continued in their particular employment. I think this is a particular plus, as far as students or young people are concerned who are unemployed at the time the program was started, so that the program provided two valuable aspects: one, work for young people, who were students and required the opportunity to amass a certain amount of money, so that they could return to the post-secondary institution of their choice; and secondly, it had that valuable spin-off of providing permanent employment in some cases, continuing employment in others to young people, who hadn't had that opportunity before.

MR. CHERNIACK: Mr. Chairman, the Minister has never ever heard me criticize that program, and for him to suggest that the comments I made were related to my disagreement with the program is ignorant or self-serving — it's one or the other, because I've never criticized the program and I don't reject the program. I do think that it has to be monitored, like every program involving the expenditure of taxpayers' money has to be monitored after the fact, as well as before. He has not described the way it was done by these students, who were involved in the program at the beginning. I suspect that what he means is that they reviewed it in advance, and I'm not sure that it was done afterwards.

All I'm saying, Mr. Chairman, and I'm using the words of that Conservative Party, that there was obvious mismanagement, bungling in the department, in that aspect as admitted by the Minister of Transportation. He is now shaking his head, and I can hear it. Mr. Chairman, I can not only hear his head shaking, I can also hear his mouth emoting and I listened to him for half an hour this afternoon, Mr. Chairman, and I would suggest, Mr. Chairman, that you tell him to keep quiet until he wishes to speak. I wish, Mr. Chairman, you would tell him to keep quiet until I am through.

MR. CHAIRMAN: Order, order please. The Honourable Minister of Highways on a point of order.

MR. ENNS: Mr. Chairman, on a point of order. Well, Mr. Chairman, there is a rule of the House that when a member attempts to impute, falsely, misleading untrue statements to another member particularly when they happen to happen the same day, that the member has a matter of privilege, Mr. Chairman, perhaps not a point of order. The honourable member has imputed motives and statements to me that I did not make. I did not in any of my statements this afternoon talk about bungling, or talk about a program not being properly monitored. All I indicated was what the Minister of Education indicated when he first stood up in the House this afternoon on the subject matter, that it has been, upon review, a government's decision that the use of that particular program in this way was inappropriate, and that we are redressing ourselves. In fact, Mr. Chairman, I went out of my way several times to see that the application was handled as were any of the other 2,000 applications handled and met, indeed, the criteria. Now that does not, Mr. Chairman, denote bungling, inappropriate administration, etc., etc., etc. that the Member for St. Johns is now attempting to shoulder the Minister of Education with.

MR. CHERNIACK: I am not speaking on the point of order or privilege, Mr. Chairman. Mr. Chairman, the Minister of Transportation is kind in calling it inappropriate. I am not kind, I don't intend to

be kind when I call it bungling and mismanagement. We are talking about the same item and we are talking about the fact that there was a frank admission by the Minister of Transportation that it was inappropriate. —(Interjection)— He is again speaking from his seat. Mr. Chairman, either you have him keep quiet or you give him the floor.

Mr. Chairman, I am talking mismanagement and if there is an inappropriate payment, it is mismanagement. Much more so, I think, that in programs which the Minister's Party talked about, the former government. And I am saying that because, Mr. Chairman, it was so "inappropriate" that within 24 hours the recipient of the grant who received it according to them, legally, properly, just inappropriate, was quick to repay the money. It was an embarrassing thing.

The reason that I raise it, Mr. Chairman, is that this Minister who corrected an inappropriate, I'm using the Minister of Highways' words, corrected it so rapidly, is an indication of the fact that had we, the the opposition, not waited patiently and then impatiently for that order for return and finally received it and finally saw what had happened. Had that not been the case, then the grant would have been made and not repaid because this Minister obviously would not have know about it. Therefore he could not have remedied it.

The reason I raised it, and I said earlier I don't want to belabour that point — I think it was dealt with to a great extent this afternoon — is that I would like an assurance from this Minister that he does not take the word, just the word, of an applicant in that — what do they call it? — Private Aid Program, but that there is a check. Anybody who is part of a program such as that has to know that they're liable to be checked, and I raise that because I would like to be assured that this Minister handles his administration in the future in such a way that he will spot, or that his department will spot check at least to find out whether grants that they give are properly being spent. And no one can challenge my statement that that is the duty of this Minister, to make sure not only to give the grant on what appears to be correct criteria but to make sure that it's used in accordance with that. The fact that he says that the statement that they sign admits that it is an offense to take money improperly, or that they stated they will use it in that way, it's really not enough. That's all I'm saying.

Now let's talk about the grant program. It so happens, Mr. Chairman, that I believe that governments past and present do not give enough aid to students in the field of the community colleges and the universities. There is a great difference in philosophy between Conservatives and New Democrats as has been shown in the last 18 months.

I, Mr. Chairman, attacked this Minister on the assumption that he and his government had ordered the universities to increase their fees this year, and the Minister made it clear that that was not the case — this year. Apparently that was the case last year. If I'm wrong about that impression the Minister will no doubt correct me, but my impression is that through the University Grants Commission universities were told that they should increase their tuition fees if they needed the extra money because the government was not allocating more to them.

I just want to put my position, what I believe, and I believe that we, as a New Democratic Government — and I was part of that in the earlier part of the eight-year period — said to the Universities Grants Commission, "We do not want universities to increase tuition fees", and we said to them, "We want you to give them increased aid on the condition that they won't increase tuition fees", and that is the basic difference. This Conservative government, which is committed to the concept of user fees, has the opposite point of view

I recognize that and, although I disagree with it I'm not critical of it because, Mr. Chairman, if we had the same philosophic approach, then it wouldn't make much difference on what side of the House either of us sit, for the fact is Conservatives do believe in user fees, Conservatives do not want to make the universities as available to students as New Democrats do on the basis of the economies, and therefore the Conservatives in their excuse, which I think has been shot full of holes, that they were so unfortunately tied to some deficit that they couldn't do otherwise, have cut, slashed budgets in many social respects, and the Minister of Transport will probably get out somewhere else and say, "Of course, we had to do it, we had no choice", and that is a bunch of nonsense, Mr. Chairman, and the Minister of Highways is again speaking from his seat out of order, as you, Mr. Chairman, would know, although he wouldn't know. . .

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

MR. ENNS: Mr. Chairman, the Honourable Minister of Finance, who should know better, who has some — I'd like to believe — some conscience about telling the truth in this House. The fact of the matter is that in both Estimates that have been brought in by this Minister of Education, the respective slashing and cutting that he talks to is not true. In both instances, the budgets that he's brought in, they have been increased. There has been no cutting, there's been no slashing in either of these Estimates. Now, the Honourable Member for St. Johns either stands up and calls

me a liar — either he calls me a liar, or else he ignores the millions of dollars of increased money that this Minister has given to the educational system and the universities in this province.

MR. CHERNIACK: Mr. Chairman, now I must speak on a point of order. Mr. Chairman, I think that you are one of the fair people in this House, and therefore I do it with a sense of courtesy, but a sense of reprimand, if I have the nerve to reprimand you for permitting the Minister of Highways to get away with speeches as he always tries to do and often succeeds in doing. Mr. Chairman, you know by now the difference between a point of order and a speech, and he did not make a point of order, he made a speech. There could be differences of opinion as to the budgetary, the Estimates, the grants, that's a difference of opinion, it's not a point of order, and I really think, Mr. Chairman, that we have to learn — you have to learn and I have to learn and other members have to learn — to step on that Minister of Highways early enough so he doesn't get to make his speech under the pretense that it is a point of order. I'm making it as a point of order, that he is one of the greatest offenders and one of the most astute persons to be able to get away with a speech under the guise of a point of order or a point of privilege. So I say that as a point of order, Mr. Chairman, I think he has to be stopped by you, and if not by you, then by other members of this House to make sure that he behaves himself.

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

MR. ENNS: Well, Mr. Chairman, I would ask you to consult with the rules. When a member makes a deliberate, misleading statement about slashing and cutting back of budgets, when that in fact has not taken place, has never taken place by this government, then it is entirely appropriate occasionally. What, Mr. Chairman, we have been allowing members opposite to get away with for 15 months is that when we increase education budgets by some \$30 million, we let the members opposite talk about a cutback, or slashing curtailment, Mr. Chairman, and I choose tonight, to make the Member for St. Johns at least be honest about the fact that there has been no cutback, that there in fact has been an increase. There may not have been achieved a level of expectation of universities or schools, but there has been no cutback and no slashback. —(Interjection)— Well, the point of order is, that the Member for St. Johns, the former Minister of Finance talks glibly about cutbacks and slashbacks, and when none have occurred. We'll not get past this point until we . . .

MR. CHAIRMAN: Orde please. Order please. The honourable members are allowed an honest difference of opinion and I would agree with the Honourable Member for St. Johns that it is a difference of opinion and not a point of order.

MR. ENNS: On a point of order. On a point of order, Mr. Chairman.

MR. CHAIRMAN: Are you challenging my ruling?

MR. ENNS: I'm talking about a point of order.

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

MR. ENNS: I suggest to you that some \$30 millions is not a matter of a point of difference. Thirty millions of dollars is 30 millions of dollars, and that's an increase, not a decrease.

MR. CHERNIACK: It is a matter of privilege, Mr. Chairman . . .

MR. CHAIRMAN: The Honourable Member for St. Johns on a point of privilege.

MR. CHERNIACK: It is a matter of privilege for the Honourable, the Minister of Highways to reflect on your decision. If he continues to do so, then he should challenge your decision, he should not make a speech about your decision. I'd like to know that I can continue to speak, Mr. Chairman.

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

MR. CHERNIACK: Mr. Chairman, the Minister of Highways is knowledgeable enough to know that there has been an inflation to which we've been subject for a number of years. The Minister of Highways knows very well that an increase in numbers of dollars in an inflationary period is not

at all necessarily an increase in actual dollars advanced, and therefore, Mr. Chairman, it was so obvious that when I said that there were slashes and cuts it was in relation to the dollars available to the educational institutions to deliver their programs, and I say that this government, the Conservative — I always laugh when I say "Progressive" Conservative Government — has indeed cut and slashed the budgets in the fields of education, welfare, health, and have damaged the opportunity for people of low income to take advantage of the programs.

That's why I say, and I'm speaking now about student grants; I'm not talking about the give-away programs that made it possible for the Conservative Party to collect over \$2,000, but let me say that although I never criticize that program that the Minister thinks I didn't like, and happy as I am with the fact that jobs were created — I believe some jobs were created — I still find it difficult to understand why a multi-national corporation needs to be assisted or induced by this government at the rate of \$1.50 an hour to create jobs that they weren't going to create anyway. Mr. Chairman, I would think that it is inconceivable that a multi-national corporation would not have hired a student to do something because of \$1.50 an hour and that this Conservative Government had to induce them to do on that basis. But that's a program that comes under the Minister of Labour, whose Estimates I think are next, and will be dealt with there.

I'm now talking about the attitude of this government to grants, and I said, and I stick to it, that when this government, or any government, is involved in a grant program they have to make sure that there is a proper, not only monitoring, but continuing monitoring, if only to the extent of making sure that the people who receive the grants are aware of the fact that there is a possibility that there will be a spot check that will consider whether or not they are abusing the system, and having said that, and that makes sense, that's good business, and if the Conservative Government rejects it then it supports my statement that they're giving what the Minister of Highways calls "an inappropriate grant" which I call a bad operation, bad management, and that's a judgmental call by all means. You, Mr. Chairman, remember that there are times when you make judgmental calls where you may have been wrong, but you, Mr. Chairman, have seen others make judgmental calls that were wrong . . . yes. I think we confirm that.

Mr. Chairman, we have to know that it is there and people who receive grants have to know that they are likely to be checked. I only called the Minister's attention to that because I thought that he was pretty free and easy this afternoon in dealing with other form of grants.

But more important to me is the attitude to universities and university students. I believe, and we have said on this side, we've said it in Opposition, we said it in government, we never got to the stage of what we believed is the ideal, and to us the ideal is that university and community college education should be available to all on the basis of their ability to absorb the knowledge; their ability to measure up to the need, their desire, and not on the basis of money. Academic achievement, yes; economic cost to the student, no. I find it difficult to differentiate between a Grade 12 student and a first year university student, the latter of whom is discriminated against because of economic inability to accept the course.

We never succeeded, when we were in government, although we were aiming towards it. We wanted to see the day come, and we still want to see it come and I think it will come, when a student will be able to prove his academic qualifications, his intellectual capacity, his great desire to learn, and on that basis be entitled to go to university equally with those who have the economic means to buy their way in. And I would even go further, Mr. Chairman, because I say that there are many students who can pay tuition fees but whose income is still needed to support the family, augment family income or support himself or herself; and I would like to see the day, and I'm not original or the only person on this side to say that, we'd like to see the day where people are actually paid to go to school providing they are able to show their desire to learn, their ability to learn. And I hope the Member for Brandon West would not mind my saying that I think I noted disagreement with my statement that I would be prepared to pay a student to go to school. We're doing that.

Our Grant Program that's under this Minister of Education involves paying students to make it possible for them to go to school. Mr. Chairman, I'm in favour of that because I think it's a good investment for the future; I think that a person who achieves a higher educational standard is an asset to the community and will actually pay back in dollars, in income tax dollars or in contribution to the economy, the investment we make him.

Why is it so conceivable that in high school we are prepared to pay — what it is — \$2,000 for a student to go to high school, and at first year University we start putting on him a penalty that he must put up money — he or she must put up money to go to school. It's only a difference of a year, and therefore I want the Minister to know that not only am I not in disagreement with the program that they have, limited as I think it is, for job creation, but I'm in favour of grants. And I would not like anything I said to be interpreted as being opposed to the giving of grants, all I'm saying is that when you have a system and you have guidelines and you have rules and

you have regulations, it is your duty to see to it that they are complied with and carried out. That's the point I was making, that was validity.

One other point: I apparently was wrong in accusing this Minister of instructing universities' through the University Grants Commission, to increase tuition fees this year. Apparently that was wrong, and that Harry Duckworth of the University of Winnipeg may have been wrong in suggesting that there would be a withdrawal of certain advances if the University of Winnipeg didn't increase its tuition fees. That's the way I interpret what was reported in the newspaper that he said. But, Mr. Chairman, I'm under the impression definitely that last year this government encouraged universities to increase tuition fees, and I only disagree with them. I don't fault them for doing it because it is their philosophical approach that requires that, Mr. Chairman.

Fair enough. As I said earlier that's why they are there and that's why we are here. And the people put them there so they have every right to do it but let them not hide behind the facts as they are. Let them admit what they are doing. Don't let them protest and say we've increased fees, we've increased grants. That's nonsense. And the Minister of Highways invited me to either call him a liar or admit that he was right. Well I won't call him a liar. I've had occasion to in the past and if he repeated some of the things that he's said in the past, I would call him a liar again. But what he said was only a matter of disagreement where this government slashed fees in relation to inflation and the increased needs. By not complying with it they have cut back. Why they don't admit it, I don't know. Well I do know, it's obvious they don't want to admit that they have done it. But it is consistent with their philosophy, it is consistent with all that they have done. The only other thing is they are blaming it falsely on the previous government's — what they claim is their inherited deficit. It's a joke, Mr. Chairman. I heard this Minister of Education, not long ago, refer to a figure . . . I'm sure that he can tell me the figure, I've forgotten it, but he said we inherited a deficit of, I know it was over \$200,000 the figure he gave —(Interjection)— How much?

A MEMBER: \$214 million.

MR. CHERNIACK: Thank you, I appreciate it. From his seat he volunteered the information. He said \$214 million. I think by now he knows, Mr. Chairman that that was a wrong figure. I think by now he knows that he is either living in the past or dreaming about something else, that it was proven to be wrong, that his own Minister of Finance agreed that it was substantially less. the point I am making is that he still repeated that figure and for a Member of the Treasury Bench to use a figure which is known to be wrong is first an indication that he wasn't paying attention to that which he should know as a Member of the Treasury Bench and secondly, . . . did I hear someone say that he should not have known better? Oh, behind me, there must have been that agreement because to bandy around false figures at this date is not excusable, Mr. Chairman, and the Minister of Education did it in order to support the fact that he was having difficulty with money; he's having difficulty because his First Minister, the Minister of Finance said to him "We don't believe in spending that money," and thereexcuse was, and they may have said in Cabinet, "Tell us we need an excuse — what excuse shall we give? Let's give the excuse this terrible inherited debt".

Mr. Chairman, that debt was to a large . . . well, firstly it was a wrong figure; secondly, it was fabricated in that there was some pushing forward and backward of accrual money; thirdly, it included capital which was known always to be money that was going to be borrowed; and fourthly, Mr. Chairman, compared to the total debt of Manitoba which Manitoba can well handle, it was a very small amount of money. So let the minister know that he shouldn't use that excuse — he should use the honest appraisal that the Conservatives believe in user fees; that the Conservatives do put value on money; that the Conservatives do believe that people should have to grovel and pay for things whether or not they can and, Mr. Chairman, let me make it clear these are my words; I'm not attributing it to the Minister of Highways or to anyone else, but I believe that that's the situation. I think that in a year or two, suddenly the Conservatives will find money because it'll be within a year before the next election; they will become the Great Managers who will be able to say, "Look at the money we were able to produce, now we will do all these wonderful things." I expect them to do that and they will.

One other point, Mr. Chairman. I cannot forget that this minister was part of a very small team of people who ruthlessly and almost maliciously discharged senior civil servants. I never criticize their right to fire a Deputy Minister, but Mr. Chairman, I will not forget the manner in which it was done, ruthlessly, maliciously, in an inexcusable way and I will not forget that was done. I hope this minister will not.

The minister, I think, said "Well, I wasn't even a minister the first time around" and that's true. The Deputy Minister of Education was fired before the government was around. Before the Premier was the Premier of Manitoba, he already fired the Deputy Minister of Education and others, but this minister has on his conscience, or should have on his conscience, the firing of more than just

a Deputy Minister in that manner of saying "Clear your desk, you're out within hours or minutes", I'm not sure which, he can tell us if he wants to, but in the same day, and that to me is inexcusable human relations and for that I must fault the minister. I hope it's on his conscience; maybe it isn't.

MR. COSENS: Mr. Chairman, I think we've just heard a statement from the Member for St. Johns that I find most appalling.

He has said and I will have to check clearly what he has said in Hansard tomorrow that we have a total debt in Manitoba that Manitobans can well handle. Now, Mr. Chairman, I believe he would agree with me that is also the largest debt per capita of any province in Canada, but he blithely says —(Interjection)— no, he won't agree . . .

MR. CHERNIACK: Put on the record that I don't agree with you.

MR. COSENS: If not the first then, Mr. Chairman, certainly the second highest per capita. I believe maybe Newfoundland is first, then that places us in second spot —(Interjection)— however, the Member for St. Johns is quite proud that we have inherited the legacy from his government of being in second place in that regard, and what is more important, Mr. Chairman, he says, "It's a debt that Manitobans can well handle," and what is he interest rate of that particular debt, Mr. Chairman? And again I hesitate to throw out a figure in case I'm out one decimal point or something, because that would bother the Member for St. Johns, but it is, what, \$57 million, \$60 million a figure in that particular ballpark, Mr. Chairman. But after all, interest like that in a province of 1 million people where we have, what, some 400,000 people who are in the taxpaying category, a debt like that is nothing, you know, that's something Manitobans can well handle; well, there is the philosophy, Mr. Chairman, on that side of the House — that's the difference between the people over there and the people on this side.

Now, when the Member for St. Johns in his reasoned, calm voice attempts to enthrall us that these things are reasonable, plausible, this is the way government should be going and the opposite to that approach is the tightening taken on this side where we are attempting to fund our different institutions at a level we feel is reasonable in light of the particular financial situation we have in this province, then the Member for St. Johns becomes critical and says, "Oh, these people are cutting and slashing." Well, I suggest, Mr. Chairman, if he wants to use that term in regarding our government, I would say then, that he is distorting and distorting the picture badly, because we are not cutting and my colleague, the Minister of Highways is quite correct in saying to the Member for St. Johns, "Do you consider an increase of \$30 million, \$40 million in a particular year in a budget a cut?" And the Member for St. Johns says, "Yes, it's a cut." —(Interjection)— Mr. Chairman, at least he went on after the Member for Lakeside had spoken, the Minister of Highways, and said, "Oh, but it doesn't meet the cost of inflation, the rise in inflation, hence, it's a cut."

Mr. Chairman, I repeat for the Member for St. Johns that on this side we say, there was an increase of X number of million dollars. This may not have met the particular expectation of particular institutions, whatever they may be — and I keep using the example of the universities in Alberta, who received an increase last year — I believe it's was somewhere in the order of 9. Something percent and the students and staff of those particular institutions protested it wasn't enough. Now, I say to gentlemen opposite, Mr. Chairman, what is enough, how much is enough? And I ask them to call a spade a spade and call an increase of X number of million dollars, whether it's in Education or Health, or whatever services it may be — call it an increase, and I think it is fair game to say that they are free to say it's not enough, if this is their disposition and I understand that's the usual disposition of people sitting on the opposition to say that, because they aren't responsible apparently, for the moneys that are being spent by the government in power. Let them say that, but they are perpetrating a distortion, Mr. Chairman, by their continual referral to increases of this nature in budgets, whether it be Health, Education or any other area and calling them cutbacks. And it's become very catchy word on their side, and there are even some people who have heard it so often from them, that they are starting to think that it is the correct word. I suggest it is not the correct word, Mr. Chairman.

Well, the Member for St. Johns started out in his discourse on this particular subject, or variety of subjects by saying this government, and I'll use his term, has "cut" its support for young people going to universities, it has "cut" its support. And I say to him, this government increased the bursary allowance from \$1,400 to \$1,800, a \$400 increase, something that hadn't happened, Mr. Chairman, in that particular area for some years. But of course, I'm sure the Member for St. Johns can explain that away. He will have some rationalization of why that hadn't happened for some time, and he will forget entirely about the fact that we did that positive step within the Student Aid program last year.

He talks about tuition fees, Mr. Chairman; certainly it is the philosophy of this government that a portion of the total expenses of the student training at university should be borne by the student through tuition fees, the present level in this province is in the area of ten percent. There are many other provinces who follow the same philosophy and I remind the honourable members opposite, even our sister province of Saskatchewan, which supposedly shares the same philosophy as the gentlemen on the other side of the House, their tuition fees are at a much higher percentage than ours. And in fact, Mr. Chairman, the tuition fees paid by the students in that province are considerably higher, even after the increase of last year, Mr. Chairman, than are the tuition fees in this province, a difference between \$625 as of last year and \$570.00. And I understand that they are raising their fees again.

So I find it rather strange, Mr. Chairman, that the Member for St. Johns would like to persuade us that we have adopted some strange philosophy that really is found no other place in the world, that no other provinces follow it. I refer him to the province of Saskatchewan, if he would like to see a similar philosophy in regard to universities and tuition fees. And tuition fees, I repeat, Mr. Chairman, that are higher than they are in this province.

He talks about the problem of students from low income families, the problems that they have in attending university. That is a concern that he has, it's a concern that I share with him. But I suggest, Mr. Chairman, that this government is committed certainly to the view that our Student Aid program is there to help any student in this province who, through any misfortune or predicament that prevents him from either earning the moneys or having the financial support from other sources, and so being prevented from going to university to get that particular aid from this government. And we are committed to that position.

I would like him to present me with a list of names and addresses of young people who he has established are not able to attend university because they don't have enough money and can't get that particular support through the government. I would like to see the list of those names, Mr. Chairman. I would be very pleased if he would forward them to me. I would like to meet those young people.

I have heard the Member for St. Johns espousing his particular philosophy on free university education before; I believe he treated that at some length last year; and of course, you know it does sound rather attractive when you first hear it, particularly if you're a parent and have young people attending university at the time. You say, well, that would be great, that would be fine, I wouldn't have to provide any support there, and if you are the young person attending, you might have that reaction as well.

But I suggest to him, from what I have seen of that particular system — and I had the good fortune to view it first hand in the Union of Soviet Socialist Republics last fall when I visited that country with a federal educational delegation, Mr. Chairman. I viewed it first hand. And I am not overly enthralled with a system where the government pays everything, and then the government decides who will enter and how they will enter. And I know that in that particular country, only one out of three or four students who want to get into the university are allowed, and the government decides so many will be allowed in this particular program, so many in another.

On top of that, Mr. Chairman, another very interesting facet of that particular free educational system is that when you graduate, you don't choose where you will go to work or where you will go to start your particular profession, you are told where you will go to work. By the government, who says, we paid your whole education and we will tell you where to go. And in that particular system, that is accepted, Mr. Chairman. In our democratic system, we still like that particular freedom of choice.

So I say to the member for St. Johns, without getting involved in the free university debate we had last year, it doesn't work, it may work in those countries, it doesn't work in the democracy that we have here, where people like some freedom of choice, some say in what they are going to do, some control over their own particular lives, who do not want government interfering in every decision that they have to make in their personal lives, that that doesn't wash here. And I say to him once again, that if he is going to make these what I call outlandish statements in regard to what this government is doing in the field of education, then I ask him to support them. I would like to see the particular support for them.

If he is telling me there are low income students who cannot attend university because they can't get any student aid, I would like the names and addresses of those students, Mr. Chairman.

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

MR. A.R. (Pete) ADAM: Thank you, Mr. Chairman. I would like to put on the record that we on this side, as far as I know, are supportive of any programs that will create employment for students,

and I agree that the government has the prerogative to decide whether such a program would be directed towards the private sector or to the public sector. And I know fully well that this particular government is not enthused about providing or creating employment through a public vehicle, and that they would prefer to do it through the private sector, which I give them marks for it. That is their principle, they believe in that, and that is fine. We do not disagree at all with the principle of the program that we have been discussing for the students' employment.

But what we do object to is the manner in which it is being managed, and I have to agree with the Member for St. Johns that it appears to be very lax, which I don't think is right for a government to allow programs to be used in a way that there would be no checks or balances to see that there is to abuse. I believe that there could have been spot checks made even if there would have been checks, every ten applications checked or every twenty applications checked to make sure that the conditions and the criteria of the programs were being followed. I think that would have avoided what we are now faced with.

I believe that the program the way it is set up, without any checks or monitoring of what was going on lends itself to abuse, and I believe that if we knew the true facts of all the applications and the jobs, I'm sure you will find perhaps one-third or more of the applications would be applications where employers transferred over regular staff and obtained a subsidy. —(Interjection)— Well, the Member for Gladstone says that's not correct. Well, how does he know? There are no checks, there are no checks, there is no monitoring, the Minister of Education has mentioned several times that . . . read the contract, it says at the bottom that everything is correct. Everything is right, no problem.

Let me give you one example of a lady who came to me last summer and said, "You know, I've lost my job. I've been laid off." This lady had been working in a grocery store around 6 to 8 years, I don't recall exactly but I do know she was receiving the three weeks holiday with pay, and she would therefore have had to work for five years with the same firm in order to qualify for the three weeks holiday with pay. I expect, and she told me what she was getting, but I believe it was after the number of years that she had been working there with annual increases she would be receiving between \$3.75 and \$4.00 an hour. So I asked her, "Now, why was it that you were fired?" "Well," she said, "my employer laid me off and hired one of these students. He hired one of these students at the minimum wage." So I would like to know how many jobs we created in that store by this program? We never created any, Mr. Chairman, we never created any jobs in that particular establishment. The program laid off a lady who had been working for a number of years in that store, who was getting around \$4.00 an hour, she had a family to support, she had school children, she was displaced because the storekeeper saw an opportunity to be able to hire an employee at the minimum rate, and in addition to that receive \$1.00 or \$1.50 an hour from the Crown, from the taxpayers of Manitoba, of which that lady was paying part of. That lady who was working there, paying part of the taxes to have herself displaced from employment.

So I say to you, Mr. Chairman, that it hasn't been all that good. Now we support the principle, we don't disagree with the principle. We had a Resolution in this House, a clear-cut resolution, asking the government to support a resolution that would create meaningful work, meaningful employment for every citizen of this province, be it by public or private sector, and every last member of the government's side voted against it. We find this astounding, Mr. Chairman, to hear what the Minister wants us to believe.

Now, I say to you, how many times that this case that I mentioned here? I know the lady's name, I know who she is. How many times has that been repeated in the province in order for an employer to be able to hire lower-paid employees? The employer does not have to pay any longer the three weeks holiday with pay; and he doesn't have to pay \$4.00 an hour, he pays \$2.95, he has a student. I have looked through some of those names, I have looked through some of those applications, and I can pretty well assure you, Sir, that there has been a great number of abuses. So while we do not object at all on the program; we do not object that the government has the prerogative to decide whether they would funnel their program through the private sector, as opposed to both the public and private. We give them marks for their principles in believing that that is the best way to do it, but I am saying to you, Mr. Chairman, that the public is being shafted, the public is being shafted on this program.

Yes, Mr. Chairman, I believe that the program was not as well accepted as the minister would have us believe; I believe that the applications from the private sector were not coming in as fast as they would have liked to have seen it, and I'm suggesting that when the government saw this, that they expanded the program to include social clubs, political parties and other groups, charitable groups that may have already been receiving public funds.

I'm saying that it's unfortunate that the government, using public funds, would not have been more careful to see that there would not have been any abuse, particularly after accusing the previous administration of mismanagement and waste. I have listened to that for eight years in this Chamber,

and now, at least I can sleep well tonight and know that if we were negligent in some of our programs, well, at least I can sleep well tonight and know that this government has done as bad or worse than any of the programs that we may have had problems with; and I can mention one, I can mention one where there was abuses taking place.

It had to do with Feed Assistance during the floods; there was a number of abuses in the program for Feed Assistance and there always are abuses — it doesn't matter which program you're going to . . . but there has to be some checks, Mr. Chairman, so that we can keep those abuses to a minimum.

So again I want to tell the minister that he should take under consideration with the program this year, because I can open that book that we received yesterday and that order for return, and I can point him to many, many people in that book who took advantage of this program for transferring their employees over to this program.

MR. CHAIRMAN: (a)—pass; the Honourable Member for Rupertsland.

MR. BOSTROM: Thank you, Mr. Chairman. I'd like to bring up an issue before the Minister's Salary is completed; an issue which relates to the matter which we discussed this afternoon in that it relates to the way in which this government manages its affairs. It also relates to the way in which this government handles its friends. It's an issue which arose in my own constituency over this past year which I raised in the House during Question Period earlier this year.

It relates to this minister and to the minister who has recently retired from this government and gone on to try his hand at other politics and another range of political endeavour, and that is the former Minister of Government Services.

The matter regarding the building of the Norway House School' Mr. Chairman, I believe, is an example of how this government operates, as I said, in the way it manages its affairs and also in the way in which it treats its friends. A Mr. Chairman, to give you some idea of what has happened as I understand it, last year during the minister's Estimates, I was impressed by the reaction of the present Minister of Education to my comments and my discussion regarding the Frontier School Division; this minister, Mr. Chairman, appeared to be very democratic in following in the traditions of the Manitoba New Democratic Government while we were in office in the way in which we dealt with small communities in northern Manitoba, in the way in which we dealt with the administration of the Frontier School Division, in the way in which they related to the merging school committees and possibly School Boards in some of the remote communities.

Mr. Chairman, when the Berens River School, for example, was coming up for discussion while I was in government, we went to the Community of Berens River, the community was very interested in participating in decision-making as far as that school was concerned; we met with the local School Committee there, the Minister of Education who is now the Member for Burrows, the Minister of Education of the day was with me at that meeting; we sat down with the school committee, we agreed with them that they would have the opportunity of interviewing and selecting the architects that would be involved in the building of their school. And the reason we did that, Mr. Chairman, is very simple; because the people in northern Manitoba would like to have a say in how their affairs are governed.

This was, perhaps, a small thing to the government, but it was a major thing to a community like Berens River; they had the opportunity, for the first time as a locally elected School Committee, to work with the Frontier School Division, to interview a group of architects and select the architect that seemed best suited to meet the aspirations and desires of that community. Mr. Chairman, that was done.

I was hoping, Mr. Chairman, that this government would follow in the same footsteps as the New Democratic Party government in the way in which it dealt with school boards and school committees within the jurisdiction of the Frontier School Division. But it's obvious from the way in which this minister and this government has handled the Norway House School that they don't intend to do that. I believe, Mr. Chairman, that it's a matter of record that this minister made a commitment to the Norway House School Committee that they would have the opportunity of selecting a group of architects for the building of their school which was approved in the Estimates procedure over a year ago when we were in this Legislature, at least a year ago, Mr. Chairman.

I believe this minister, the Minister of Education made a commitment to that School Committee that they would have that opportunity following the tradition which the New Democratic Party government had adopted while we were in power of giving a measure of local government, a measure of decision-making at the local level to a school committee. Mr. Chairman, after this minister had made that commitment — and Mr. Chairman, that kind of commitment doesn't cost the government any more money, because it's pretty well a standard fee that different architectural firms will charge for a given construction project, and once the government has established what that project will cost, it should matter little if any at all to the government in power which group of architects would do that job, or which group of engineering consultants would work on that particular project.

Mr. Chairman, this minister obviously could not, or would not, live up to his commitment to that school committee because after the decision was made to proceed with the school, the community of Norway House was waiting for something to happen, the School Board, the School Committee elected at the local level was proceeding on the Minister's commitment, they had, along with the the administration of the Frontier School Division, went to the trouble, Mr. Chairman, of interviewing a group of architects who had put forward proposals, or had proposed, rather, to work on the architectural work for that particular project.

They had been following in good faith, thinking that the Minister would live up to his commitment to allow them to select the architect of their choice. And Mr. Chairman, they interviewed quite a large group of architectural groups that were prepared to bid on this particular project, bid in the sense that they were coming forward and presenting themselves as architects interested in doing this work.

And Mr. Chairman, I talked to one of those architects who had been interviewed by that committee, and he in fact, thought that he had been given a very favourable consideration by that particular committee, and I'm not sure, Mr. Chairman, if he was the one that had been selected by the committee in question or not. But in any case, Mr. Speaker, when their recommendations, and I don't believe they just made one recommendation, I believe they gave the Minister the option of choosing 1, 2 or 3 of the priorities, the prioritized list of architects which they had interviewed, and I believe that choice, while it did not come directly back to this Minister, I believe he had a responsibility to ensure that his commitment to them was carried, his moral, if not legal commitment to that school committee was carried out. When that list hit the Minister of Government Services' desk, he just gave that the back of his hand, Mr. Chairman, and I'm not sure if he consulted with the Minister of Education or not.

But Mr. Chairman, the Minister of Education at least became aware of this situation when it was picked up by the press in . . . I believe last fall it was picked up by a member of the press who had labelled this as a form of patronage. Because, Mr. Chairman, the Minister of Government Services, giving this list the back of his hand, proceeded to not even consider any of the people, any of the architectural firms that were on that list, that were interviewed by the Norway House School Committee. Instead, Mr. Chairman, he selected his own personal friend as an architect. And I say personal friend, Mr. Chairman, because as it turned out, the firm, a principal of the firm that was selected to do this job, after this Minister gave the back of his hand to the community's desires, we find that the principal of the firm that he had selected was no less than his election-day campaign chairman.

Mr. Chairman, the architectural firm is well known to my honourable friends opposite. They know who it is, and Mr. Chairman, the scuttlebutt around after that was that other members of the Tory front bench and second bench wanted to get in on the action. They didn't want to just have their colleague, the Minister of Government Services give his friend a job as an architect, but other members of the front bench and second bench wanted to have a kick at the cat, too. So Mr. Chairman, rather than just select one group to be the architects for this project, after giving the back of their hand to the community of Norway House's desires, they selected a group of them, 3 or 4. And Mr. Chairman, one can only speculate which other Ministers exercised their option, so to speak of appointing their particular friends to do the job of architects and engineers and so on.

I know at least one of the firms, Mr. Chairman, has, as a Director, none other than the man who is a former President, I believe, of the Conservative Party, Graeme Haig, one of the firms selected, so Mr. Chairman, it falls right in with the pattern, the pattern that this government has established. Number 1, to give the back of their hand to the legitimate aspirations of northern communities in having some say in how their affairs are managed, to give the back of their hand to local decision making, and to go so far as to even renege on commitments that have been made in order to satisfy another one of their desires, and that is to hand out as many favours as possible to their friends.

Mr. Chairman, the Honourable Minister of Government Services did not even bother to deny it when I brought it up in the Legislature, when I brought it up during Question Period, and asked

him if, indeed, the principal of the firm that was established, or appointed as the architect for the Norway House high school was the election day campaign chairman for himself during the 1977 general election, he didn't deny it. All he said was that there were connections with several of the firms.

Mr. Chairman, we can safely assume that, I believe, given the way in which this government operates, because not only do they use their influence and power when they hand out appointments to commissions and boards, as my honourable leader mentioned this afternoon in his Grievance speech, outlining all the different — not all of them but a significant number of the appointments to commissions and boards that this government has made since they've been in office.

Mr. Chairman, not only do they use their political influence in that, they obviously use their political influence in the awarding of grants through this Youth Employment Program, where we see the Progressive Conservative Party of Manitoba receiving a \$2,300 grant from the taxpayers of Manitoba to finance — and I believe the Minister even admitted it this afternoon — these people that were employed by the Progressive Conservative Party in Manitoba were clerks and mail sorters and handlers and duplicating machine operators and so on. Mr. Chairman, those are not exactly business-type jobs. Those are jobs that are associated with turning out Conservative Party propaganda in Manitoba.

So here we have the taxpayers of Manitoba paying for the clerks in the Progressive Conservative Party's office to turn out political propaganda, and when we see these Conservative pamphlets being handed out all over Manitoba, we know how they were financed, Mr. Chairman. I believe they're printed on the bottom of the pamphlet, that this was printed, that these were distributed, these were printed, not at public expense. Mr. Chairman, those pamphlets that went out over the past 12 months, or at least over that period of time while those people were employed in the Progressive Conservative office, those people certainly were employed at public expense. And to that extent, Mr. Chairman, when the Conservative Party sends out pamphlets saying that these pamphlets are distributed, not at public expense, that's a dishonest statement when you consider that during that period of time, those people that were turning out that literature, that propaganda for the Conservative Party, were paid for at taxpayers' expense.

Mr. Chairman, the Honourable Minister this afternoon attempted to say that this was all done very properly, that an employee of the Progressive Conservative Party had made a proper application, it had been approved in a proper manner by the staff of his Department and only now did they decide after we raised it in the Legislature that perhaps it was not right and that the Conservative Party should return the money.

Well at the very least, Mr. Chairman, the Conservative Party of Manitoba have received a free loan right now, after they paid the money back, an interest free loan, an interest free loan from the people of Manitoba. And, Mr. Chairman, if it had not been raised by my honourable colleague the Member for Churchill and others in this House, presumably it would have never seen the light of day, and it would never have been paid back, and this is the kind of mismanagement, sloppy management at best that we see from this government. And, Mr. Chairman, I believe it goes further than that because it reveals a certain attitude towards the operation of government.

As I said before the fact that they're ready to give the back of their hand to local decision-making, I think is shocking in itself; and secondly when they operate in such a highhanded and pork-barrelling manner in the awarding of government contracts and the administration of their affairs in this province, I believe it is a very serious manner indeed. And, Mr. Chairman, the people of Norway House are certainly not impressed with the way in which this government operates.

In fact, Mr. Chairman, I received a copy of their newsletter or newspaper, student newspaper, which they turn out on a regular basis from the Norway House School, perhaps the Minister received a copy of that himself, they sent one to me as the member for their area, and in that newspaper, Mr. Chairman, a student journalist at the school, an aspiring journalist, wrote a little article about the story of the Norway House School, and how it had been approved in the Estimates of the past year and they were wondering what happened to it. And, Mr. Chairman, it was rather cute because the student had said that they were talking to one of the school committee members asking if they thought the school would go ahead, and yes the school committee member had said it probably would go ahead but the government was fighting over who would get the architectural contract; and the student in the article asked: Well what's holding it up? And well there are charges of pork-barrelling. Well, what's pork-barrelling? And the student had in brackets there — "helping out your friends."

Well, Mr. Chairman, they were right on in that respect because this government seems to be very good at that, helping out their friends, very poor at administration, very poor at democracy, very poor at operating in a democratic way in terms of letting fairness be the guide in the operation of their affairs. And, Mr. Chairman, if the local school committee at Norway House had been allowed to proceed, as the Minister had given them a commitment that they would be able to proceed,

by allowing them to select the architect of their choice there would have been and there could have been no charges of pork-barrelling.

And, Mr. Chairman, when we did that, and that is the way in which we operated when we were in government, giving more and more decision-making power to the local authorities, giving them the opportunity to decide their future rather than having the heavy hand of government, provincial government located in Winnipeg deciding for them. Mr. Chairman, it's certainly a sad reflection on this Minister that he was not able to honour his commitment to that community and that his government chose to be guided by pork-barrelling politics rather than follow a decent, honest and fair way of awarding contracts.

Mr. Chairman, the architectural community in the province of Manitoba is certainly not impressed, certainly not impressed with the way in which this government operates. The people in that community, Mr. Chairman, that have talked to me have said that it's really appalling how this government is operating in the awarding of contracts. — (Interjection)— Mr. Chairman, that is certainly a red herring if the Minister is trying to suggest at this point —(Interjection)— Mr. Chairman, the Norway House School was in the planning stages when we were in government and, Mr. Chairman, it would have proceeded and it would have been built now. It would have already been built because we would not have been fooling around for over a year deciding who would be the architects for the school.

And here's another example of the mismanagement of this government. He says now they are getting the school, well, Mr. Chairman, it's already a year late since they made a decision. Over a year since they made a decision in this Legislature to award the money for that school, the provincial government is only putting up about 25 percent because 75 percent of it or more comes from the federal government, because most of the students in that school are of Indian ancestry and therefore the school is financed, the majority by the federal government, and Mr. Chairman, it's about 12 months or more now since that was awarded and this government is just barely getting its act together now. And the only reason I can see for the delay is the argument, in the Cabinet group of this government, over who of their friends was going to get the cushy contracts associated with this project, and that is the architectural contract, the engineering contracts and so on, and they have certainly shown their incompetence in handling this affair so far. I hope, I can only hope for the community of Norway House that it will now proceed without any more hitches and that further contracts associated with this project will be tendered in the proper manner, and that fairness and honesty will guide this government, hopefully guide this government in the awarding of future contracts for that school. But, Mr. Chairman, it would seem like a vein hope considering the way in which this government has operated so far.

MR. CHAIRMAN: (a)—pass; The Honourable Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. I just had a few remarks to make on the so-called Youth Employment Program and also on a couple of other matters on the Minister's salary. There are a number of questions about this so-called Private Sector Youth Employment Program that have not yet been answered by the Minister. It would seem from the information that we have received so far that there were only a very small group of persons within the Minister's Department delegated to handle this inflow of some 2500 applications. We don't know yet how many if any of those were in fact turned down. It's been indicated to us that there were no checks made at all, no follow-up on whether in fact any students were employed. The Minister has given us no figures and he has spoken of jobs created. He has given us no figures to show how many of those jobs would have come into being and how many students would have been employed in any case whether or not this program was put in. We see some of these grants going to such concerns as seasonal lodges, hotels and motels in vacation areas; we see them going to ice-cream vendors. We wonder, Mr. Chairman, would those jobs have been filled if the government had not introduced this program that it says it has?

It also continues to speak about permanent jobs being created and of students retaining their employment after the program terminated. Again the Minister has given us no figures to indicate how many of those employees would have been carried on and given permanent employment status in any case, that having served that apprenticeship or that training over the summer months, would they in fact have been laid off or would they have been kept on?

The government announced at the beginning of the program that its program was for businesses and for farms, yet in the Order for Return that the Minister gave to us there were obviously a large number of grants that were given out to people who, not by the widest stretch of the imagination, could fall into those two categories — I am thinking of the Y.M.C.A. was given, there are a couple of day care centres in there, one was even a parish I believe in a town just outside of Winnipeg. The Conservative Party of Manitoba, can that be considered to be a business? Maybe they're in

the business of politics. They can hardly be considered to be a farm.

Mr. Chairman, soon after this government came into office it set up a task force on reorganization and efficiency and that was supposed to show to the people of Manitoba how a number of the programs and the organizations of the previous government had been mismanaged, and I seem to recall such phrases as management information systems and accounting procedures. These sorts of things being tightened up, Mr. Chairman, the government being given new processes to control its expenditures and to make such expenditures more meaningful to the Cabinet and to make departments and agencies more responsive and more responsible to the Legislature.

Well, Mr. Chairman, we have to wonder what the Minister in charge of that task force was doing all last year when this new government had set up its new program. Where were the auditing and control procedures involved with this particular enterprise? Where were the management information systems that could show the Minister and the Departments and Cabinet itself what was happening to its \$3 million and who were the recipients of the \$3 million.

Mr. Chairman, I said at the beginning of my remarks this so-called Private Sector Youth Employment Program. I believe that's a misnomer. It should have been called the Send Money Program. The government proudly announced at the beginning of the season that it had \$3 million there and it invited all and sundry to send in for some of this money, and apparently that's all that needed to be done, Mr. Chairman, send in for money and the government will send you back money. It won't check up to see if you are a business or if you're a farm or if you're a political party. It will simply send you money. All that you have to do is that you sign the little declaration at the bottom. The government doesn't even check to see that you intend to hire a student for the summer months, nor does it even check to see that that student received the money that was sent out. It was simply a send money program. And by all accounts there were a lot of people who responded to that call, sent in the call for money, and the government was very pleased to oblige them and send out some \$3 million we are told.

One of the members over on that side, I believe it was the Member for Gladstone, said in a highly indignant manner, well you have to sign the bottom of it. I would simply say to him that everyone who sends in an income tax form has to sign the bottom of it. Would he assure the House under those circumstances that no one ever attempts to defraud the income tax system? That no mistakes are made under the income tax system? —(Interjection)— Mr. Chairman, he is chirping again from his seat, if he wishes to make a contribution —(Interjection)— if he wishes to stand up when I finish, Mr. Chairman, providing that you recognize him I will listen with interest to anything that he has to say. But I wonder how many members of the House recall back about 13, 14, maybe 15 years ago, the government of the day had another send money program. It was so desperate to get some development in pulp and paper, lumber, in northern Manitoba, it had approached a number of the large and reputable companies in the pulp and paper business, but since none of them were prepared to respond it took a full-page advertisement in one of the major financial papers, I believe it was the Wall Street Journal, where it said, "\$100 million is available; come and get it." And there was one man who was smart enough to come and get it, and he came and he went away with . . . Well, no one really knows how many million dollars it was, Mr. Chairman, but it was a come and get it appeal that the previous Conservative Government set up.

Now, it might be argued that what's \$3 million against \$100 million program for the mid 1960s, but I will remind you, Mr. Chairman, that this government very proudly said in its Throne Speech this year that it has another \$100 million of the taxpayers' money that it would like to give away to private businesses. It proudly announced another come and get it program, another send money program. The lack of its checks and auditing balances in this particular program, Mr. Chairman, make us wonder what sort of controls, what sort of management information systems that the government would put in place for \$100 million program. And I suggest to this Minister, unless he can come up with some better justification and some better answers to us, that the government has been grossly gullible in its handling of this particular program; it has been highly culpable; it has been in a position where it will send out money to everybody who sends in and simply asks for it.

I'd like to move on now, if I may, to a slightly different topic of what the Minister of Education was saying a few minutes ago about increases in the education budgets and not the slashing and the cutting which have been referred to. Yes, I would like to speak to him about increases in that regard, increases which I believe would be supported and agreed with by some of his backbenchers, if he would care to turn to them and ask for their remarks.

Mr. Chairman, the Minister sent out a letter to the School Boards a few months ago telling them that the amount of contribution from the provincial government for this year would be 6 percent. Now, I believe that the Minister misled those School Boards, Mr. Chairman, because he admitted under questioning during his Estimates that it wasn't 6 percent; it was closer to 4-½ percent.

And what was the effect on those School Boards? Well, we suggested to the Minister that the

total cost of education for this year was going up from approximately \$406 million to approximately \$441 million this year. That indicates an increase in the neighbourhood of 11-½ percent for this year.

What then is the position of the School Boards when they are facing those sorts of increases, and the government is increasing its share by 4-½ percent? There is no doubt at all, Mr. Chairman, and the Minister has indicated this and agreed with it, that 4-½ percent represents a decrease in the purchasing power of the dollar. The School Boards can do less; they can purchase less educational services for our students on the 4-½ percent that they are getting this year than they could do last year. And what is the response from the local School Boards and from their Superintendents and from their teachers, themselves? It's a reaction of panic. Who do we lay off? Which services to our children do we cut? How do we economize on education and how much is the special levy going up?

The Member for Gladstone — I don't see him in the House at the moment — alluded to this in his remarks on the Throne Speech debate. He alluded to the amount that the costs of education were going up in his particular area. It really wasn't very much of a criticism, Mr. Chairman, and we wonder what the criticism would have been if he had been on this side of the House and under the same circumstances. I suggest that his criticism would have been much sharper and much longer than it has.

I would suggest that if the Minister wants to know what's happening in the rural areas and what additional costs the farmers are facing, let him ask the Member for Gladstone, and let him ask the Member for Portage la Prairie, because I'm sure that he has a number of farmers in his area that are facing very stiff and sharp increases in their special levy for this year. We have seen a variety of figures but those increases fall the hardest on the smaller less affluent School Divisions, where they find that when they have to levy 1 mill of extra levy it raises very little money compared with other Divisions.

Now, the Minister has told us that he has a number of grants which are designed to take care of that. I suggest that he go back to those School Divisions, that he ask some of his rural members whether that is in fact happening or whether, as I have suggested, that those local School Boards this year are levying steeply increased special levies on the ratepayers in their areas, rates which fall hardest, so I have been told, Mr. Chairman, on the farmers in those areas, that the people within the towns and villages are cushioned to some extent by the government's Tax Credit Programs, a protection which gives a little less relief to the farmers.

So I suggest to the Minister that although his cutback in purchasing power to the School Divisions might well be in line with Conservative policy, he will find that there is growing resentment from the rural areas, from all over the province — the City of Winnipeg is not excepted — and he will find that resistance is building up from the School Divisions, themselves, the school councillors, the taxpayers in those areas, from the school superintendents and the teachers, themselves, which is going to be reflected on the children and upon their parents.

MR. CHAIRMAN: (a)—pass — the Honourable Member for Logan.

MR. WILLIAM JENKINS: Thank you, Mr. Chairman. Just a few remarks before we . . .

MR. CHAIRMAN: To the Honourable Member for Logan, by leave, I have some hockey scores, if the honourable gentlemen would like to hear them. Boston 2, Montreal 1, final score; Rangers 2, Islanders 1, final score. The Honourable Member for Logan. Am I going to be criticized for making the announcement?

MR. BANMAN: No, Mr. Chairman, you left out a very important score Steinbach, playing in the Allen Cup, won 5-4.

MR. CHAIRMAN: The Honourable Member for Logan.

MR. JENKINS: Thank you, Mr. Chairman. I don't know what section the Department of Education Estimates that bit of news comes, but I do want to join the Honourable Minister of Fitness and Amateur Sport and say that I am very pleased to hear the representative of Manitoba and western Canada has done very well this evening in Sarnia, Ontario, and perhaps that's an education to the members of this House.

However, to get back to the topic that we're on, which is the Minister's Salary, I do want to make a few remarks before the Minister's Salary item is closed. First, I want to deal with the item that I raised last night with the Minister, in which the Minister assured me that he would, at some time before his Salary was completed, have the answers or attempt to. And if he doesn't have

them this

Now, I don't quarrel with the Minister; I think job creation is something that was a good and necessary thing for our economy. The Minister has said on more than one occasion that some of the jobs — and this is following on what the Member for St. Vital brought up — that some of these jobs, in time, became permanent. We, on this side of the House, would like to know how many of these jobs did become permanent.

We would also like to know, Mr. Chairman, through you to the Minister, what criteria they used to determine, since the Minister has assured us in the House that there was no monitoring, no checking, no evaluation — an evaluation is to be done, I believe, by the Department of the present Minister — so what criteria did the Minister come up with to determine that some of these jobs, X-number of jobs — we don't know yet; the Minister hasn't said — just how did the Minister determine how many of these jobs became permanent since again, as I said, there was no monitoring and no checking. And that seems to be a favourite of this government, because every Minister you ask a question over here, if it's to do with anything of policy, their monitoring, checking, actively considering, things like this. —(Interjection)— Yes, I said "monitoring" to the Leader of the Opposition. That's right, monitoring.

But in this program there was no monitoring, no checking, no othing, and yet the Minister is able to stand up in this House and tell us that a certain amount of these jobs, these 4,916 jobs that he has stated, became permanent. Now, I would like to know just what rationale the Minister has to provide this side of the House, just how many of these jobs became permanent.

You know, it may be the same way as that brochure that they put out or that report in the Legislature. They created how many jobs? Was it 22,000 jobs? 22,000 jobs. And you know, Mr. Chairman, I have yet to hear any actual factual data to prove that they created 22,000 jobs. The only thing that I have ever seen . . . —(Interjection)— Oh, now we're getting some . . . When it suits the purpose of the honourable members opposite they will say, oh, that's Statistics Canada, but if this side of the House uses Statistics Canada data then it's Socialist propaganda. That's what it is; that's what we hear. That's what your First Minister said; that's what more than one other Minister and member of the Progressive Conservative Party has said.

But the only hard facts and data that I have seen have been that leaflet, that thing that they sent out to their constituents. They have provided 22,000 jobs. If that's the same kind of statistics that the Minister is using to tell us that out of this 4,916 jobs that they have theoretically — they haven't theoretically because I think the statistics there show, I believe they're listed, 4,916 jobs. But out of that amount of 4,916 jobs' Mr. Minister, we want to know how many were permanent. We want to know. And how many were new. That's another thing. —(Interjection)— Well, now we have a new expert. The Member for Gladstone. He tells us that 4,903 were new jobs. Perhaps when I sit down, Mr. Chairman, the Honourable Member for Gladstone will get up and enlighten the House, just where these jobs were created. Dicky Dee, ice cream companies, A and W, all these jobs were created? I find that very hard to believe, Mr. Chairman.

Also, the Minister has stated that the creation of these jobs really stimulated the economy of Manitoba. Perhaps these 4,916 jobs are also included in that 22,000. So if we take 5,000 approximately from 22,000, we're down to 17,000. —(Interjection)— No, the Honourable Member for St. James says that we are giving them a hard time because they created jobs. No, we're not. The Honourable Member for St. James — perhaps his shoes are pinching a little too tightly on him tonight, because you know, they have not come up with one simple statistical data to prove any of the claims that they have made in this House. And this Minister has, on more than one occasion, more than one occasion, stated that permanent jobs were created. Well, I hope that the new Minister who has inherited this program, who has \$5 million, and perhaps next year he's going to come along and tell us, if you use the same ratio, 3 to 5, it'll be approximately 8,000 jobs that he will have created. —(Interjection)— Well, yes, and I'm using the same ratio of about 3 to 5, 5 to 8 will be roughly in the same ratio so that the Minister of Labour will be able to get up next year and brag in this House, we have created 8,000 jobs plus. Well, it'll be a few more.

And you know, these were the people, Mr. Chairman, the great managers, the businessmen of Manitoba, the businessman's government, they were going to run a real hard-nosed program, real hard-nose. No checking. They don't even know how many permanent jobs they created. They don't even know that they gave money to a political party. And it was their own. If it had been some other political party, it might have been kind of humourous. But the joke of the year is on them, Mr. Chairman. It's on them.

And the Minister today was really wiggling. He didn't want to accept the responsibility. And you know, our Ministers, when they were on that side of the House, certainly some of them made mistakes at various times, but Mr. Chairman . . .

MR. COSENS: Mr. Chairman, on a point of order, I don't mind the Member for Logan rambling on about the program, he is certainly giving the Leader of the Opposition some reason for merriment,

it's nice to see the Leader of the Opposition happy, but at the same time, I feel that he should present the truth here. I had no problem at all this afternoon in stating that as Minister of the department that was responsible for that program last spring and summer, that I took responsibility for that program.

MR. JENKINS: Thank you, Mr. Chairman. —(Interjection)— I'm not going to retract it, because I can prove it, and prove it by Hansard; . . . two questions before he would admit it.

MR. CHAI, Robert Anderson (Springfield): The AN Member for Selkirk on a point of order.

MR. PAWLEY: Mr. Chairman, could we have your ruling on that point of order?

MR. CHAIRMAN: It is my view that a difference of opinion does not constitute a point of order. The Member for Logan.

MR. JENKINS: Thank you, Mr. Chairman. And if the Minister would have been listening carefully, I said it took some time before the Minister would admit, it took two or three questions before the Minister would admit that it was his responsibility. —(Interjection)— Yes, you can check Hansard. That question was asked of the present Minister.

And now, Mr. Chairman, as I said, it seems very hard to believe that this government — and they have created their own directorates and what-not to check their programs — I find it very hard to believe that a civil servant would have received an application from the political party and not brought it to the attention of the Minister. I find that very, very hard to believe. I find that incredible, absolutely incredible. And I know when the Minister, any member in this House gets up and makes a statement, as honourable gentlemen and members of this Assembly, we have to believe the Minister. But I find it passing strange that a director of a program, when applications come in from a political party, that that director did not draw that to the attention of the Minister. Well, then, Mr. Minister, all I can say is, you better have a few words with your director. Or even that he wouldn't draw it to the attention of the First Minister. I find that passing strange indeed. Very strange.

But Mr. Chairman, this is the government of big business, the government of hard-nosed people who know how to run programs, if this is the way they're running programs, Mr. Chairman, God help the people of Manitoba. That's all I can say.

MR. CHAIRMAN, Mr. Kovnats: The Member for Churchill.

MR. COWAN: Thank you, Mr. Chairperson. Earlier in the sitting of the House, I believe it was last Session when this program was first announced, we had asked the Minister of Education at that time because the province at that time was ripe with labour unrest, with strikes and lockouts, if any of these positions were being used in firms that were on legal strike. And at that time, Mr. Chairperson, the Minister was unable to answer our question. I'm not certain, I would have to consult Hansard as to whether he undertook to report back, but that is, at this time, at this point, neither here nor there. The fact is that we got no answer from the other side.

And this evening, for those of us who were on the front steps, we noted that there was one more in a long series of confrontations that I've talked about previously a few nights before here, there was another added to that list where the Metis people and the Indian people and the labour people and the working people and the unemployed women's groups, day care groups, were banded together on the front steps of this Legislature to protest, because that is the only vehicle that has been left open to them by this government, because this government does not consult, it confronts.

And during that demonstration, I took the opportunity to go over the list that had been tabled in this House. Very briefly because there wasn't much time and there was a long list of names. I took the opportunity to go over that list with one of the union reps at the demonstration, and he informed that in at least one instance, one of the firms that was listed as a construction firm and it's involving the Plumbers and Steamfitters Union, one of those firms, was on legal strike from May 1st to when the strike was settled late in the summer, and therefore — this was one of the firms that was granted a position under this program — and therefore we can only assume that that money given by the people of this province, given by the taxpayers of this province, was being used to, in some manner, in some form subsidize strike breakers. And I'll use a harsher word, Mr. Chairperson, because I feel very strongly about that sort of repugnant action. They were being used to subsidize scabs.

And I don't think that that is what the taxpayers of this province would like to see their money

used for. I don't think that's the purpose for which they believe they are paying taxes, to subsidize a firm that is doing its utmost to break a legal strike.

So I would ask the Minister if he would undertake to review the 70-some construction firms that are listed in the list and report back to the House as to how many of those were using the taxpayers' money in this province to subsidize strike breakers taking striker's jobs last summer.

Mr. Chairperson, earlier today the Minister of Highways, in his Grievance speech, inferred that because we criticized the abuse and because we criticized the flagrant misuse of this program, that we do criticize the program. Mr. Chairperson, while that may be necessary, I want the record to be clear, I want the record to be clear that what we were doing today is criticizing this government's flagrant abuse and misuse of the taxpayers' money. We were criticizing this government's stuffing their own political pockets through the PC Association grants, and even though today they came in and said that they are willing to pay that money back, the intent was there, Mr. Chairperson, and I believe it is a bit late for them to make such shallow gestures. The intent was there, the act was committed and they did use the taxpayers' money to enhance their own political fortunes.

And today as the Leader of the Opposition, my leader, gave his Grievance speech, I watched the nervous faces in the backbench, and I wondered what they had to be nervous about. I knew what the faces in the front bench were nervous about, I knew what the Minister of Labour was nervous about, but I wondered what the backbenchers had to be nervous about, and I just would like to inform them that we will be perusing, in most detail, the entire list of grants to see if there was anything that would give rise to their nervousness; that we, because this government has refused to evaluate their own program, that we as the opposition will take on the opportunity and responsibility for evaluating that program, and we will look for the other instances of flagrant misuse of public moneys.

Mr. Chairperson, I've done a brief evaluation, and although according to the strict guidelines as laid out by the program, these would not constitute — or I shouldn't say they would not, there is some question as to whether they might constitute a violation of the program — I'm certain that the Minister of Education will have to agree that if they do not specifically constitute a violation, that indeed they are violating the intent of the program. Because the program was fairly specific when it said that there should be 10 positions allocated, a maximum of 10 positions allocated to any individual or any corporation or business participating in the program.

They also went on to say, and I have to provide this caveat for the members, they also went on to say that they would be at one location, in other words, 10 positions at one location. But if a firm had more than one location or an individual had more than one location, then indeed, according to my interpretation, and I assume it would be the Minister's interpretation, they could have more than 10 positions. But don't the members opposite, don't the government see what this does, that it puts the small business in this province at a disadvantage, because the small business operations are not going to have more than one location, they are not going to be able to take advantage of that loophole and provide themselves with 26 positions under this program, as the Hudson's Bay Company did, 26 positions under this program in 5 different locations and under 5 different grants. And in not one instance, did they exceed 10 positions at one location. So I would assume that they were in keeping with the specifics of the program. But I would also assume that they were not in keeping with the intent of the program. I don't think this program was intended to subsidize the Bay to a tune of 26 positions and then restrict a small business to only having 10 positions, a small retail outlet to only having 10 positions.

This program, Mr. Chairperson, was weighted against the small business person in this province. This province was weighted against the individual in this province, because they could not take advantage of those loopholes that that government has so kindly provided their friends, the large corporations.

Canadian Tire Association, a fairly large operation again, Mr. Chairperson, obtained 13 positions at three different locations and under three different grants from this program. But the small corner store could not do that, Mr. Chairperson; nor the small auto parts outlet could not do that, because they only have one location; so again we have a program that is weighted in favour of the larger of the business community. Chicken Delight at three locations, Mr. Chairperson, 11 positions. And this is an interesting one, Mr. Chairperson, Grey Goose Bus Lines, while they were moving part of their operations out of the province of Manitoba to Edmonton last summer, were being subsidized by this government, one location, 11 positions.

So I would hope that the Minister would take the opportunity to specifically report back to the House as to how Grey Goose Bus Lines could get 11 positions, yet they are listed at only one location under two grants — one location but two grants in the listing that he gave us — that, Sir, would seem to be a misuse. That, Sir, would not only seem to be in conflict with the intent,

but be in conflict with the restrictions and requirements, and we have to bear in mind that they were using this money, or one would be led to believe — let me rephrase that — one would be led to believe that they may have been using that money to move their operations, to facilitate the moving of their head office or part of their head office operations out of the province of Manitoba. There are press reports at the time that indicate such was being done; I would only ask the Minister to detail that. Because I don't think the taxpayers of Manitoba intended their money to be used to subsidize the moving of different phases of operations of businesses out of the province.

Dickie Dee Ice Cream, Mr. Chairperson, at two locations in three different grants, got 12 positions. The Bay, as we mentioned before, 26 positions. I would like the Minister's reaction to that. Does he think, personally think and professionally think' that the intent of the program was being served by the Hudson Bay Company obtaining 26 different positions, and I'm certain we could soon enough figure out the monetary amounts there but it was fairly substantial —(Interjection)— yes, the Member for St. Vital tells me that it's hard not to think of the Bay, well, in this instance it is hard not to think of the Bay. And I'd ask the Minister to give some thought to the Bay in this instance.

Custom Home and Leisure, one location, two grants, 11 positions; and I'm wondering if the Minister can report back to us after he has had opportunity to investigate that, and explain to us how at one location Custom Home and Leisure could have 11 positions?

And Standard Knitting, one location listed in the book again, Mr. Chairperson, yet through two different grants, both giving the same location, they obtained 11 positions. And that is from a brief perusal of a very detailed and very long document, and I'm certain as we go through the document, Mr. Chairperson, that we will find out more abuses such as that.

And I'd like the Minister also to take the opportunity in the near future to explain what the 10 positions were provided to the CFB Shilo Base Fund for? If these were indeed new jobs that were created, what those job descriptions might be?

And these are just some I'm listing now, Mr. Chairperson, that struck me as curious, that struck me as quizzical.

The Manitoba Forestry Resources Corporate Office in The Pas, an operation that has been closely associated with other Conservative abuses and misuses got two positions. I'm wondering if the Minister could explain why that particular operation obtained moneys under this fund? Or the Cranberry Portage Manitoba Housing Authority? Maybe he can talk to his colleagues. Or Morden Fine Foods? Maybe he can talk to his colleagues on that.

And those are the abuses, Mr. Chairperson, but some of them are just curious, some of them I just don't understand, and I'd like to put them on the record so that the taxpayers in this province know where some of their money is going, some of their hard-earned taxes are going. Of course we know about the Manitoba Progressive Conservative Association, and to their credit they're paying that money back. Again, the intent was there. I would just mention to the Minister I hope they are paying that money back with interest that is due to the people of this province. —(Interjection)— Thirteen percent, the member informs me.

But Manufacturer's Life Insurance Company, Mr. Chairperson, got one position for \$720.00. Now it's beyond me why Manufacturer's Life Insurance Company needs our public moneys to create that one position to the tune of \$720.00. It seems like such a piddling amount that one would question why they would go through the effort, given their profit picture, given their capital picture, why they would go through the effort to get \$720 of our dollars.

The Monarch Life Assurance Company, 4 positions, \$1,687.50. Why? And are they creating new jobs, can the Minister assure us that they are creating new jobs with that money? No he can't, he handed them that money on a plate, no questions asked, no questions asked. And the signature on the bottom line is supposed to indicate to us that they are creating new positions. —(Interjection)—

Well, I, Sir, am a bit more pessimistic than perhaps the Minister is. I would hope that we would review the situation, that we would try to determine whether or not this money was being used for the purposes it was intended.

The Investors Syndicate Limited — these are all large operations that don't need my money, surely; don't need your money; don't need the taxpayers' money to create jobs, yet they're down for \$1,200 and two positions. Great-West Life Assurance Company, another two positions, \$1,200.00. Richardson Securities of Canada, one position, \$577.50. Does it make sense, Mr. Chairperson, does it make sense? It doesn't make sense to me.

They say they're creating jobs for students, they've been creating jobs for a long time, Mr. Chairperson. Do they need this money to help them? Couldn't this money be better served being used to create jobs for having students work for the public good, couldn't it be better served even for creating jobs in the small business community than for Richardson Securities, Investors and Great-West Life?

Shell Canada, I would like the Minister when he has an opportunity to stand up and explain

to me why he gave \$4,031.64 of our money to Shell Canada for six positions? Does he not think that they would have created those six positions without our money? Does he think that they needed that money so badly that we had to give it to them to create those positions?

And I'd like to know, the Minister — the Minister, that's pleasant thinking on my part, hopeful wishing, I hope — but the Member for St. Vital says, "How much profit did they make last year?" Well, I can assure you that they made more than \$4,031.64 profit, and that's ours, that's how we helped them. —(Interjection)— Well, the member asks how much income did the student make? Well, we have asked the Minister to be quite specific in answering us when he appears before the House again with his answers, as to: How many students were actually able to earn enough money under this program to carry on their schooling? How many students went to jobs that turned out to be very short-term jobs, because that has happened in this program, where they went in for a week and all of a sudden either the business they were working for or the fact that they could not continue with that job, and they did not have that money? I'd like the Minister also to explain why the Morris M. Bohonos, Chairman of the Pleasant Valley College Owner's Association, 36 Buttercup Bay, Brandon, Manitoba, had his grant cancelled, because I think there's only two or three cancellations in that whole list, and it's a long list, and I may stand to be corrected because I haven't had the opportunity to go over it in the detail that it deserves, but I would ask the Minister to explain why that particular one was cancelled? One was cancelled because it was a duplication, I know that, and I think this may have been the only other cancellation. Perhaps it wasn't, but it was one of the few and I'd like to know why it was cancelled?

The Manitoba Yacht Club, I don't know if I mentioned that before, Mr. Chairperson, but the Manitoba Yacht Club got \$1,680 of our dollars, two positions. Cadillac Fairview Corporation Limited, I understand that that is a large operation, I understand that that operation does not need our money, and yet they have our money. They have the public of Manitoba's money, they have \$1,200 of it. And that's what we're talking about, we're talking about the public's money under this program, Mr. Chairperson.

So what we have, and I can give the Minister notice that we will be continuing this conversation from time to time as we have the opportunity to detail out the program in further detail, that they have not heard the last of this, because it is our duty as Opposition to ensure that the money that this government expends is expended in the best interests of the public. And I, quite frankly, don't think that in all cases they have done it in this program. They have told us that they can't give us an evaluation today. They tell us an evaluation was started. Then when I asked them to tell us when that evaluation was started — because, Mr. Chairperson, maybe, again, I am suspicious but I think it was started very recently. I think it was started after all the flak started because I don't think they had any intention of evaluating the program in any detail or they would have done it by now. It's been close to a year since this program has been completed. They would have evaluated if they had sincerely and honestly intended to evaluate it. And I think the only reason they are evaluating it is because now they are under pressure. Now, because the Opposition has done the job of pointing out to them their mistakes — and their mistakes were numerous and their mistakes in many instances were tragic, and their mistakes, in many instances, are very unbecoming to them as a government and unbecoming to them as a Progressive Conservative Party.

But after we have pointed out those mistakes to the Minister, now they evaluate, now they evaluate. Because had they intended that evaluation it would have occurred long ago. Or perhaps the Minister can explain why there is a nine-month or ten-month time lag on evaluations, why the new program is beginning today, I believe — I may stand corrected — or very shortly, if not today, without the evaluation of the previous program being done. Does that make good sense? Is that good government? Is that responsible? Is that watching out for the taxpayers' money? No, it's not; no, it's not. This program was a gigantic handout; and when you do it in the way they did it you are going to have the abuses, and they did. They did have the abuses, and we pointed some of them out to them.

The program, while not a failure, Mr. Chairperson, the program has not lived up to what I believe that government intended it to live up to. Maybe . . . I stand corrected; maybe it is exactly what that government wanted; I don't know, I don't know. But I do know, and I direct my remarks at this moment to the Minister of Labour, I do know that when public moneys are used to subsidize a firm that is being struck against that something is wrong, that something is wrong. Something is wrong morally. —(Interjection)— The First Minister says I should go back where I came from. That is his answer, Mr. Chairperson, that is his answer to the Progressive Conservative Party dipping into public moneys to line their own pocket. Well, that is some answer. —(Interjection)— He says, in his typical red-baiting manner, that they know Marxists when they see them. Well, I would have to inform him that in many cases they don't, but I sure do know people who are trying to line their own pockets when I see them. I certainly do know people who are trying to use public funds for their own political fortunes when I see them — and I see them across this Chamber; that's

where they sit, and they have been caught with their hand in the pork barrel up to the elbow. —(Interjection)— Tell us more about lead. Well, I will tell the First Minister more about lead because he is perhaps as ignorant as most on his side about lead, and I will take the opportunity to educate him. I will take that opportunity, if he takes the time to listen he will be the better person for it because his ignorance on every occasion that he has had opportunity to discuss lead in this House has shown through as clearly as his Party's attempts to use public moneys to line their own pockets has shown through in the last few days. —(Interjections)—

MR. CHAIRMAN: Order please, order please, order please, order please. The Honourable Member for Churchill.

MR. COWAN: Thank you for your kind intercedence, Mr. Chairperson; I appreciate it. —(Interjection)— I get the hint, Buster. Some parliamentary language from the First Minister, the Leader of the Progressive Conservative Party that is leaving the Chambers, that is going out to tell his people, don't you do this to me anymore; you have embarrassed me.

You know, Mr. Chairperson, last night after people saw the First Minister, the Leader of the Progressive Conservative Party on T.V. they said, geez, I don't think I've ever seen him so cowed; he looked so embarrassed. Well, he had reason to be embarrassed because his arm — he is Leader of that Party — his arm was in the pork barrel because he had to take some responsibility for the actions of his Party. And he has left the Chambers now, and I don't blame him, because it stings, it stings, Mr. Chairperson. We can see it on his face. You could see it on his embarrassed face yesterday. It does sting. —(Interjection)—

The member said that I called Canadian citizens scabs. Mr. Chairperson, I will call any person who goes and crosses the picket line for the purpose of stealing another person's job a scab. I will do that today; I will do it tomorrow and I will do it for the rest of my life, because I believe very strongly that that's what they are. And if they want to protect them and if they want to subsidize them, then it's to their discredit, it is to their discredit. Does it sting? Does it sting? Well, certainly, it stings and we can see it now. We can see it on their faces, because they are all members of that Party. They are all members of the Progressive Conservative Party that yesterday was caught with its hand in a pork barrel, and that is why —(Interjection)— Balderdash, balderdash. Mr. Chairperson, it would take me a moment to find it, but there are two grants, grant numbers, that say, that prove it, that are written documentation that that Minister provided this House — I didn't make it up, didn't fall from the gallery, he passed it across — that show that the Progressive Conservative Party was using public moneys to subsidize their own political fortunes, that subsidizes their own political fortunes. And they have done that, and they have done that. —(Interjections)—

Mr. Chairperson, I think they're embarrassed. I think they're hurting; I think they're hurting. Quite frankly, I don't mind the mistruths that they are casting across the floors; I do not mind them. I think it is typical of their mentality. I think it is typical of their knee-jerk reaction.

MR. CHAIRMAN: Order please, order please. The Honourable Member for Churchill.

MR. COWAN: Thank you, Mr. Chairperson. I will be brief. I will be brief because I think the point has been made. I think they have made attacks, I think they are red-baiting, I think they are slander and that is what it is, Mr. Chairperson, I think that their remarks only show too well that they have made the point that they are not worthy of the government they hold, that they are not worthy of the positions that they hold and that in due time, in due course, and in a short time, they will be relieved of the responsibility and they will be relieved of all the temptations that come with being a government.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Chairman, I just want to say a few words because I think that certainly we on this side cannot help but be distressed at some of the comments which have been made in the past five or ten minutes. I believe it is true to say that just about everyone in the province of Manitoba one time or another, either personally or through heritage, was a descendant of someone that immigrated to this country and for comments to be made, as we have heard from the First Minister tonight, from his seat, from the Member for St. James and from the Member for Portage la Prairie, words to the effect that we don't need a member of this Legislature in this country, words to the effect that a member of this Legislature should return to the country from whence he come, I think reflects very, very sadly, very, very sadly and I say this not in anger, but I say this in sadness upon those members that make such statements.

And, Mr. Chairman, I have to say to you that as these words were being shouted back and forth from seats in this House and were not part of the formal Debate, attempts to make it most difficult for the member that was speaking, I would have sincerely thought that it would have called for some intercession on your part. I don't know, Mr. Chairman, whether or not I've ever heard the extremity of the comments that I heard just a few moments ago within this Chamber; I don't believe I've ever heard the extremity of the comments insofar as they underlined a racist nature and character in this House; I think it's a sad, sad evening for us when they're directed at a member of the Legislative Chamber. Whether members or not agree with what the Member for Churchill is saying, I believe that Member for Churchill deserves to have the opportunity to express himself forthrightly in this Chamber, to place his position before the members of this Chamber without questions relating to his origin, or to his nationality from whence he had originated, and members feel that they're going to have some sort of impact on Manitobans by conducting this type of campaign against an honourable member of this House, let me suggest to members that Manitobans do not care for racism, they detest racism from whatever source that racism originates to whatever group racists slurs are directed towards, that Manitobans detest it in the vast majority, and I would hope that those members that directed those remarks, and I refer specifically to the First Minister, the Member for St. James, the Member for Portage la Prairie, would undertake some effort to apologize to the Member that had spoken in order to, I would hope, put the record straight in this Chamber.

MR. CHAIRMAN: I would just like to make a remark to all the honourable members before I acknowledge the next speaker. As the last speaker did make a remark concerning racism, I would like everybody in the House to know that I do not condone racism; I condemn it and if the remarks had been heard, if somebody had stood up in the House and made the remarks where I could have heard them, I certainly would have ruled them Out of Order, and I will stand condemned by the Leader of the Opposition for his remarks possibly that I had heard these remarks and not ruled them Out of Order. But I would assure the honourable members that I did not hear the remarks — I do have a hearing problem, I have a hearing piece in my ear so that I can hear whatever is said from the microphones and I'm a little embarrassed that I am being condemned for allowing racism, and I would acknowledge the next speaker, otherwise, the Honourable Member for Churchill.

MR. COWAN: Yes, thank you, Mr. Chairperson. I would just like to ask a few more detailed questions of the minister because I think it's important while we're on this subject to clear up some of the questions that arise out of the document.

And I direct the minister's attention to Page 8 of the document: Grants No. 93, 94, 95, and 96. Grants for G. A. Junkin (1976) Company Limited, Grants for Wesusko Underground Services Limited, Grants for J.D. Construction Company Limited, and Grants for Metrico Enterprises Company Limited, all of which are for ten positions and all of which share the same address, 572 McTavish Street, Winnipeg, Manitoba, and all of which are for the maximum or at least for \$9,600; one of the larger amounts listed.

Now I just wonder if he could undertake to investigate those to see if there is any abuse in there. I'm not saying there is, I'm just saying that questions arise because of the four Grants in a row occupying the same address; I would hope that he would undertake to assure us and assure his own department that those were, indeed, different companies that were using those for the purposes required under the program.

I would also direct the Minister's attention, Mr. Chairperson, to Grant No. 243 and 244, Environmental Contracting Limited and Interlock Contracting for 13 grants and both operating out of 400-280 Smith Street, again, just to clarify the situation to assure us that the program was not being abused in this manner.

MR. CHAIRMAN: (a)—pass — the Honourable Member for Wellington.

MR. CORRIN: Yes, Mr' Chairman. I wanted to clarify the record. This afternoon during the Question Period in the course of questioning the Attorney-General, respecting his investigation of a possible infraction under The Legislative Assembly Act, I may have left the impression and I would indicate for the record and for the attention of members opposite that it was my wish to do so, but I may have left the intention or I may have left the impression upon members present that I felt that there had been some wrongdoing on the part of the Minister, that the Minister had in a sense had been involved in some defalcation, had been involved in some misrepresentation tantamount to some fraud or something of this nature.

Well, I wish the record to show that that was not the intention of my bringing that particular

matter before the Assembly. It was never my impression, quite frankly, that the Minister was aware even tacitly, even tacitly involved or aware of the nature of this particular grant and its allocation to the provincial Conservative Party. I don't think that he was aware that there was such an appropriation at the time that it was given, and frankly, I don't think he was aware of section 18 of The Legislative Assembly Act either. But having said that, Mr. Chairman, I want the record to show that whether or not he was aware, I would deem that and I think that most members upon perusing the legislation in considering the ethical status of that situation, would agree that the Act per se of contracting as between the government ministry and the Minister's Party was an act which clearly went beyond the bounds of propriety and certainly went beyond the terms of reference set out in our Legislative Assembly's Act.

Now, Mr. Chairman, it's with some sorrow that I relate that because I think that these are most trying circumstances, having said that I don't believe that the Minister intentionally contravened the regulations, I must also say that I think it's incumbent upon the Minister to give consideration to his particular plight, to give consideration to the provisions of section 18 of this particular Act and to make a decision whether or not he will consider giving up his seat in the Legislature.

Now, Mr. Chairman, before I suggest that he should do that, I would suggest that before he should, it would be proper on his behalf to ask members of the Legislature to give condonation to his behaviour, to understand and emphathize his situation and to waive the provisions by way of special bill dealing with section 18.

And, Mr. Chairman, I would go on record as being one who would certainly do my utmost to give support to such a measure and I would encourage my colleagues to do the same. But, Mr. Chairman, there are principles by which we must guide ourselves and I think these principles are aptly set down in law in the form of The Legislative Assembly Act. I think it behooves us to give consideration in these circumstances to whether or not we will simply trespass, simply allow ourselves to transgress the bounds of ethical conduct, to overlook the specific provisions of law — the laws which guide our conduct in this House — or whether or not we will come to grips with the problem and on a mutual basis as opposed to a political basis, try and work it through in as upright and as virtuous and principled fashion as possible.

For those who are unfamiliar with the section, I will restate some of its contents. The section quite simply indicates that persons contracting with the government are ineligible to hold a seat, and it talks about persons doing so indirectly, it talks about them not only doing it alone, it specifies with any other person, or by the interposition even of a trustee or a third party. And, Mr. Chairman, I think in a case where we have — and this I think we all accept, and the minister has already indicated for the record this afternoon that he is responsible — we have a situation where the minister has accepted responsibility for what has transpired within his department, that is I think eminently respectable, I think that is eminently sensible, I think it's wise and it's prudent and it's beyond reproach. I think that's what's called for. I think that the minister, whether he was aware or not, has done the right thing. He has indicated he is responsible. He stands in his place and he indicates he'll take his lumps.

But, Mr. Chairman, we have a situation where the minister inadvertently through his department, has dealt with himself in the sense that he, as a minister, has dealt with himself as a party member, as a member of the Progressive Conservative Party; he has gained a benefit. There is an implied contract and this particular provision talks about express or implied contracts. And, Mr. Chairman, on that basis I would suggest that there's little that can be done. I was hoping, and I still hope, that the Attorney-General would have seen fit to do the obviously proper thing, and that was send the matter out of the House, out beyond the Civil Service and beyond of course the bounds of his department, to independent legal counsel for an independent opinion and review of this situation. That I think is what the Attorney-General should have offered this afternoon. He shouldn't have offered insult, he shouldn't have offered innuendo and he shouldn't have offered bluff. He should simply have stood in his place and indicated that he would be certainly willing to have this particular provision in the conduct of his government, and the honourable minister stand subject to scrutiny of independent legal counsel, but he chose not to do that.

So, Mr. Chairman, I'm asking the honourable minister to give consideration to whether or not he doesn't agree with me that that is the proper and honourable thing to do in these circumstances. It's not a game, we're not playing a game and if we were it's certainly the most deadly serious and earnest game one can play. The rules of this game are closely prescribed. As a matter of fact I'm thinking back to a few years ago when there was heated debate on conflict of interest legislation that was proposed for this House, and I remember very well reading in the newspaper, I remember very well members opposite, and indeed members I think on this side as well, standing up and suggesting that the Legislative Assembly Act, as it was currently enacted, was sufficient protection with respect to conflict situations, and that members of the public could be well advised that there was no need for any supplementary or additional protection in that respect.

Well, Mr. Chairman, we have today, we have a test, we have in the crucible of public opinion a situation wherein I think it's incumbent upon the minister to advise this House whether or not he is willing to stand the test of scrutiny, whether he believes that the public process is more important than the political process. Now I really believe that, I sincerely believe that the minister shares my concern in this regard and does believe that the public process comes first, that is what is foremost in both our minds, and I believe that is how it has to be. I've told the minister that I would be willing to stand here and fight to put through a bill that would waive the provisions of this Act as it applied to these particular factual circumstances, because I don't believe, I just simply don't believe that the minister intentionally has done anything wrong. But the law is the law, and there is not a law for the high and a law for the low. Law is the law and it applies to all equally. And I think that if it's to be respected and if our business here is to be respected, we must all be supportive of that law or we must change it. If it's not appropriate, if it's inapplicable, if it doesn't work then let's by all means change it. Let's put our minds together and change it, it's there, it's a reality.

And I suggest that it's just common sense, and I'm sure that all members present are aware of this, it's common sense that you can't deal with yourself in a non-arm's length situation. You can't on the one hand be the minister of a government and on the other hand send money from your ministry to your political party to do your political work, it just can't work that way. The system if it works that way is not the system I thought we had. That's something that we usually associate with totalitarian regimes and dictatorship. It's not the system of government we enjoy.

Now if we follow that logic, Mr. Chairman, I think that we can all agree that it's something that has to be dealt with. If it isn't dealt with, if it can't be dealt with then I know what I have to do and I'm going to do it. I'm going to reintroduce the conflict of interest legislation and we're going to have a thorough debate and obviously this particular situation will be a focal point. I would prefer to think that there is within this legislation, the Legislative Assembly Act, sufficient teeth that we can deal with these situations within the present parameters of law. But if that's not of mutual consensus as between members of this House, then by all means let's debate, let's discuss the provisions of this particular Act and perhaps stiffer provisions, the need for stiffer provisions embodied in new legislation.

I think, Mr. Chairman, we have come to an impasse, we have come to a point where we don't go further. There are certain times when the affairs of men stand still, and this is one of them. If the minister can rise in his place and tell me that he feels it's proper for a ministry to — and he can put it on me — if I were the Minister of Education and I took \$2,400 or whatever it was, \$2,200, and passed it on to the New Democratic Party so that we could have people in our offices employed for the summer doing our work, would he sit opposite, if he were in opposition, would he sit opposite and tolerate it? Would he suggest that it was ethical conduct, would he suggest, if I were to rise and defend it, would he suggest that I was right? Did I have a right to employ, why two, how about 10, how about 20? That I can use the public purse to employ 20 political workers — of my Party's stripe, not his.

Of course, it stands as a matter of record and reason that his people, Conservatives, would be precluded from taking employment, so I would be discriminating. Unfortunately, — and that's another thing that I think we should deal with, the Human Rights aspect, because that's in effect what's happened here — we have public moneys being used in a discriminatory fashion because the employees to be retained are not to be selected from the public at large. We have the class closed to those of a particular political stripe, and I thought, Mr. Chairman, that we had Human Rights legislation in this province that prevented that. And here we have government money being used to fund something that is essentially contrary, not only to human dignity, but contrary to the law of this province —(Interjection)— and good sense, yes.

Now Mr. Chairman, I think tonight the Minister should indicate whether he is willing to have this thing scrutinized, and is willing to give consideration to whether or not there has been a transgression, and whether or not he would be inclined to ask that members on this side give consideration to providing an exemption or waiver of this vision by way of a special Bill. I've got a feeling, I'm almost positive, that co-operation would be forthcoming, because I've polled members on this side and I know co-operation will be forthcoming.

At this point we do not believe, and I can say this categorically, we do not believe that the Minister in any covert fashion, in any intentional fashion, went about subversively attempting to line his own pocket or the pocket of members of his Party or supporters of his Party. I don't believe the majority of members on this side feel that way. I don't believe it, and frankly I wouldn't believe it unless hard empirical evidence would be put on the table —(Interjection)— I wouldn't believe it, because I don't think that's the way we are here. We have our differences, and sometimes they are substantial and sometimes they are very fundamental, and certainly we have differences of personality and character and . background, as was indicated in the very recent uproarious debate,

unruly debate, involving the Member for Churchill, but I don't believe that we're ill-intentioned, and I don't believe that we would subvert the processes of this House.

So I think the options are clear. Either we move on Section 18, and we have a declaration for the record, or we move on very stiff conflict of interest Legislation and we use Section 18 and this particular affair as the focal point. And so tonight, I think, Mr. Chairman, something must go on the record.

MR. J.R. (Bud) BOYCE (Winnipeg Centre): Mr. Chairman, when we get pressure in the House sometimes we all make remarks that sometimes perhaps we shouldn't make but I was really surprised at the First Minister who in his first address to this House, I thought gee, we're going to raise the level of debate because his first speech in the House addressed itself to raising the level of debate, and the calibre of it, and the decorum of the debate and the rest of it. But, be that as it may, Mr. Chairman, this situation has come to this point because of the attitude of the government, that anything we question, we're against, and also that anything we thin of is wrong. Anything that we do over here is wrong.

The First Minister again in a debate said that we were causing confrontation. Well, the posture of the government in this debate this evening since 8 o'clock puts it fairly well on the record who was causing the confrontation, because many of us on this side, Mr. Chairman, speak from a sincerity when we discuss such resolutions as was defeated by the weight of the government, that when we come to employment it really makes no difference where it is implemented, whether it's in the private or public sector, if there is a need, if there is some need for it. But nevertheless the government has chosen this particular path and for us to have come up with in a matter of 24 hours after having tabled the report, just one item, and really all that we were asking the Minister to do was to assure us that some monitoring, some evaluation, some check back system, and they attribute motives to us on this side, that we are against the program, which is not true. No one on this side has said that they were against the program. All that they have said is why can't nursing homes have people work in there as student employment? Why can't parks, municipalities — you know they're excluded. I don't know if that has been put on the record in this particular debate, Mr. Chairman, that publicly funded employees are ineligible. And they accuse us of being doctrinaire and dogmatic.

Mr. Chairman, I want to not disassociate myself, but nevertheless to perhaps offer a different viewpoint on some of the names that my colleague from Churchill rattled off, because, Mr. Chairman, I would assume that the people who are responsible for making the decision within the corporations of Shell, of the Bay, of the rest of them would have complied with the government regulations. That's not the question. But the government themselves on these forms — these are last year's — because what we're discussing, Mr. Chairman, is the Minister who wants us to vote him a salary on how he performed last year in a program which was under his jurisdiction. I don't want to talk about the upcoming program which is over under the Department of Labour because I want to be completely in order. But on the form — this is a contract, and how I got this on my desk, I don't know, but this is the Shaddy deal — this is the one that was signed by A. Shaddy, Mrs. J. It says on this contract between this group, this authorized signatory, "It is an offence to knowingly give false or misleading information, and that all information provided in connection with this application is subject to verification and audit." Subject to verification and audit. And all we are asking is how does the government intend to make sure that this is being audited?

You know I was in business and I support free enterprise, I do. The people who take money out of their pocket and put it into business, private enterprise, but nevertheless when we get over too far on the other side where you take \$100,000,000 and give it to Kasser — I forget how much it was — I draw a line. But nevertheless, Mr. Chairman, you know yourself the Unemployment Insurance come around, well they used to stick stamps in books, and they'd count the stamps and your employees, and they'd check ; the Department of Labour comes around, Workmen's Compensation comes around, Income Tax comes around, and these are just people who are checking your records, that's all. Policing. The Minister earlier in this debate, I forget what his terms were. I don't want to heat up this debate once more, Mr. Chairman, but one of the members over there said we got rid of the Gestapo.

I've been through this list of some 2,250 different contracts which were signed and I don't want to make too much of this one that we keep focusing on, because whoever authorized this on behalf of the Minister, I know what my attitude would be towards it because I am sure that the Minister would not have signed that if that had needed his personal signature to sign. I dgn't believe he would have signed it. But nevertheless, how are we to know what is going on? In the names that appear, I'm glad he gave them to . . . I know some of these people personally; I've known them for years, and I would assume the same thing I mentioned relative to some of the bigger corporations that these would be entirely new jobs. So for the government to posture because we ask questions,

we certainly don't phone San Francisco and try to cast out on the accountability of Manitoba to make buses, to try and queer a deal.

But nevertheless, the item before us, the Minister's salary, Mr. Chairman, the Minister, when we first started to discuss these Estimates, undertook to give us an assessment of his on the Task Force Report, and I wonder if he's in a position to tell us what he is going to do with those recommendations. He did undertake to reply clause by clause, or not clause by clause but by recommendation. But for the past few days, Mr. Chairman, we've been going through the Department of Education and it is our genuine opinion, that the total thrust of the government is to skew the system so that it once again will become more of a traditional system which will be limited to fewer and fewer people, and we have tried to point out item by item as we have gone through the government's Estimates, that this is the net effect. We have tried to make the case and I think we have made the case that the government's attitude toward public services is so derogatory that it permeates all of their thinking, even when it comes to educational services and health services. For the Minister to posture that with the dollar that is declining, you can maintain the same level of services for fewer dollars, is ludicrous, because it isn't the New Democratic Party or the opposition members who are elected to this House, Mr. Chairman, who are saying this, it is everybody in the Province of Manitoba. And I don't intend to stand here and read all of the press releases which have come out in the past year by the Manitoba Association of School Trustees, by the Teachers' Society, by all the groups in the province, that the public school system in Manitoba is in danger.

The Minister, starting at one end of the scale when he's talking about university, he disclaims any knowledge of why the fees would have to increase at the university. The government maintains this posture in all of their presentations so far this year as far as Estimates are concerned. They say that they have cut the expenditures of the public. They said, for example, Mr. Chairman, that they have cut the income tax of Manitobans by the average of \$83, which may be arithmetically correct. But, Mr. Chairman, they have not cut the spending of the public because they have transferred the inflationary increase directly to the public purse — the public's purse.

When we get talking about education, how have they done this? They have increased fees at the university, and over the past two years, the community colleges, they have raised the fees by 400 percent; from \$7 to \$28, Mr. Chairman. And I shouldn't use 400 percent because 100 percent is all there is, but nevertheless, this is something that has crept into our way of speaking.

When we're talking about back to the basics, it is very interesting. Here is the contract which is prepared by the Minister of Labour and Manpower and one of the clauses . . . this one which refers to the Student Employment Program for the upcoming year: "It is an offense to knowingly give", it's a split infinitive. But, Mr. Chairman, I say that in reference to the wrong use of the concept of percentages, but they have taken the fees at the community colleges from \$7 to \$28.00.

When we get down to research, Mr. Chairman, this is perhaps an area where the government can spend less logically. Logically, because if you don't where you're going, there's not much sense in trying to find out how to get there.

When we get down to financial support for public schools — that's what it says here, financial support for public schools — we find that in the Foundation Program that their net affect is a 4.5 percent increase but yet they have doubled the amount available for private schools.

When we are going through the items of Program Development and Support Services, we tried to pin the Minister down on what he meant by such statements as a more structured curriculum and, Mr. Chairman, the public doubtless will find very enlightening the manner in which the Minister responded to the questions that the objectives are rather nebulous. It will be interesting to see as they carry out their revisions of the curriculum from Kindergarten through Grade 12, and the issue of these new objectives, and I want to thank the Minister to agreeing to forward us the information in this regard as it is developed.

It was interesting to note when we were discussing measurement and evaluation, Mr. Chairman, that the emphasis on the use of measurements within the school system as a support for teaching and learning still hasn't permeated the government's thinking.

But Mr. Chairman, when we get down to talking about the people who traditionally haven't fitted well into the system, this is where the government has really demonstrated their total disregard for those people on the lower end of the totem pole. And this is but another manifestation, Mr. Chairman, of the Progressive Conservative government's attitude. It doesn't make any difference whether we're talking about minimum wage, where the government has given a 10 cent an hour increase which amounts to 2,000 hours, that's \$200 a year. On the other end of the scale, where they use figures such as \$60,000 as an average income, they give a 7 percent increase, which is \$4,200 a year. At the bottom they get \$200, at the top they get \$4,000 more.

And Mr. Chairman, one of the reasons that they taught us history in our educational system was that people will perhaps learn by the mistakes of the past so we can build a better future.

Even the Kaiser in Germany was of the opinion that if you put too much of a distance between the bottom and the top that you had a problem. Aristotle thought that. But nevertheless, this government is bound and determined that they're going to keep those people there and they're going to rise the top up. Because we have already heard them say, on many, many, many occasions, they have publicly admitted that they think they're two and a half times better than anybody else. I don't know how much better they think they are, but nevertheless, this is the group of people that the want to skew the whole educational system toward.

One hundred years of history. The first year that we were in government we were involved in celebrating a centennial in the province of Manitoba. And some of the programs that we had inherited in 1968-79-70, the ones that we did in 1969-70, had been as a result of some of the planning and thinking which had gone into government when we took over. The New Democratic Party in 1969-70 didn't arrive on the scene with a whole template of programs to shove into place, many of these things had been thought out by a darn good civil service which had been in place over a long time.

But Mr. Chairman, what has happened is, this government, in our opinion, has taken all these plans which have evolved to a particular point and scrapped them. Scrapped them, Mr. Chairman, because once again, in our opinion, this government is not interested in solving those problems. They're not interested in preventative programs, for example, the Headstart Program. You may recall when we were debating that particular issue what the record will show as being the attitude of the government, where youngsters who traditionally had not entered the educational system had been helped to approach it in a manner through which they might survive. They scrapped that.

As far as getting native people involved through IMPACTE, BUNTEP, all of the other programs, they scrapped them. They scrapped them or pulled them back to such an extent that they're almost destroyed. Why? Have they got something else to put in its place, Mr. Chairman, to solve the problem? No. The problem, Mr. Chairman, is not going to go away.

There is a philosophical difference between the Conservative Party and the New Democratic Party, but in this Session we have seen that they are the most doctrinaire, hidebound, blind group of individuals that I have seen in my 10 years in this place. I remember Gil Molgat, who used to, from time to time, make a speech, Mr. Chairman, on why can't we reach a point in our evolution of governmental systems that people will say; here is a problem, now here are a number of solutions, let's pick the solution. Let's pick a solution. But this isn't what gentlemen opposite want to do. They've got one philosophy, Mr. Chairman, and we hear it on every line of the budget, that the private sector is going to solve all of our problems from youth employment in the summer time, and many people are afraid that they think that they're going to solve it through the private school system in the province of Manitoba.

Because you put it right on the line with the emphasis that they're giving in this budget, that they're holding the public school system, not still, Mr. Chairman, back, they're holding it back. And the Minister can stand up there day after day and say a 6 percent increase is an increase? But I'm sorry, Mr. Chairman — no, I'm not sorry, I hope he continues it, because people don't believe him. Who doesn't believe him? Everybody in Manitoba doesn't believe him.

Because as my colleague from Churchill — and Mr. Chairman, I want to put this on the record — I used to have dual citizenship between United States and Canada, and I chose to be a Canadian. But when the Member for Churchill dragged out his box of groceries, that's real. That isn't political philosophy, that isn't party dogma, Mr. Chairman, that's real.

One item we discussed under this budget was \$240 transportation grant last year. They raised it by \$15.00. What does that do in the actual cost, with gasoline going up, repairs on buses going up? And not only that' in many of the areas, Mr. Chairman, that we're discussing, the number of students being transported is going down. Who's going to pay for this increase? Not the Minister, not this government. And my argument throughout these Estimates, Mr. Chairman, has been that the government is being irresponsible, that this government chooses to take the \$1.5 million profit that the citizens of the province of Manitoba made on Tantalum Mines and hide it over in the department because they don't want MDC to show a profit? Fine and dandy. That's their political philosophy. But Mr. Chairman, it's on the government's head that in these inflationary times we have to tax ourselves to protect our public school system. We have to keep up with inflation as far as the public school system is concerned.

I read an article, an editorial from one of the rural papers, it's an urban area now, where teachers are leaving in frustration out of the hassle within the system. The teachers in the province of Manitoba, Mr. Chairman, are professionally concerned, but we get from the Minister that this is an interest group, it's a pressure group.

It was one of the articles that came out recently from one of the rural papers was one of the reasons for declining enrolment is because the Progressive Conservative government's economic

policy is depriving the area outside of Winnipeg of young people with families.

And, Mr. Chairman, when we're talking about people leaving the province, they are most able people. They're the people with the highest mobility; they're the people with the biggest demand. And, without being out of order, Mr. Chairman, I would use an example of trucking. Right at the present time the whole construction industry is tied up in fighting floods and some of the people I know, when they were trying to wind up faster than they normally would, started to look around for truck drivers. They have gone. The good ones have gone. Because the good ones if they haven't got a job, they don't sit there; they leave. They go to Calgary or Regina, or somewhere else, where things are happening. So it's not philosophical arguments; it's real.

When we get to the last item of the Minister's Estimates we still find that the government, after having said in nearly every Committee last year, Mr. Chairman, when they insisted on doing the books the way that they want to do them, by including Capital and Current together, that at the end of fiscal 1978 that all authorization would cease. And we find under this particular item once again in this department, as in other departments, that they're still carrying forward Schedule B authorizations.

MR. CHAIAN: The honourable member has two minutes.

MR. BOYCE: That should be ample, Mr. Chairman. I wouldn't like to close my two minutes without mentioning that I meant what I said when I was on a platform with the Minister of Education. I think that politics is not as important as what we're talking about, and I thought perhaps one of the ways we should solve this problem is to establish a task force. We have legislation which has been proffered by the government in the Throne Speech debate on The Public Schools Act, and here it is, well, May, and we haven't seen the legislation.

So perhaps the government will consider taking that legislation, after Second Reading, and referring it to a task force of this Legislature, that we could have public hearings and meetings so that we can get the input of all interested people in the province of Manitoba.

MR. COSENS: Mr. Chairman, I have listened rather closely to the remarks of a number of members on the other side of the House this evening. Most of them, of course, are dealing with a program that does not even exist in my Estimates. In this particular year that has not been under consideration, however, even though this program was transferred to another department last November I realize that I was responsible for that program and the administration of it during the summer months and spring and, as a result I have listened with some interest to the remarks of members. I would remind those who are concerned about the evaluation of the program that this was started last fall. It is being continued under the jurisdiction of the Department of Manpower and Labour and I am sure the Minister of that department will be prepared to come forward with that evaluation in the near future, and certainly at that time I would imagine many of the questions that have been posed here this evening in regards to the program will be handled.

Many of the members of course have found themselves on the horns of a dilemma. They are stating on the one hand that they favour the program, but then they have turned around and at some great length have damned the program with faint praise, Mr. Chairman. In other words, while stating that of course they are in favour of young people having jobs, then they have looked at a program that has provided 5,000 jobs and tried to find every possible, sometimes impossible, reason why the program was not sound, Mr. Chairman, and I can only say to them that I suggest that we probably never have had a Summer Youth Employment Program that has been perfect in that regard, and I don't think there is one member sitting on the other side of the House that would be prepared to stand up and say, "Oh, yes, we had a program where there were no faults. It was perfect, there were no abuses of it, it was perfectly managed in every regard," because if there is, I would like to hear about that program. I'm well aware of some problems that existed in some programs that were administered by the previous government as well.

As I say, I look forward to the evaluation that my colleague, the Minister of Labour and Manpower will be bringing forth in this regard. I think it will support the faith that we have in this program and the general popularity and support that we have received from this program throughout Manitoba. I have not heard one critical remark as far as this program is concerned, and in fact, have received letters indicating that it was a very positive program and hoping that we would be continuing.

I would like to spend some time, Mr. Chairman, and react to some of the remarks that have been made by different members. The Member for Ste. Rose really has gone over the same points that we have heard in regard to the program from other members on that side. He wants more monitoring, he wants abuses cut out, and I would suggest that we certainly do not subscribe to abuse in the program either, and the program was in its first year last year; I would expect we

have learned certain things from that first experience and that certainly my colleague, the Minister of Labour and Manpower, will have profited from our experience in this regard and the program will be even better this year.

The Member for Rupertsland was discussing the topic of Norway House School and he was concerned about a one-year delay and I certainly can empathize with him on that point. I find it frustrating when we have delays in government as well, but by the same token, I am sure the people of Norway House, who had waited eight or nine years for a new school, have been rather pleased that it hasn't taken this government any more than a year to get that project underway. I visited that community shortly after we were in office. I was appalled at the physical condition of the school in Rossville,

I might say further, Mr. Chairman, to some of the remarks from the Member for St. Vital — he, of course, has gone over the 6 percent increase in moneys going out through the Foundation Program and other grants this year — and he has mentioned that expenses have increased, I believe he said 11 percent, I hope I am quoting him correctly, the figures that we have indicate that school board costs have increased by 7.4 percent on an average.

He has also of course stated certain questions that were posed to me in Question Period today and I am quite prepared to answer those in Question Period tomorrow and will do so. He is concerned about an evaluation of the Private Sector Youth Employment Program and as I have mentioned, that will be forthcoming. He mentions the reaction of people living in rural areas and that I should listen to that reaction, I should become aware of it, I can tell him that I live in a rural area and I spend a great deal of my time talking to the people who live there as well, whether they be farmers or in fact educators. I am well aware of their reaction to what we're doing and in general, they find it quite positive.

The Member for Logan again was anxious to receive answers to certain questions. I believe he was concerned about the number of permanent jobs the Private Sector Youth Employment Program has produced. At the point that the evaluation is completed, we will have that figure for him and I am sure the Minister of Labour and Manpower will take some pleasure in presenting that particular figure, and of course it will be available on the basis of the follow-up that we started last fall, Mr. Chairman, not as some members have suggested that we started in the last few days' It has been going on for some months. He suggests again the mismanagement of the program. Well, Mr. Chairman, I say again to him: Can he tell me one summer program that his government had where there was not some mismanagement? I would like to know the name of the program and the particular year, if he can really find one. Now there are always problems here and of course our main emphasis has to be to diminish that particular mismanagement.

I am sorry the Member for Churchill is not here. He started out with his favourite word "confrontation", which he likes to use in practically every speech. He seems to think this is the way that our society has to operate. I suggest that groups who have particular feelings on subjects that may differ from the government, to my knowledge, have not had difficulty in gaining access to this government to sit down and discuss their problems with them and the latest group that he mentions that was in this House, and I suppose he would like to say in a confrontation posture; I don't choose to call it that, did find access to the government and were able to sit down and discuss their problems. He talks about nervous phases on this side of the House, Mr. Chairman, when the Leader of the Opposition was speaking this afternoon. Well, I find that humorous, not at all, Mr. Chairman, and I'm not going to get into that particular debate because I think the phases on the other side of the House showed a great deal of concern when the Minister of Highways rose in his place and delivered a speech in which he dealt with the other side of that particular story and brought out examples and specific examples, and I am sure he could have brought out many more. I would say that nervous phases is not the proper term and the Member for Churchill, of course, is only looking at one side.

I got the feeling from the Member for Churchill's remarks that he was not particularly concerned about students getting jobs. He concentrated, Mr. Chairman, on these big companies who he seems to infer are doing something rather dastardly; I am not sure yet what it is. I believe he inferred they were making a profit, Mr. Chairman, which, after all, is a deplorable thing in our society if we are going to have companies in our province that are making a profit. Certainly, that is something that he seemed to find that he couldn't condone; it bothered him a certain amount, and I am sure that if he wants to check, he will find that many of the companies he mentioned employ students each summer, and in fact, they employed students last summer. But they employed additional students under this plan. They went beyond what they usually do. They took extra students under this plan, and these were not the only students that these companies were employing.

Now of course I'm generalizing, Mr. Chairman. I can only think of certain companies where that applies; I can't remember the particular list that he mentioned. He referred to page 8 of the document and he was concerned about some of the job allocations that had taken place there. I'm sure my

colleague, the Minister of Labour and Manpower, will be checking through these different jobs and the different contracts that were handed out in this regard, and that Page 8 will receive the same consideration as any other page.

The Member for Wellington has some concerns about The Legislative Assely Act. He certainly alluded to those this afternoon to the Attorney-General. I think the Attorney-General told him that he would take as much action as he felt was necessary in this regard. Mr. Chairman, as a Minister of the Crown, I'm quite prepared to abide by what the government decides on this particular topic that the Member for Wellington alludes to.

As I have mentioned before, I was not aware of this particular situation in the Private Sector Youth Employment Program; it had not been brought to my attention, and as I stated in the House today, the first time that I had learned about one particular grant to a political Party, was when it was mentioned in the House yesterday. By the same token, Mr. Chairman, I'm well aware that as a Minister in charge of a department, that I certainly cannot shun my responsibility for what happens within my department at all, and as I've stated before, I accept that.

The Member for Winnipeg Centre, who has been with us through this debate from its beginning and has contributed I would say a considerable amount to the debate, I have in many cases appreciated his remarks, even though we differ in our basic philosophy we do share some common opinions regarding the educational system, and I've appreciated, I would say again, some of the criticism that he has levelled, Mr. Chairman. I think that he has been genuine in that criticism, he has looked at it more as an educationalist than as a politician — that is rather refreshing in this House at times. He, of course, true to his lights has gone along with the idea of damning with fake praise the Private Sector Youth Employment Program. On the one hand, he says certainly he's for it, but on the other hand there are all of these things wrong with it. Well, as I've said before, we haven't maintained it's perfect, Mr. Chairman, we will do our best to improve any shortcomings there may be in the program.

He mentioned the Task Force Report Recommendations, and I assured him earlier in our discussions that I would forward a copy to him with notations beside each recommendation stating whether we had taken action on those particular recommendations, or whether we had not taken action, and I am preparing that for him along with numerous oter reports and requests that were made by members on his side during my Estimates. There is quite a pile of material, Mr. Chairman, that I'll be forwarding to the Member for Winnipeg Centre very soon, and I'm sure it will provide him with a great deal of reading material over the next few weeks.

He has also alluded to the attitude of the government to education services, Mr. Chairman. He, of course, in his true position as a Member of the Opposition deplores that attitude. I on the other hand, as I have during my debates, have done my best to place our position in this regard. I would say that it is a very positive position to the educational system, and during the process of the debate on my Estimates, I have alluded to many of the positive things that we are doing, and I would just recap very briefly and mention our testing program as one item — just merely one — but I would say that it is an important item to the educational system, Mr. Chairman, well received by the educational community, certainly looked on as something that will be a support and assistance to that community, and well received by parents as well in the community at large.

I have alluded to our Field Service Unit, which I see as a positive reinforcement to the educational system of this province and the services they're providing; that's a new service, Mr. Chairman, that we have provided.

I have made reference during the debate to the additional moneys we have provided in the area of Special Needs, some three-quarters of a million dollars, Mr. Chairman, and I have made mention during the debates, of course, of the total provision of moneys in that regard by government and school divisions amounting this year to some \$22 million dollars, which I think is a considerable sum, Mr. Chairman, and certainly an indication that our directions in this regard are positive and that our intentions are to support this particular aspect of our educational system to the best of our financial ability.

I have mentioned the review of the curriculum of this province that is under way; I would say another positive aspect or another positive direction that we are taking, Mr. Chairman.

I have also brought out the additional moneys that we are providing for Student Aid, and I have mentioned of course our intention to make sure that no young person in this province need be denied access to our post-secondary institutions because of a shortage of funds, and I have gone into that in some detail.

We have discussed the Community Colleges, and I have outlined the positive directions that we are taking in that regard. Now, the Member for Winnipeg Centre has mentioned a fee increase at the community colleges and that is quite correct, Mr. Chairman. The previous government had conducted a study and review of the fees of community colleges in Manitoba in 1976, and that particular review in 1976 had suggested, had recommended an increase in fees to bring them more

in line with the community college fees that were being charged in neighbouring provinces of this country. A year ago, Mr. Chairman, we increased the fees at the colleges, and we have increased them again in this particular year. We still have community college fees that are among the lowest in this country, much lower than certainly the province to the east of us, and certainly lower than many of the western provinces. So, Mr. Chairman, I have no problem in telling the member that that is not a cruel or a heartless move on our part.

The students at the universities in this province, through their tuition fees, pay some 10 percent of the total cost of their education. The students in the community colleges of this province pay between 5 and 6 percent of the total cost of their education, through tuition fees.

The Member for Winnipeg Centre further in his remarks comes across with what I suppose we must expect to be the usual opposition posture and stance of gloom and doom. He mentions teachers leaving without mentioning, of course, where they are leaving from and where they're going to and in what particular numbers. Every year, Mr. Chairman, we have some teachers who leave, that is not out of the ordinary at all. I have had no indication that we have had any great outward migration in this regard at all, and of course the fact that we are seeing some diminution in the size of our total teaching force in the province is directly related to the declining enrollments that we are experiencing in this province. I've gone into that in some detail, Mr. Chairman, during the debates on my department; I'm not going to go into them again. They are a reality of life in this province and across this country, with the exception of I believe the province of Alberta, where they are not experiencing the same declines.

The Member for Winnipeg Centre has also made some reference to the revision of The Public Schools Act, and I can advise him that it will be my pleasure to have that particular Act at second reading in this House very very soon.

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

MR. BOYCE: I just want to correct the Minister on one thing so the record is absolutely clear. I think the Employment Program in the Private Sector is a fantastic, terrific program. In fact, even going through those names there I checked to see if some of the people that I had suggested applied, apply — but I'm not going to identify them because that would be like the kiss of death, apparently. All I said, and I don't want the Minister . . . he has a very suave manner, he puts words in my mouth, which is a good debating technique, but I just want the record absolutely straight. I'll repeat it that there are other areas that could use student employment, not just the private sector; municipalities could use them, parks boards could use them, regional development corporations could use them. As we put forward in our resolution once again, Mr. Chairman, all things in the private and public sector which are reasonable, which are rational, which we can afford. I don't want to go on, but nevertheless I want it firmly understood.

But the Minister used the figure 7.4 percent. I don't imagine that figure of total costs to the school boards included anticipated salary increases which are currently being negotiated.

MR. COSENS: That figure is based on school board budgets, Mr. Chairman, and includes School Board's Estimate of what their salary increases will be.

MR. CHAIRMAN: (a)—pass; 1.—pass. Resolution 40—pass.
That completes the Estimates of the Department of Education.

A MEMBER: Mr. Chairman, I move the Committee rise.

MR. CHAIRMAN: Committee rise. This Committee is adjourned.