



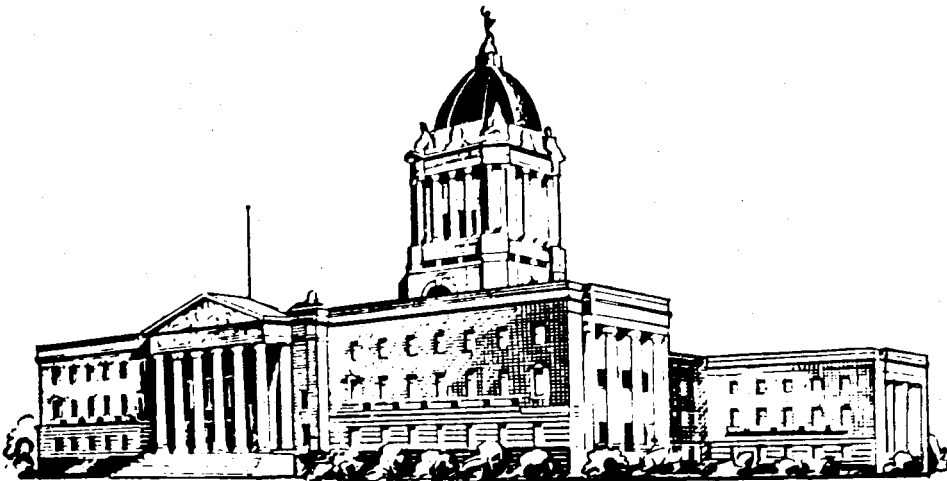
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Legislative Assembly of Manitoba

DEBATES
and
PROCEEDINGS

Speaker

The Honourable Peter Fox



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THE LEGISLATIVE ASSEMBLY OF MANITOBA
8 p.m., Tuesday, April 27, 1976

SUPPLY - EDUCATION

MR. CHAIRMAN: I refer all members to Page 19 of their Estimates Book. Resolution 46(b)(1)--pass; (b)(2). The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I just want to comment briefly on the exchange that took place just prior to breaking off for Private Members' Hour between the Honourable Member for Fort Rouge and the Minister, and it seemed in a somewhat different tone than the one that we had been conducting previously. I was reminded, Mr. Chairman, of an exchange between a couple of lodge brothers discussing the philosophy of how the game was played, and I feel a little bit like the main kid at the end of the block that keeps asking embarrassing questions about who stole his baseball mitt, but I'm going to keep asking questions, Mr. Chairman, about essentially who stole our educational system and why we're in the troubles we're in right now.

I had presented, much to the dismay of the Minister, some statistics relating to tests and there were some comments made about the degree of authority which those tests might have in this day and age with changing and transient people in the school system, and particularly those whose second language might be English. I would just like to point out in that respect, Mr. Chairman, to the Minister that immigrant children or children of ethnic origin who have trouble with English are certainly segregated usually into non-graded classes, and particularly for language study, and would not be included in any kinds of tests of the type for which I was presenting statistics. So I don't think that that is really a valid argument for trying to explain away the fact between 1967 and 1975 we did suffer a serious decline in the ability of the students to cope with two well-established tests. The tests for which the Minister was asking how norms were established and in the metropolitan reading test, one of the tests quoted, I might tell him that that was established some 20 years ago by testing 10,000 Grade 3 pupils in the State of New York. -- (Interjection) -- Oh, well, the children in New York then are apples and the ones in Manitoba are oranges, or if that's what the Minister is attempting to point. And the Stanford Test was done about the same time, some 20 years ago in California testing 10,000 pupils. Now the use of this and these tests has revealed that Canadian and American children showed about the same achievement in reading, taking these tests, but the standardized mathematics tests that were put together in roughly the same way, Canadian children usually showed about one year advance over the American children in the same grades. So, Mr. Chairman, I think it's important to know that these tests have been used for some considerable period of time, and again I would stress that the important thing is the decline in the percentage performance in these tests and not how the specific norm was established. The fact is that it was constant throughout the tests over the period of the years that were quoted.

Mr. Chairman, I think that there were some comments about the pilot project in the Morden area for the decentralized delivery system and the Minister did give some explanations as to why this pilot project had been discontinued. I wonder if he wouldn't perhaps agree that there was a considerable amount of dissatisfaction within the area itself from those people directly involved and influenced by this delivery system, and I wonder if he would not agree that perhaps the reason for the discontinuance of the tests was more the fact that it was proving unsatisfactory in the areas in which the pilot project was being carried out. I would certainly like to hear some further comments from the Minister in that respect.

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, I'm particularly glad that during the dinner hour the Honourable Member for Brandon West had an opportunity to determine what norms were used in the standardized testing of students in the Winnipeg School Division to which he had made reference this afternoon.

He had commenced his remarks by making mention of the fact that those to whom English is a second language are segregated from others in doing standardized tests. I would like the honourable member to show me one student who speaks English as a second

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd) language who is so segregated, and that just does not happen, because those students take the same tests as all others do, and the honourable member ought to know that. Now of course the honourable member may not have had the experience to speak English as a second language and I as one who's had that experience having enrolled in the public school, not being able to speak English, I well know it. The honourable member should know that also that there comes a point in time when all students who are in Manitoba are subjected to the same tests.

The honourable member attaches a tremendous amount of credibility to standardized testing as a measurement of something or another, whatever it is I'm not quite sure. Well, Mr. Chairman, two years ago we had had an assessment conducted by three university professors associated with the Michigan Education Association and the National Educational Association, and they did an assessment of standardized testing as a form of measurement as one of the facets of measurement of our education program as a form of accountability of its progress, of its success, and here is what they have found, and I'm reading from a . . . this is a summary of a longer report - which I'd be happy to table in this House, Mr. Chairman.

One of the findings is that evidence is fast accumulating that certain children are penalized by assessment instruments which were designed to accommodate the language and experiential backgrounds of a majority of the population, and which do not have equivalent forms which accommodate these factors in a sizable minority population of children within that school, within that community within which the test is conducted.

2. Some administrators and teachers feel that more testing is the last thing that those children need. Some report that much of the early part of the school year, the month of September, is consumed in preparing for and administering both local and provincial state test batteries.

Then they go on to say that it is understandable that reading and mathematics are vital skills and must be mastered if a child is to achieve learning benefits from the broad spectrum of academic experiences to which he will be exposed. However, to utilize these skills areas as the singular criterion of scholastic progress through the use of narrowly structured objectives is grossly unfair to the child and similarly so to the teacher of the child. And according to testimony there is some threat to the local curriculum from tests so administered. Some art teachers have been told to teach maths and reading; some principals have been told to raise the scores of their schools or lose their jobs; some schools have taught the items on the tests in preparation to taking them. And how much the curriculum has been perverted or how much cheating there really is, is difficult to say at this point.

It is the understanding of these three men, Drs. House, Rivers, Stifflebeam, it's their understanding that to date listing of district test performances have been published. Few incidents have excited as much controversy as the publication of district test scores with districts ranked from top to bottom, that this district, the median or the main performance of this district is such and such and of that a point lower and a point lower and so forth. And such rankings invariably revealed the socioeconomic ordering of the state by school districts. And in doing this, Mr. Chairman, I want to draw to your attention that they were looking at not only the administration of such tests in Manitoba but also in their own state.

They go on to say that it is our opinion that the continuation of such practices could lead to highly detrimental consequences for the educational system as a whole. Probably the most damaging effect of this practice would be the misinterpretation of this data by those whose motivations are based upon factors other than of the improvement of education in their state or province. The scores are largely misinterpreted by the public; low test scores are taken as a sign of a poor educational system. Part of one district wanted to secede from another on the basis of the results of such a test. Ample examples of misinterpretations abound in the newspapers. For example, two Detroit newspapers recorded that the bulk of Detroit students were reading at the second percentile because the district as a whole ranked at the second percentile because the entire district was ranked at the second percentile within the state, which was a gross misinterpretation.

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd) Unfortunately, the public interprets test scores as liberal indicators of what is taught in school which they are not. The rationale for publicizing the test scores is that it will excite the parents to do something about their schools. Yet districts such as Detroit have been publishing test scores for years and are still at the bottom of the list.

Possibly one of the most unfortunate potentialities of the Michigan Assessment Program would be use of student test scores as the major criterion for the evaluation of classroom teachers. Many of the factors which influence learning are not controlled by teachers. And this is particularly true for such factors as the background experiences of the student, his emotional and physical readiness for school, which is beyond the control of the teacher, the cognitive and effective skills which he brings from his particular family milieu, and numerous other personal and school related factors. The present state of the art in psychometrics and test development does not allow tests, objectives, referenced or not, to adequately assess and document the impact of these factors on a child's performance. Needless to say tests on which the validity is questionable should not be used to evaluate teachers. What if the tests were better? Even so, tests should not be used to evaluate teachers. This is not to say that teachers should not be evaluated. We believe that they should, in the opinion of the authors of this assessment.

However, test results are not the way to do it. Test results are not good measures of what is taught in schools, strange as it may seem. They are good indicators of socioeconomic class and other variables but unless one teaches the tests themselves, they are not very sensitive to school learning.

Perhaps the most unexpected finding is that the assessment program has little apparent value for any major group. One high level official said the hope is that the test results will force the school to do better because of pressure from the parents. Both the publication of the district test results and the expected dissemination of objective books to parents appear to follow this logic. The authors of the study opposed this tactic. In the long run such assaults upon the teachers and schools are likely to force educators into a very defensive posture and cause them to concentrate on public relations rather than on substantive innovation. The long-range effects of such forcing policies are likely to be counter-productive to better schools.

The accountability and assessment systems also risk substituting state or provincial objectives and curricula for local ones, which is not a reasonable trade-off in the opinion of the authors of the paper. Teachers should try to teach the child and not to teach them to state or provincial tests. Contrary to public opinion, standardized achievement tests are not good measures of what is taught in school. There is very little testimony outside of that given by state and provincial departmental personnel, in this case the personnel of the Michigan department which supported the Michigan Assessment Program. The panel was provided with information indicating that this posture of non-support is widespread throughout the Michigan education community. As unfortunate as this situation is, satisfaction must be taken in the fact that this non-support is a reflection of the concern that the Michigan educators have for the welfare for all the children of Michigan, particularly in the face of the potential massive negative impact of a widespread testing program. And the authors of the paper share that concern.

You know the ability of a student to spell a given number of words or name a given number of Prime Ministers, you know, that offers no proof positive that he has experienced the generative force of communication or of history. You know, of what use is skill in arithmetic if the process by which it was obtained destroyed the incentive to learn further. And again, of what consequence is the memorization of historical data unless it leads to greater understanding or an attitude of mind. Yet such superficial trappings of basic education are frequently used as evidence for or against the existence of fundamental learning. The great danger in approaching the question lies in the temptation of teachers and the public to satisfy themselves by the provision of such mechanical skills.

Basic areas of learning insofar as tradition is concerned are usually identified as the three Rs. While agreeing that skills in reading, writing and arithmetic are

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd)are facilitators of further learning, their exclusive powers are oftentimes exaggerated. Well, the question then arises, what should the list include? Would it be complete with the addition of a basic knowledge of science? Of history? What about French and geography and the classical languages to say nothing of the moderns. And once started the list goes on and on terminated only by the predilection of the author of such a list. And what of the influence of time and circumstance? In a culture of automobiles, does driver education have a basic place? Does the advent of the permissive society herald morality as a basic subject? Now surely, we're caught in our own web with this approach to the question, and yet, Mr. Chairman, this is part of our problem. The frills of yesterday become the basics of today as we struggle to pack everything into a bag of tricks from which the so-called educated can select the solution to his problem and hence subjects overcrowd the curriculum, vie with one another for attention, and force us eventually to make arbitrary decisions.

And one must also bear in mind, Mr. Chairman, in comparing performance of students on standardized tests, of whatever kind, administered by whomever, that when standards rise expectations also rise, and as the area of schooling of education improves so do the critics' expectations also rise, and the end result is that the school can never meet the expectations of the critics. And perhaps it shouldn't. Perhaps that's what keeps the educationists motivated to continue on and on the search of a better, of an improved system to meet the needs of the day. Nonetheless, many people, including teachers, are arguing that students are leaving high school less competent in the basics, that is the three Rs, less competent than they should be. And further, it is also probable that most students who in a real sense may be cheated by the school system are concentrated in the working class, since middle class students will probably get the skills by whatever method, from whatever source, no matter what happens to them in school, coupled with the environmental background and the benefits and advantages that they may enjoy in the home. -- (Interjection) -- The Honourable Member for Riel says nonsense. And I'm surprised to hear him say that. He appears to be admitting that he as a father has no influence upon the upbringing and education of his children. And I'm sure that he would not say that, but his comment in the House makes it appear to sound that way. I know he would not say that because, you know, Mr. Chairman, he and I have sat in this House for a decade and I do believe that he is a father concerned about the welfare of his children. And I know that he knows that the environmental background of his home does have an influence and a bearing upon the education of his children.

When the argument is put to them, most people agree that what has been happening over the last few years is that more students have been going to high school than used to be the case. In other words, those students that used to drop out in Junior High or in Grade 10, or early 11 - 14, 15, 16 years of age, whatever the school leaving age may have been at any given point in time - they are now staying on. And there are figures, and I've quoted them public previously to substantiate this, and I believe that I've made reference to this some time previously and I think that it bears repeating, that of the generation of high school students from 1956 to '59 - that is from Grades 9 to 12 - there was a 64 percent loss of students. Some three or four years later, another similar generation of high school students, from 1962-65 showed a decreased loss, a 41 percent loss. Three out of five who commenced high school in Grade 9 completed their Grade 12 or found their way into Grade 12.

And then some five years later, from 1970-73, doing a similar survey again, and that showed only a 25 percent loss, of the 19,000 students who enrolled in Grade 9, 14,400 found their way into Grade 12. And besides the increased retention rate, the other notable thing is the - and I should have mentioned this, Mr. Chairman - the increase in absolute numbers because in 1959 there were 3,700 who completed Grade 12. In 1965, there were two and a half times that number, 9,600 students completed Grade 12. And in 1973, there were 14,400 students who completed Grade 12. -- (Interjection) -- And yes, to answer the Honourable Member from Swan River who is speaking from his seat, or who is asking me a question from his seat, do I know why? Yes, of course I know why. There was -- (Interjection) -- The honourable member says he is commenting, and

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd) I'd be quite happy to reply to his comment. Of course there was an increase in the birth rate and that brought about an increase in enrolment, but, Mr. Chairman, over the hundred years of history and back in the days of the little red school house there were also very significant increases of population and that wasn't reflected in any increase in high school enrolment not by a damn student, and the honourable member knows that. Not by one. How many students hiked all the way from Benito to Swan River before there was a high school built in Benito, and he knows it. Or how many from Mafeking? There was no way to get down to Swan River. So you know, Mr. Chairman, in other words the problem of standards has always existed but at one time we used to hide the problem. We used to hide the problem by being pretty selective in the high school. But now, Mr. Chairman, a high proportion of students remaining in school, a much higher proportion than in the past, means that the average student is an entirely different person than the average student of 10 to 20 years ago. They worked for it those days. Of course they worked for it in those days as they work for it now, but there is also an opportunity for other students to work for and obtain a high school education, which opportunities did not exist a decade or two or three or more ago. More students who have managed to acquire the necessary education to become meaningful productive citizens of society are remaining within the system, but this does not in any way mean that those students who are capable and competent of performing first class academic work are doing any less poorly than they did of two, three or four decades ago or a hundred years ago. In fact, Mr. Chairman, I would say that they are doing much better.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I was interested in some of the observations of the Minister as he read from his text there, and he mentioned the State of Michigan at one time. I wonder if he could tell us the author of the text that he was using, and particularly in those areas where he was talking about the classroom curriculum decision as being more important and more desirable than a provincial or a state decision in curriculum. Could the Minister tell us just what observations these are and what educational jurisdiction they come from.

MR. HANUSCHAK: Mr. Chairman, I do regret that the honourable member's powers of retention are as short as they are, because I did indicate to the honourable member, if he will read Hansard -- (Interjection) -- Yes, I'm answering the question, and if the honourable member reads Hansard he'll find the answer to his question within it. However, I'll be kind to the honourable member. I did indicate to him that these are faculty members of the University of Michigan and this was a study under contract with the Michigan Education Association and the National Education Association, and the faculty members names were Dr. Ernest House and Dr. Wendell Rivers and Dr. Daniel Stufflebeam which appears in my original remarks and make reference of this thing.

MR. MCGILL: Well, Mr. Chairman, I would like to thank the Minister for that explanation. I did miss that opening remark of his that he had given perhaps before he began to read from that, but I found it interesting because it seems to me to be almost an explanation of the policy of the present Department of Education in the Province of Manitoba and certainly it describes it very accurately up to this point. There was some sort of downgrading of the usefulness of testing and standardized tests in those comments. I would think perhaps the Minister might have a little difficulty in reconciling that part of it with his apparent agreement with the requests of 93 percent of the teachers to have skill lists provided, which in a sense providing some standards of testing for the -- (Interjection) -- Oh, then there is a purpose for which testing can be used and another purpose for which it is not to be used. Well I think that's interesting. It also reminds me of my question to the Minister in connection with the Conference of Ministers of Education and their discussion of the desirability of some national curriculum standards, some national basics in curriculum that would enable some portability and some common standards through all of the provinces of Canada. I took the Minister to say that he was somewhat in favour of that concept, although he had not in any way announced any particular policy in that respect. But again it seems to be riding a different horse in this particular context if he is accepting the observations that he has made just to us in the last few minutes.

SUPPLY - EDUCATION

(MR. MCGILL cont'd)

But perhaps, Mr. Chairman, the problem is not entirely with what is done in the classroom - I want to suggest to the Minister that there may be a problem in the amount of time that's available in the classroom for the teaching of the various subjects that are now being offered. You know, it seems to me that when the decision to discontinue this old departmental examination, and I don't disagree with the decision to eliminate that kind of testing, but it seems to me that decision was made because it was argued that that was taking a lot of time out of the 200 days in the classroom to prepare for examinations, and that there could be more time in a meaningful teaching of the curriculum than there would be the case under that system, where the last part of the term was used for preparation for an examination. But I wonder, Mr. Chairman, if that has happened since the elimination of the departmental examination. It's true now that of the 200 days, 11 are allowed in the high schools and the public schools for teacher in-service and other useful meetings, and so forth, that don't permit them to carry on the normal classes.

But what happens now with the sort of end of term doldrums that hit the schools where there is no standard to be met in terms of passing some kind of a test, and what happens to the length of time that is spent in the classroom? I'm wondering if the Minister has any real comment to make on the amount of early closing that is done in the schools, and how close they come to an actual 189 days in the classroom. Will the Minister perhaps be of the opinion that it's more likely to be closer to 150 full days in the classroom than it is to 189? Would the Minister admit that probably many of the schools, particularly the junior high schools, are closing early in June and if there were examinations and standards to be met they might be diligently going till well on into the month of June and that we might then be in a position to achieve some of the standards which we used to have. In other words, what I'm suggesting is that when the decision was made to eliminate departmental examinations - and we're not quarreling with that, we think there are better ways in which to achieve a measurement of the quality of the products of the school system. What I'm saying is that instead of permitting and accomplishing more actual teaching days in the classroom on regular subjects we're now getting much less for the students.

MR. HANUSCHAK: Mr. Chairman, this is a very interesting commentary by the Honourable Member for Brandon West. You know, that's a rather serious charge that he's making against the school divisions of the Province of Manitoba that they are abusing the regulations and keeping the schools open only for something closer to 150 days than 200 days. I will tell the honourable member without any equivocation that the Attendance Act is not abused by any school division in the Province of Manitoba, and that the schools are kept open for the days that they ought to be, and that there is teaching going on in those schools during that entire period of time. The honourable member, you know, he had made this same comment at least twice earlier this afternoon and he repeats it again tonight. You know, he speaks of the educational programs in Canada as if there was no opportunity for portability. Well the fact of the matter is that there is because parents and their families do move from province to province and their children do find their way into the classrooms at their proper grade level within our province, or moving to any other province the same happens there too, with the one exception, with the one exception those provinces - and there aren't very many - whose public school years are divided into 13 years, or 14 years counting kindergarten, as opposed to our 13 counting kindergarten, where the division of the subject material may be somewhat different and in some of those cases a student may find himself in a position of having to do some catch-up work by moving to a province wherein high school ends at grade 12, or finding himself in a position of having to take another year - and also the same way going the other way, I suppose, because of the division, the distribution of the subject material.

Then the honourable member, you know, goes on to make the statement that there are no standards to be met, but the fact of the matter is that there are standards to be met. Is the honourable member suggesting that the 11,000 teachers in the Province of Manitoba are not professionals? That they have no ethical principles, that they just set

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd) no standards for their students whatsoever? I would dare him to go out and say that to the members of the Manitoba Teachers' Society, that they set no standards for their students, that they just walk into the classroom at nine o'clock in the morning and sit around until four o'clock and go home and spend the 20 or 22 days of the month and pick up their pay cheque and go on to the next month and for 10 months of the year, picking up their pay cheque every month, setting no standards for their students. That's absolute hogwash. And the honourable member ought to know it if he doesn't know it. -- (Interjection) -- Well it was the honourable member who said it and I didn't. He was the one who said that there are no standards to be met and if his . . . the Honourable Member for Riel, the House Leader of the PC Party, if he did not hear that, that's his problem and not mine, because the Honourable Member for Brandon West sits much closer to him than I do.

Then he speaks of our education program being in a period of doldrums at some time of the year. I would like to know when that time of the year is, Mr. Chairman. If the honourable member will take the time and the trouble and the energy to go into a school today, any school in the Province of Manitoba, he will find that in the vast majority of schools under our present continuous progress system where the students are evaluated, not only the basis of an examination written in the month of June, as used to be the case at one time, but also on the basis of their day-to-day performance, that the students are probably working ten times as hard as they ever may have worked 25, 30 or 40 or 50 years ago, whenever the Honourable Member for Brandon West may have been a student of a public school in this province. -- (Interjection) -- And the Honourable Member for Pembina says it's a bunch of nonsense.

Maybe the Honourable Member for Pembina has been out of school a little bit too long too. And I happen to be a father of a daughter who just graduated from our public school system less than a year ago, and as of a few days ago completed one year at a post-secondary institution. And I and many other parents of my generation know doggone well that that is not a bunch of nonsense, regardless of what the Honourable Member for Pembina says. And I would challenge the Honourable Member for Pembina to go back into his constituency and ask the parents of high school students, canvass the parents of high school students and let them tell him whether the school system today is in a doldrum period, which according to the Member for Brandon West that it ought to be according to his calculation, because he says that the school divisions are infracting the law by operating their schools according to the letter of the law only 150 days a year. So this should be about the last day of school, so commencing next week there ought to be no teaching going on. And that is a bunch of nonsense.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Well, Mr. Chairman, the question put to the Minister was in relation to the argument that was made about eliminating the departmental tests in order to achieve more teaching days of the actual curriculum. And I asked the Minister whether he was satisfied and felt assured that this was happening, that 189 teaching days were actually being provided, and that the fact of the elimination of such standardized departmental tests was not having an opposite effect, that it didn't provide the same challenge and that there's a tendency to let down at the latter part of the year and that some of the schools would be finding reasons for reducing the number of days rather than adding to the number of days. And I just want the Minister's assurance that he's satisfied that the full number of teaching days is being provided in all of the schools in our province, and that there is not in fact a reduction of time which is occurring because of this situation.

MR. HANUSCHAK: Yes, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, Mr. Chairman, listening to the discussion I think has been if not illuminating at least interesting, and I think that there has been some progress made in trying to join some of the issues that I think should be properly debated in this Legislature. But it seems to me that it isn't sufficient simply to try to take two polar positions, on the one hand say that the school system is going to the dogs, and on the other hand saying that everything is fine and everyone is working harder than they ever have before and that

SUPPLY - EDUCATION

(MR. AXWORTHY cont'd)we can't really improve things here in the school system, which seems to be the way we're evolving, as we do in most things I guess, where we tend to kind of place ourselves on two parts of the divide.

I sort of used the opportunity of the dinner hour, Mr. Chairman, to also investigate to some degree some of the issues that were raised in the afternoon period and looked at the question of testing, and went back - I didn't have quite the same sources or ability to get the same sources that the Minister had but was able to go back over two of the major American studies, one the James Coleman study on Equality in Education and the other one the Christopher Ginn study called Inequality, where they again used a vast number of testings, about 70,000 or 80,000 students in the United States program. And the conclusion that they made again on the testing was simply on the grounds that the tests that are normally applied are really inequitable and unfair, in fact discriminatory, to many kinds of school children and really produce false results because they don't really measure the learning process. If you take a disadvantaged child that comes out of a home where there haven't been books available, for example, or where the vocabulary has not been widely used, and apply a test that shows after a period of five or six years that they have now reached the state where they can read a newspaper, that is progress. However, the tests that are designed in reading don't determine whether someone can read a newspaper, in fact they determine whether they can cope with very complex sentence structures and go through fairly elaborate types of provisions in order to determine their skill level.

So the tests themselves I think again have to be treated carefully and in speaking to some teachers who I know - one in particular I know quite well, some of my best friends are teachers -- (Interjection) -- Then a relative perhaps - they made the point which I think is very important to bear in mind, and that is the one that the Minister made, about the fact that there are far more people staying in school now than ever before and the school systems have to teach them, and that before if a kid couldn't make it by Grade 9 we kicked him out and now we keep him in. Now I guess that is the choice we have to really make, Mr. Chairman. If we want to have better standards of performance then we have to go back to the system where we're going to kick more kids out earlier because that's the only way it seems that we're going to improve them. If we're going to make the choice that we're going to keep kids in school longer in the hope that something will pass on, I guess we're going to maybe have to bear with some at lower percentiles than those tests that we apply. Because the fact of the matter is, we do keep children in school longer and particularly children who would not have stayed in school earlier. I think that is a fact which really bears some serious examination, because let me just raise this point without getting the Minister too upset, that I'm going to establish a firm position. Maybe the question is, we should raise, should the children in fact be staying in school that long? In fact is that really the way to treat those particular groups of children. Should they be staying in school that long just for the sake of putting in time, and is the school system really applying a learning.

My own reaction to that is that in my cases if the schools were doing a proper job, yes, we should keep them in. My feeling is that in many cases the schools are not coping with children, students, adolescents in particular who have those kinds of learning problems, that in effect we are still going on the philosophy that the child has to adapt to the school, not the school adapt to the child; and that we don't design in many cases the programs to meet the fact that many children are not necessarily going to find their way under the normal school program. And in this case it raises two further questions, Mr. Chairman, about this question of standards and skills. One is that in many cases the proliferation of programs we talked about this afternoon, going from straight metric into general course programs and then subdividing those into other kinds of programs, I don't think have worked, frankly. That was designed as a major turning point in Manitoba education several years back that we would get away from the pure matriculation program and try to design educational programs to strain children and adolescents into other avenues, that they wouldn't have to necessarily enter into university-g geared programs. We, as a result, developed a large number of these general service programs, and

SUPPLY - EDUCATION

(MR. AXWORTHY cont'd)frankly, Mr. Chairman, I don't think they're working very well. I think all we've done is increase the numbers of courses offered without necessarily increasing the opportunity for learning for those particular kinds of kids. Now that may come down to problems of evaluation and maybe it could be more effectively dealt with under that section. I would simply say that that has been the solution to the problem.

Secondly, Mr. Chairman, I would raise this question, that again I discovered in some of my meanderings in and around the school system, and that is because of the numbers of enrolment that the Minister has talked about, in many cases particularly at the high school level, we have created really factory-like schools where the individuality of a student in relation to a classroom and to a teacher has been lost, and that there are far too many high schools both in the urban area and outside it which have literally thousands of enrolled in it, and you can't run an educational program on the basis that everyone is a digit or that you're just sort of popping kids through and there's all these kinds of options that you check off before you go in, and you show up at the classroom at a certain time and get your marks when you get out, and that you can't call that really education.

I would suggest that one of the major areas of concern being raised by parents may not be directed towards whether they're standardized tests or not standardized tests, but realizing that when their child goes to school, particularly in a teenage level, that they're not getting an awful lot out of that experience, that they really are not acquiring a skill, which again goes back to some fundamental questions of money, because money has to do with sizes of classrooms and sizes of schools, and it may be that in our efforts to respond to that population bulge that occurred, that we adopted a centralizing attitude which we felt particularly in the secondary school level that we would mass large high schools and therefore be able to pay for the laboratories, the fancy gymnasium, all the rest of it, that that would justify the costs. I think what we'd rather do is look at that problem of a large school, particularly in the secondary level, and see if there are ways really within those schools of breaking them down into smaller units, almost into a sense of creating a network of schools within one large physical facility, alternative schools, I guess, within it, so that not only is there an option in the educational program, a kind of program being offered but within the school themselves there is a smaller scale of teaching, a smaller scale of education. I think that that would avoid and eliminate some of the problems that you get in the large high schools like Grant Park and Daniel Mac and so on, where there really is, it's a mob scene. And as a result of that kind of lack of attachment, a sense of roots or belonging to an institution, children are just like any other human being, if they have no roots and attachment, if they don't feel that they identify with some meaningful connection into a classroom or school, then like anybody else they're going to be pretty alienated from it, they are going to really not care much about it. And the kind of vandalism and truancy and disruption that we are beginning to experience in our schools to an alarming degree, I think is a product of it.

In fact, Mr. Chairman, I noticed one of the interesting comments I heard from some students I was talking to at Argyle School, which is an alternative school being developed in the downtown part of Winnipeg, was that many of the children there are not just poor kids, they come from many of the high schools located in the better areas of the city, but many of them said that they preferred being at Argyle which is by no means what you'd call a fancy educational establishment, in fact it's a pretty primitive kind of physical surroundings compared to some of the very fancy high schools we've built out in our suburban areas, they preferred being there because in there they are somebody, in other schools, they're nobody. That seems to me one of the real problems, like so much else in our society, we are creating a system of spectators, of numbers of people who don't have any real attachment. It would seem to me that that has got to be one of the reforms in education we talked about this afternoon. Maybe if we're talking about having a White Paper or form of discussion it would seem to me maybe we've got to talk about the community school and the scale of it.

And again, it was interesting, Mr. Chairman, when I went through the exercise

SUPPLY - EDUCATION

(MR. AXWORTHY cont'd) earlier on this year with a number of parents who were threatened with school closing, that the criteria for closing a school was not the kind of education it was providing but because it was too small. It would seem to me kind of a really illogical way of going about determining whether you should be closing a school or not, so that schools in many cases that maybe had an enrolment of 100 children or 150 children, at most 200, were going to be closed and the reaction of parents in many cases - and I believe this might be true in some of the rural areas - the reaction of many of those parents was let's not close it because that at least is the school where the teacher knows who my child is, and so does the principal. If you go into some of those smaller schools you find out that it is true, that the principal is not a manager of an assembly line, he or she becomes a person who knows exactly what children are in the school, what their problems are, knows who their parents are and can cope with those cases in some sort of meaningful way.

It would again seem to me that in our efforts to economize we've been engaging in false economies. We've really been using the accountant criteria to assess education, not an educational criteria. That doesn't mean to say that you necessarily don't spend an awful lot more money, because I think we've probably gone overboard in providing those frills the Minister talked about. I think that there is an awful lot of artifacts and accessories in the school curriculum that are not there. And I would say one of them is the curriculum itself which I just think is too much of a smorgasbord in this case without really a menu being offered. That there isn't really any planning done to it, it just happens to be sort of a table laden down with different choices and if you happened to wander in this time you take that choice and it doesn't have any pattern to it and there doesn't seem to be any way of acquiring a pattern of education in the schools. And so children, like the rest of us, when they see a table laden with all kinds of things either tend to take too much and never get proper nourishment or simply become, sort of, or find the whole thing disinteresting. I think that that is the problem in many cases in the schools. And again it's been that explosion or exaggeration of options, choices and curriculum designed with the right objective maybe, designed to take the school away from a purely academic or university oriented program. But in the meantime we have ended up taking history, sort of 300, 301 and 302, and in many cases those courses really from the point of view when the person graduates are not found to be very useful for anything at all. And that they, I guess in the lexicon in my day become what they call gut courses which means they simply take it to fill in a little bit of time. And in many cases there is a discriminatory pattern going on in the schools, because whether we like it or not we have a way in our society of designating certain people who are better than others, and one way is, you know, it used to be if you're in that classroom or that classroom, you're in a better classroom or not. What happened is we have almost began to build in or institutionalized those segregations in the educational system.

I'm not quarreling, Mr. Chairman, with the objectives that were instituted several years back when we tried to develop different streams in the educational program. What I am quarreling with now is I don't think it's working. I think that that is the problem that has to be faced, a fundamental problem, and it is one of the problems that gives rise to the concerns of parents. I think that is still where I come back to the point I would raise with the Minister. It is not sufficient at this time simply to say, look, we're doing the best we can, leave us alone, teachers are working hard, students are working hard, we're paying the right amount of money. The fact of the matter is that there is a growing concern in the schools, amongst parents about education and unless it is responded to, unless the explanations are acceptable, then there is going to be a reactionary drift in our schools. People are going to start talking about the things they do in B.C., the so-called value schools, which, you know, simply become sort of miniature penitentiaries kind of thing. To whatever degree I think that it is part of the responsibility of the elected person in this case. That if there are good explanations as to what's going on in the schools, then we have to face up to those issues and not simply hide behind the parapets and defend what's going on. I think you have to engage in that kind of debate in a very active way. I don't think the debate

SUPPLY - EDUCATION

(MR. AXWORTHY cont'd) we've had over three or four months that has raged somewhat has been a healthy debate, it hasn't really joined those kind of issues, because in part we haven't had the degree of openness and forthcomingness that should have occurred about what's going on in education. We should be talking about the issue of standards and that we can't in many cases, or shouldn't apply the old standards of universal testing and so on, and say why, and what the alternatives are and deal with that. Again it comes back, maybe, I suppose in an extemporaneous way, at this stage I can't think of much better to do than the kind of discussion we had this afternoon, where maybe what we have to do is the government deliberately has to initiate a debate about education, as much as that may in fact be a little bit uncomfortable and maybe something that they in the peacefulness of the Province of Manitoba they prefer not to get into, but I think it is necessary at this time, because if a debate isn't initiated, if the facts aren't set forward; if there isn't an apparent willingness to make some changes whether it's in reducing the size of schools or recreating alternative school systems within the school facilities whatever it may be, because if we're not prepared to make those kinds of changes then there is going to be reaction. I think you're going to see the reaction that in the next school board elections there is going to be a very distinct fight against the so-called progressiveness of the school system, and that in fact the pendulum may swing too far back, and as a result we may in fact seriously damage the progress we've made up to this point. And I think if that is the best we can do as political people, Mr. Chairman, is that we can't necessarily overtake the responsibility and role of the professional educators, although in many cases I feel tempted to, that at least we should be prepared at this stage to utilize our proper role as elected representatives to initiate that kind of dialogue, so that those who have fears and concerns about the school system will have the opportunity to express them, to have their fears answered, and in fact perhaps to realize that like oftentimes when people who get fearful they latch upon, oftentimes, the most obvious but wrong solution, in fact that with that kind of dialogue may come a better understanding of what's going on in the schools and the problems that face us, and also that probably for too long we expected too much from our schools.

In the 1960s, God, I can remember the expectations we placed on the school system, it was going to change the inequalities of society; it was going to provide for a grand new society, I mean, we placed an onus and burden on the schools which was unfair. And maybe part of that debate that we should get into is to scale down our own expectation about what the school is going to accomplish. Maybe we should sort of realize that they cannot be the fulcrum within which all society's problems can be solved. But we should properly distinguish what are the real responsibilities of the school system both in the educational field and in the social field, and therefore do as we were talking about this afternoon, allocate the resources most effectively to those things that the schools can do best. And rather than lumping everything upon the shoulders of the teacher in the classroom, or the school system, realize what they can do best and probably try to acquire a sense of learning in children which I think, Mr. Chairman, is my concern. Because there are far too many children who at this stage don't have that sense of wanting to learn; that their curiosity and feeling of education and learning has been lost. And we're losing it for all kinds of reasons.

So, Mr. Chairman, those would be my comments to the Minister. I don't know if they're deemed to have a response, but I would think that it does come back to the fact that perhaps we've got to partially use the opportunity of our political system to start opening up the system of education, not only for examination but for meaningful debate.

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, as I was listening to the Honourable Member for Fort Rouge, I couldn't help but recall a one-time member of this caucus who sat in the House and who was the educational critic for the Liberal Party at that time, prior to 1969, before the honourable member was elected to this House, and I'm referring to the Honourable Member for Emerson. The Honourable Member for Fort Rouge ought to read some of his speeches and acquaint himself with the philosophy of education which he

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd)expounded in this Chamber -- (Interjection) -- The Honourable Member for Fort Rouge says, "Times change." I'm glad to hear that, that times do change, because the philosophy of the Honourable Member for Fort Rouge was, I suppose, diametrically opposed to that as expressed by . . . the Honourable Member for Emerson, rather, diametrically opposed to that related to us by the Honourable Member for Fort Rouge.

The Honourable Member for Fort Rouge is quite correct when he states that there is a growing concern about education. And so there should be as education at all levels becomes more accessible to all. And of course flowing with that is an increased concern about education, an increased interest in our education program to determine whether in fact education programs offered today meet our needs, reflect the needs of society and so forth. And, I would agree, I do agree with the honourable member that a department of education of today does have to be even more sensitive to the needs of society than ever before. I would like to, and I think that this will become apparent during the debate of the Estimates of my department, that this in fact is happening, perhaps not in the manner suggested by the Honourable Member for Fort Rouge but in other ways, although I'm not ruling out the advisability of taking that approach or some variation of it to generate public discussion and dialogue on matters related to education. But there is much greater consultation and dialogue involving myself, the staff of my department, the elected school boards of the school divisions, their administrative staffs and teachers and parents, and the community at large than ever before. Perhaps up to this point in time not as part of a province-wide organized campaign, perhaps more so at a local level, either directed at a particular community or directed at a particular interest group spread over the Province of Manitoba or whatever it may be. And I would not wish to transgress the rules of the House, but I've indicated to you, Mr. Chairman, that I am certain that this will come out in the debate of my Estimates. Because all I would say at this point in time is remind you once again of what is being done in the area of special needs, physical education, basic skills, just to mention a few; Inner City needs, native education, you know, just to mention a few areas wherein that type of dialogue is going on with the intention and purpose of designing and developing a meaningful educational program to meet the needs of that particular sector of our society.

I would like to repeat again that the suggestion of setting the stage for debate and dialogue, related to education issues on a province-wide basis, involving all of those having an interest in education is certainly an interesting one and one that I would want to give careful thought to and hopefully get that type of project going within the very near future.

The Honourable Member for Fort Rouge asks should our children be remaining in school as long as they are, and he asks the question because it's his impression that at the present time the child must adapt to the school rather than the school adapt to the child. And I would have to agree with the honourable member to some extent, that that had been the case, but I would like to suggest to you and to honourable members of the House that that is changing. At every school division one would find evidence of the philosophy of education of the school division changing and bringing about consequent changes within the curriculum to enable the school to adapt to the needs of the child rather than expect the child to conform to the needs and standards of the school system.

The honourable member is also quite correct in saying that some time ago the matriculation program in our high schools per se did not work and then the introduction of the general course system to run parallel to the matriculation program, that did not solve all the problems. Well the fact of the matter is that that state of affairs is one of several years ago which is no longer the case today, because today a student can take a mix of both matriculation and general course subjects, and the mix that he takes will be determined by what his hopes and aspirations are to do upon the completion of high school and that would be the guiding factor in determining his choice of subjects. In other words, if the particular course of studies that he wishes to pursue, upon the completion of high school requires the so-called matriculation standing in certain subjects then, of course, those are the courses he will take in those particular disciplines, and

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd)if in others, he could select others, then he would choose those that are best suited for him, that he feels would be of value to him, that meet with his particular interests.

The Honourable Member for Fort Rouge spoke about the large high schools, and this is by and large, those are probably found within the Winnipeg School Division or perhaps I should say the Winnipeg School Divisions. There may be some that would fall in that category situated outside the Winnipeg School Division, and this is a matter of concern to us, the size of the high schools. But, you know, without wishing to be overly critical of the planners of 15, 20, 25 years ago, and I'm sure that at that point in time they did what they believed was in the best interests of the children, at that time no doubt there was an awareness of the fact that within an overly large school, the individual student loses his identity. But on the other side of the coin, there were other concerns that the very large schools could provide, more adequate services and facilities for instruction in the sciences, laboratory facilities, libraries and in the teaching of physical education, better facilities for instruction in it. Then that of course, in turn, led to the establishment of the junior-senior high school of which we have a number in the City of Winnipeg, and the physical education, the music teachers of the day, the coaches of the football team, the basketball team, the volleyball team, they at that time argued in favour of the larger school because having students on the same campus from Grade 7 enabled them to spot the potential football players and the potential basketball players, and enabled the music teacher to identify the potential musicians, and students to sing in the school choir and the operetta and so forth, and then develop a first class choir in the high school level and that sort of thing which led to the development of an excellent music program, an excellent athletic program and what have you. Now those I suppose are some of the benefits of the larger school. But the fact still remains that there being certain advantages, there are also certain disadvantages, and today the general philosophy runs the other way, against the extremely large school. Maintaining a school that would still be a viable unit, true, but not of excessive size.

I think what the Honourable Member for Fort Rouge was also implying is that here in this day and age we do have the large school buildings capable of housing 1,700, 1,800 students or two or three of them, perhaps even slightly more, that we cannot just simply tear down portions of them, or close down portions of them, you know, and in a practical manner convert them to some other use that perhaps one alternative that we ought to address ourselves to is, as he put it, I believe, and I think I was making notes as he was speaking, of breaking them down into schools within schools, which is a suggestion that's deserving of merit and something that ought to be given some thought to, and it's a suggestion, Mr. Chairman, that I would certainly have no difficulty in endorsing but I would like to remind you, Mr. Chairman, that insofar as the organization of a school is concerned that the ultimate responsibility rests with the board. You know, if the evidence should indicate that this might be a practical alternative to consider, it's certainly one that we would suggest, but then the responsibility for the implementation of that alternative would rest with the division board and its administration.

The Honourable Member for Fort Rouge also spoke of a criteria for school closing and he said that it appears to him that the factor that's taken into account is not the type of education program that is offered within the school but rather the size of the school from an economic point of view. Well, I must admit, Mr. Chairman, that there comes a point where not only I, but I'm sure that this is a problem facing every school board in the Province of Manitoba, in every school division, and that is where do you draw the line, how do you assess, how do you evaluate an educational program or how do you attach a price tag to it, at what point do you say to yourself, well, this is something that's worth spending taxpayers' money on, but beyond that point, well you may as well forget about it and reorganize that particular school unit and amalgamate it with another because it's just a bit more than the public purse could bear. And that I'm sure is a real dilemma for school trustees of today, because I'm sure - well the honourable member, being Member for Fort Rouge and being familiar with the schools of Winnipeg, I suppose that he is thinking primarily of some of the smaller schools within the Winnipeg

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd) School Division, that there was some consideration given to having them closed and there is no doubt in my mind, I've visited those schools and personally I am quite satisfied that there was and still is an excellent education program being offered within them. But it becomes a question of how much can the public purse afford, because when class size gets down to a certain level the cost of the maintenance of the building, of provision of supplies, whatever, reaches a certain height on a per pupil basis, or whichever way one would wish to calculate it, and then the board and the school administration does have to ask itself those very very difficult questions and attempt to resolve them in some manner in the best interests of those whom they re-elected to serve, or the administration of those whom they were hired to serve. So this is indeed a difficult problem. And it's perhaps even more difficult in many of the rural parts of the Province of Manitoba than it may be in Winnipeg or any of its neighbouring urban school divisions, and I just want to remind you, Mr. Chairman, and this is something again that we could elaborate on at greater length as we proceed through the Estimates.

You may recall last evening in introducing my Estimates, I did make mention of the fact that we offer a grant to those school divisions which have, and this was . . . the honourable member may, I'm sure that he will ask me how did we arrive at this figure. Well, I suppose there is no greater justification for saying that we arrived at the figure of 10 percent of the enrolment enrolled in schools of 175 pupils or less than saying 11 percent in 180 or 9 percent in 200 whatever, but the fact was that a line had to be drawn somewhere and we took a look at the schools around the province and it appeared that putting the cut-off line at that point would to a large extent assist those school divisions which do have those schools that from an economic view may be somewhat more expensive to operate on a per capita basis than larger ones. Again recognizing the fact that there are certain benefits to be gained from being enrolled in a small local school as opposed to a larger school some distance removed from one's own community.

The honourable member's concluding point, he referred to our education program today as being . . . well he compared it to a smorgasbord and that the student reacts as I suppose one normally would at a smorgasbord table, either take too much or too little, or too much or too little of the wrong things, which is perhaps equally bad.

Well, you know, Mr. Chairman, that it is the community at large that is demanding and asking for a greater breadth and range in a variety of courses that are being offered, to cater to the various needs of our students. But, you know, if someone were to fear that this is putting the student in an impossible situation where he is confronted with this host of courses to choose from and not knowing which one of the many placed before him he ought to choose, it is not nearly as complex as all of that, because, how true, if you were to leave the student to his own resources he may have a problem; but let us not forget that within our school system we do have 11,000 teachers, that the 230,000 plus students do have parents, and the great vast majority of them do have parents who are very much concerned about the welfare of their children and who do assist their children in making the types of choices which they must make at that particular stage in their life, and coupled with the advice from the teachers, from the parents, from the guidance counsellors in the school system, the choice becomes somewhat less difficult and this in turn puts a student in a position wherein he could make an intelligent choice, an intelligent course selection that would enable him upon graduation from high school to continue on to doing whatever it may be that he wishes to do, either to pursue whatever course of studies may interest him, that he feels capable of pursuing, at our community colleges, at our universities, or to seek the type of employment that he may wish to pursue.

So it's not really just a smorgasbord laid out in front of the student and the student is just left entirely to his own resources and let him make the selection in the best manner that he possibly can; there is this type of assistance that is offered him by the schools. And I want to emphasize again that the responsibility of the parent is still there and always will remain, and there are those functions of the parent which no teacher, no school trustee or superintendent or Minister of Education would be able to

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd) perform in loco parentis. That will be absolutely impossible.

MR. CHAIRMAN: The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, now that the Minister has agreed that the great debate on education should take place in Manitoba and that it only remains for the time and place to be decided, I would agree that as the Member for Fort Rouge has pointed out, that we should in that debate examine what we might describe as the quantitative theory of education which is now being practiced as opposed to what could have been described as a qualitative theory. In other words, I am referring to the suggestion that a greater percentage of our young people are ending up at Grade 12, at whatever stage of competence we are not quite sure, but at least they're in the school system longer and we would need to examine in that debate whether we are simply converting dropouts into sit-ins, or whether we're really doing some effective job in adding to their ability to make for themselves a reasonable life and to compete in society. I think it's one of the key decisions, and if we are spending in the neighbourhood of \$13,000-\$14,000 for every child in the public school system in Manitoba per annum, and that's a ballpark figure, I think that kind of consideration becomes a pretty serious one, and maybe it can be reduced to simply saying that somewhere in the mid-teens we need to be carefully deciding whether pupils are educable or trainable and perhaps providing at that time an alternative program. We do in a sense, but we have not really made a conscious decision of the abilities at that stage and I think perhaps we're losing something and perhaps making people party to a sit-in situation in academic classes when they might be really enriching their own capabilities in other more vocational pursuits.--(Interjection)--Well I'm not familiar with the particular reference the Minister is making, but it may well be.

There was also the reference to the optional, the many types of credit courses that are available to the students, and I think it's true that young people tend to seek immediate gratification, rather than to look for ultimate rewards in the kind of courses that they choose, and that's a normal thing I suppose to take the pie and ice cream as opposed to the spinach and other things that are there for them. So there needs to be some serious consideration of that kind of problem for young people in the schools and simply to turn them loose in an area of options and hope that in some lucky fashion they will come up with the kind of courses will prove ultimately rewarding in their lives, is I think asking perhaps more than we are entitled to ask from them.

Mr. Chairman, I can't leave this topic without again asking the Minister some specific questions about the whole problem of evaluation. I point out to him that in most departments of government, in the Departments of Health and Social Development, Labour, Agriculture, in almost all of them they employ inspectors and standards officers to ensure that adequate standards are maintained. Committees and task forces about evaluation, they do not ensure evaluation, we've had lots of committees and task forces on it, and I think, Mr. Chairman, the Minister will have to agree that most of his constituents and his citizens in Manitoba are asking more and more for some method of evaluating the product of the school system. So Mr. Chairman, I simply ask the Minister, how many persons does he employ in the evaluation of results? What is their experience and what are their qualifications? What proportion of their time do they spend in the schools? And can you make available reports that they have written concerning these evaluations?

MR. HANUSCHAK: Mr. Chairman, for about the sixth or seventh time today I wish to draw to your attention, once again, that Appropriation No. 2 under the general appropriation of XXI is titled, the first word in the title is spelled E-V-A-L-U-A-T-I-O-N; to me it means evaluation and I do regret that it does not have the same meaning to the Honourable Member for Brandon West. And I had drawn this to the attention of the honourable member that that would be - I'll give the honourable member the answers to his questions, but I would much prefer to deal with that item then we could have a full discussion of it rather than attempt to relate it in some manner to General Administration. If the honourable member prefers to deal with this item now I do regret that I chose not to under General Administration, but I would prefer to give him a full answer when we come to Appropriation XXI, Arabic number 2, letter (a) or letter (b) under Other

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd) Expenditures and then deal with the matter of evaluation, as fully and as broadly and to whatever depth that the honourable member would wish to probe into that issue, and he could take the next six months to deal with it then, I'll answer him all the questions he would wish to put to me. Now the honourable member . . .

MR. CHAIRMAN: Order please. I think the point is well taken and the Chair may be at fault, but I think that evaluation, and I've allowed a certain amount of laxity but we are now degressing and starting to have a general debate on the first item, this is something that we have been trying to get away from and I'm now going to insist that members speak to the item under discussion, we are now dealing with General Administration and Salaries and questions will be pertinent to that section and that section only, otherwise you'll be ruled out of order. The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, the honourable member made two other points, and one that - well I must say it shocked me; no it didn't shock me to hear him make it, it doesn't even surprise me to hear it come from him. Hearing such a statement shocks me, but the thought of it coming from him in particular does not shock me. And that is that in a child's mid-teens someone should go around and brand all the children, all the students in our school system and stamp them as being educable or trainable, this one is educable and that one is only trainable for development of some manual skill or whatever; that one may go on with an academic program, but that one, the doors to further academic training ought to be shut. Well my answer to that question, to that suggestion, Mr. Chairman, is very brief; I would not have the heart to do that. Perhaps the Honourable Member for Brandon West would have the cold heartedness and the ruthlessness to come up to a child, for whatever reason, perhaps for reasons beyond his control, who may not be progressing at that point in time as well in his studies as someone else feels that he ought to be, and say to him, sorry buddy but you've reached the end of the road as far as your academic program is concerned, and never in your lifetime will you have the opportunity to return, in your late teens or early 20's or whenever, as the doors of our schools are open today to people to return to an academic program at whatever time during their lifetime. In accordance with a principle it's accepted the world over that education is a continuing process, that it never ends, and that there are those who perhaps through no fault of their own may not be able to perform and achieve as well as they should during the years that are normally prescribed for an elementary, junior high, secondary school education, but at a later point in time in life are able to undertake such a pursuit and do extremely well. But the Honourable Member for Brandon West would lock the doors in their face. I don't have the heart to do that, and neither does my government.

He spoke of the students in our schools being turned loose in an area of options and that this is more than desired, just a matter of three or four minutes ago, Mr. Chairman, but I did try to explain to the honourable member that the student is not just left strictly to his own resources, that he does have the guidance and assistance of teachers, councillors, parents, and others, in assisting him in making a proper course selection. So that simply does not occur within our school system, Mr. Chairman.

MR. CHAIRMAN: Resolution 46(b)(1) Salaries. The Honourable Member for Brandon West.

MR. MCGILL: Mr. Chairman, I can't resist the temptation to respond to the Minister. We were discussing the great debate and the question of those areas in which there should be some discussion and of course the Minister has chosen the opportunity to say that I was slamming the door in someone's face. I said nothing of the kind, I said that this was one of the problems in our quantitative theory of education that we have to consider and that there should be opportunities for those people who merely become sit-ins in academic classes to have vocational opportunities, possibly in the same institution but in a more opportune way and to prevent merely people putting in the time in classes where they are not achieving, and so we're trying to add to their total fulfillment in the whole academic system. And this is the matter that I suggested to the Minister should be part of the great debate which he has now decided to hold in Manitoba and to hopefully come to

SUPPLY - EDUCATION

(MR. MCGILL cont'd) some conclusions in respect to where we are going in education. So really for the Minister to interpret the suggestion that this should be a matter of debate as one of slamming doors in people's faces is extending his prerogatives and his position to a rather ridiculous extreme.

I accept the Chairman's admonition in connection with the subject of evaluation; we have tended to spill over into that and I perhaps made the error of using the term evaluation rather than standards, and that provided the ruling that is quite acceptable, we'll certainly in the next appropriation have the opportunity to deal with that matter. So I will reserve that and rephrase my question when we reach that point in our discussion.

MR. HANUSCHAK: Mr. Chairman, I'm very glad to hear that the honourable member is very anxious to participate in the great debate on education, but I would like to point out to him that the topic of the great debate in education that he wishes to pursue had been resolved and scrapped 50 years ago, more than 50 years ago, and at that time that was the choice that was open to students, for whatever reasons. If you didn't perform well in the academic program, into the vocational program you went and that was it; without any regard as to why the student wasn't functioning well in an academic program, without any regard as to what could be done to enable the student to function well in an academic program or whatever else, but out of academic straight into vocational. That debate was resolved many years ago and that theory was scrapped just about that many years ago because it didn't live all that long.

MR. CHAIRMAN: Resolution 46(b)(1). The Honourable Member for Riel, the Leader of the Opposition.

MR. DONALD W. CRAIK (Leader of the Official Opposition) (Riel): Mr. Chairman, there's a number of items that have come forward, comments by the Minister that I think would have to be dealt with at this point.

In his opening remarks, and to some extent seconded by his later remarks, in fact the last remarks he's made in this House, that at one point in history when a person couldn't make the grade in the academic courses he was chopped off and put into vocational courses. Mr. Chairman, I find this statement somewhat contradictory because in his opening remarks the Minister made the statement that prior to this government's advent to office that there were only academic courses available to students and that somehow this other option of going into a vocational course was provided by the good offices that he now holds and since his arrival on the scene or at least his government's arrival on the scene. So I point out, Mr. Chairman, that there is some contradiction here to say in one set of remarks that at one stage of the game there were only academic courses and in a second set of remarks say that back at that same time when somebody couldn't hack it in the academic courses they were put into the vocational courses. Now the Minister has to make up his mind whether there was or there wasn't; he knows what the facts of life are, but he has a tendency to forget, his mental process doesn't provide him with the capability or the desire, whichever it is, to remember what he said at one point and relate it to what he said at another point.

Mr. Chairman, let me just point out, or at least go back over a bit of the history that brings us up to this stage in the game. He's acknowledged the fact that there was a university entrance course and a general course at one stage of the game, he doesn't really want to acknowledge that there was anything other than that. Mr. Chairman, the vocational opportunities were brought into this province in the period, with the exception of Tec Voc, the vocational opportunities were brought into this province during the tenure of the government between '58 and '69, in that 11 year period. The Minister knows full well that and anybody that has an ounce.--(Interjection)--St. John's Tec, well perhaps St. John's Tec . . .

MR. CHAIRMAN: Order please.

MR. CRAIK: To the best of my knowledge, Mr. Chairman, St. John's was more than just a technical school. Mr. Chairman, the Minister knows very well that the real opportunities in vocational education were brought in, initiated, and was probably, apart from the consolidation of school divisions into the unitary system, was the major development that was undertaken by the former government; first of all in setting up the

SUPPLY - EDUCATION

(MR. CRAIK cont'd) schools such as the present Red River Community College, at that time MIT, the vocational school at The Pas, the vocational school at Brandon, which were the first thrust into providing opportunity to the more general population for straight vocational education.

Mr. Chairman, the next move was made into vocational education and a very major decision was made when the school on the east side of the Red River, it was at one time to have been located on Nairn Avenue to service the school divisions on the east side of the river, was changed and was made a comprehensive school which was integrated into the River East School Division to set the pattern of making sure that vocational education was not something that was segregated out of the normal school system but would ensure that from thereon in vocational education would be part and parcel of normal education, providing those options. So, Mr. Chairman, the first comprehensive school was designed and initiated and the pattern set by the former government.

The next school I think was the one that was built on Ness Avenue and since then there have been I think, the Steinbach one was undertaken and there are two or three more. But the pattern hasn't changed.

MR. SCHREYER: . . . not by the former government. The pattern was set in Ontario long before . . .

MR. CRAIK: Mr. Chairman, the pattern was not set in Ontario. The pattern was set when the Federal Government made the grants available to the provinces.

MR. SCHREYER: That's right. You were slow in getting . . . you were at least 24 months late.

MR. CRAIK: Mr. Chairman, nonsense. You know the First Minister comes alive . . . as soon as you mention a truth in this House he starts jumping to the bait. He cannot acknowledge the fact . . . Mr. Chairman, if you want to violate the rules that you're trying to hold here, we can list many more other areas where there's this great effort being made by the present government to wipe out history, you know, burn the books of history, because they want to show that somehow everything has happened since they came to power. There's been nothing new, Mr. Chairman, happened in the basic structure of education since this government came to power.

You know, Mr. Chairman, they've done one other thing. The Minister of Education says that there are 11,000 school teachers in the Province of Manitoba. There were 11,000 school teachers in the Province of Manitoba when the government changed. The pupil-teacher ratio is still exactly the same, roughly, almost the same now as it was then, but by the same token, their own civil service has grown by 50 percent. We know where their priorities are. The administrative staff of his department has grown by that much as well. More than that. The administrative people in his department has grown, he has the best working example of Parkinson's Law applied to the Admiralty of Great Britain, where the admiral started to outnumber the number of sailing ships on the ocean. This is the same sort of thing that is happening in his department. They have seen fit to build all their departments to the detriment of really looking after the requests and needs of the school divisions at the same time. It's very easy to see where those priorities have been.

Mr. Chairman, the Minister starts out by saying that there really wasn't any education opportunity other than academic prior to them coming into office. Well that certainly shows probably clearer than any of the other intellectually dishonest erroneous statements that have been made by this government, because I repeat again, if there was one effort that was made, it was made to provide a broader spectrum of education in the Province of Manitoba, first of all, with the unitary system, secondly, with the advent of the technical vocational opportunity within those systems. And this government hasn't changed that pattern. What they have done, Mr. Chairman, and this is the bone of contention, is they have now from the department advocated that somehow the basic skills are now less important and they are endorsing the shift, the emphasis off the basic skill courses and into these others. That is the thing that we disagree with; that this should be endorsed and pushed from the point of view of the Department of Education.

Mr. Chairman, the Minister talked about graduating one of the children last

SUPPLY - EDUCATION

(MR. CRAIK cont'd) year, which I presume makes him an expert. All of us have got children, most of us have had children or will have children at school at one stage or another and take interest in it. I've got children in elementary, junior high, senior high. I'm not oblivious to what's happening in the schools. I'll tell the Minister that kids at school, their determination is set not by whether they're middle income or lower income he's talking about here, and I take exception with that as well; that he's bringing in vocational courses to suit lower income. That I think he should retract. That's a real slap in the face for capable people that are going through the school system and going through it adequately, not because of that, Mr. Speaker, they determine their course in school as much by the influence of their peer group, more so than they do by what he's suggesting here, whether they're middle income or lower income group. That is absolute nonsense. But he wants to believe that. That's just another peg in their campaign to somehow create a class division of rich against poor so they can use it politically. The kids in school determine what they're going to do to a very large extent by the influence of their peer group, the other kids in school. Secondly, they do it by the influence of the general esprit de corps of the school itself. And every school is different, every school is different. If they happen to be fortunate enough to have attracted a good number of good teachers over the years, happen to have a good principal, and have a good esprit de corps going and have good communication with the children in the school, they will produce good graduates.

The other influence is the home. Nobody denies the fact that the home is an influence. I reject this statement by this Minister that somehow you can take people and categorize them into middle income and lower income as to what they should do at school. And that's what he's essentially saying. I can tell you, Mr. Chairman, that the kids that are deprived to a very large extent are the kids who have not been fortunate enough to, when they have reached school, have had for one reason or another, good teachers and a good school administration. That's the biggest single factor.

I spent one time in my life doing a lot of visiting counselling in high school on behalf of the university, and I can tell you, you can go to a school in the same general milieu, the same economic bracket of families, the whole thing, particularly in rural Manitoba, and you can go to a school where everything is go go, the children are enthusiastic, the teachers are enthusiastic, and you have graduates coming out of it, without question, dropouts are very low ratio, you can move 10 miles down the highway, and you can find a school with exactly the reverse. Not because the parents are any different - the parents come from the same general backgrounds - it again has everything to do with the school. What we, to repeat, Mr. Chairman, are maintaining, is that the Provincial Government which does more than set curriculum but sets the tone of education, is setting a tone of education in this province which is contrary to the basic desires of the parents of the children going to school; and to a large extent contrary to the good teachers in those schools. But to the greatest extent, the tone of education that is emerging from this government is contrary to the desires and aims of the parents of the children that are going to those schools. And that's why the Minister is in some difficulty at the present time, going around advocating that the basic skills, the three R's are no longer as important as they were, whether he can explain it or not by adding the joiner because there's other options available now, he can't explain his way out of the fact that there is a natural tendency at young ages in schools to opt for the less difficult courses. And if that is seconded by the Department of Education, seconded by the public statements that are coming from the Department of Education that the basic skills are not as important as they used to be, you can bet, Mr. Chairman, that the general attitude in schools is going to be, if they don't care, why should we continue to care to push; because you have to push young people when they are in school.

Well, the Deputy Minister of Education can frown if he likes, he can frown if he likes to that, but I'm telling you, Mr. Chairman, this is what the parents want, and I'd like to think that the parents still do have some influence, that they can somehow be heard. I really don't think that this Department of Education gives two hoots about what the parents think in this province; I don't really think that they really care. I think, really, that the Department of Education might be just as far ahead if they put somebody at the

SUPPLY - EDUCATION

(MR. CRAIK cont'd) head of that department who was never lucky enough to get an education but who wanted one, and he would put some starch into the Department of Education and put some starch into the whole attitude about education, instead of this wishy-washy, dilly dallying around and without any leadership being offered in the direction that the people of Manitoba want at this time.

Mr. Chairman, we don't take exception with options in education. We don't take exception with something that was initiated at a time when those options didn't exist, and at a time when education was a priority of government, where the emphasis was being put on education - and when I say priority, that is the battle of the Budget, Mr. Chairman, the battle of the Budget when funds went into education to upgrade the school system to the basic structure that still exists today. What we do take exception to is this lack of direction that is now being given in the basic arguments about what is the philosophy of education that the people of Manitoba want. That's what the argument is all about now. It's gone off what some of the traditional arguments were.

The Member for Fort Rouge mentions the value schools. I think we all note with a degree of interest at least, what is happening in some areas in the particular case in British Columbia. I think that Manitoba has always had a better education system, and still has a better education system than British Columbia has. I think they've had for many years.--(Interjection)--Well you don't change education systems overnight. You don't change them in a matter of a few years. You change them over a period of a great number of years. The education system of British Columbia I don't think has lived up to the reputation that Manitoba's education system has had traditionally. It's easy to see how value schools do emerge there. But I'm not so sure that value schools are wrong, if the parents decide that they want value schools. I'm not suggesting it should be all over the province. I think that some of the separate schools that exist here in Manitoba would fall into that category. That's to a large extent why a great number of people have their children go to separate schools, because they think it has the ingredients there that would be called a value school in British Columbia. And I don't think that's entirely wrong, that's their option. If that's where they want them to go, they go there. It's fortunate that there is that option there, because there are schools that for one reason or another are in difficulty, and it's not because their parents are from one income group, it's local circumstances. There's people who take their children out of the school and they pay the price of going to one of the separate schools. I wouldn't like to suggest that value schools are a bad idea, but I agree with the Member for Fort Rouge that I hope that our education system doesn't get down to the point where value schools have to become a way of life within the public system, because you're going to see within the public system itself, this emerge, unless the Department of Education responds, and certainly statements coming from the Department of Education, as they have been, to the effect that the basic skills are less important than they were, is going to be the sort of thing that encourages this sort of development in the public school system, as I assure you, you're out of tune with what the people are thinking in the Province of Manitoba. I assure you that as MIA's that we get as many concerns expressed about the education system as we do any other facet of government responsibility; it arrives on our desks.

So, Mr. Chairman, I want to stick as closely to your ruling as possible here. On this particular item I want to ask the Minister a particular question, because I assume that this is where it falls. I wanted to ask him whether the present courses that are being used in some schools on sex education have been put through the education advisory board, the Minister's Education Advisory Board. Because it seems to me the purpose of that advisory board when it was set up in the year 1916, has been in existence ever since, was to take issues such as the present issue of sex education in schools and screen it through a group of people, which is a group made up of parents, teachers and highschool students, and it is supposed to be as diverse a group as you could have, and actually is an effective group when it's given a challenge such as that. So perhaps he can indicate on what basis the sex education curriculum that's now being used in some of the school systems, some of the divisions, and in some of the schools; how it was arrived at as a curriculum, and whether it was screened by a group such as the . . . and in particular

SUPPLY - EDUCATION

(MR. CRAIK cont'd) the education advisory board that answers to him directly.

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, the question put to me by the Honourable Member for Riel I find as easy to answer as I would if the honourable member were to ask me, is the manner in which arithmetic is being taught by some teachers in some schools in the Province of Manitoba is that approved by the Department of Education. So that is my answer to that type of question. Asking me whether something being done by some teachers unknown to me, in some schools unknown to me, whether that has our approval. I don't know whether it has our approval or not. I presume that what is done in our schools today meets with the approval of the Department of Education. If the honourable member feels that something is being done somewhere which does not have our approval then I'd be very glad to hear him tell me what particular school it is and I'll certainly have this checked into to see whether there is something being done there that may be in contravention with the regulations as set out by the Department of Education. But just simply asking me is something done by some teachers in some schools, was that approved by the Advisory Board of the Department of Education, my answer to him is I do not know. I don't know what he's talking about. That is my answer to him. As I mentioned earlier, Mr. Chairman, that I answer every question put to me in this House on matters related to education and I give every question the answer it deserves. And that I've just done.

MR. CRAIK: You never answered it.

MR. HANUSCHAK: Mr. Chairman, I'll repeat again. I give every question the answer it deserves.

MR. CRAIK: Well, Mr. Speaker, on a point of privilege . . .

MR. CHAIRMAN: The honourable member state his point of privilege.

MR. CRAIK: First of all, I think the Minister suggested that I said that some teacher who is teaching some course . . .

MR. HANUSCHAK: That's right.

MR. CRAIK: . . . on sex education. That wasn't the question. The question was: 1. Did the courses that are used in high schools or in schools, in some divisions, were they approved by the Department of Education, and if approved, were they screened through the Minister's Education Advisory Committee? Is that too difficult?

MR. HANUSCHAK: Mr. Chairman, it's not too difficult at all. Mr. Chairman, there is a course approved by the Advisory Board in Family Life Education.

MR. CRAIK: Well there we go.

MR. HANUSCHAK: The honourable member is asking me whether a course offered in some school divisions on sex education has been approved by the Department of Education. Again I repeat to you, Mr. Chairman, that I gave that question the answer it deserves.--(Interjection)--I would hope so, and I will answer it again, and once again I'll give it whatever answer it will deserve.

The Honourable Member for Riel suggests that there was a contradiction in what I had said, that in my opening remarks I had mentioned that there was only an academic program offered and none other. Speaking for the Province of Manitoba, the honourable member well knows that outside the Winnipeg School District as it was at that time, there was no vocational program of any kind being offered anywhere. The honourable member knows that. There were two technical schools in the Winnipeg School Division built long before the honourable member was born - St. John's Technical School - and even the philosophy which led to the building of that school was shortly abandoned. It was built with the hope and the intention that . . . you know there are all the immigrants settling in north Winnipeg and there are those settling on the other side of the Assiniboine River and we'll build them a technical school known as Kelvin Technical School, which was built as I said 10 or 15 years before the honourable member was born, at least that. And yes, I taught in one of them, and I spent more time in one of those schools than the honourable member has spent counselling schools, flitting about from school to school, spending 40 minutes per school. That makes him an expert, that makes him an expert on the needs of the students in our high schools. --(Interjection)-- And yes, and in

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd) Fisher Branch and other schools, and in Winnipeg schools, yes.

The honourable member takes pride in the vocational program which he attempts to take credit for. But he didn't tell us, Mr. Chairman, that at the time that his government was taking steps some 24 months late to institute a vocational education program in Canada to take advantage of the federal assistance that there was for the building of vocational schools and the provision of a vocational educational program. But what they did do then, what they did do then was saw to it that students were strained into very very narrow channels, and you made a decision at the end of grade 9. At the end of grade 9 at 13, 14 years of age, you decided, you had to make a decision and you were locked into it - either you chose an academic program or you chose a vocational program or you chose a general course program. And there was no transferability from one to the other. The only way that it was possible to move to an academic program was to backtrack all the way back from wherever you may have been back to the grade 10 level and then pursue the academic route, and no other way. And no other way. And that was a sound education program that the previous government takes pride in having instituted in our province.

This really makes me wonder, this really makes me wonder what the position of the Conservative Party is on this particular issue, because when the honourable member says that the economic background of a student has - I'm not sure and I want to be fair to him, he may have said that it may have had some influence, maybe he said no influence whatsoever, but I'll be fair. He may have said that it has some minimal influence on his performance in school, on his choice of vocation, so on and so forth, you know, that in some way I was being discriminatory against and unfair to the child of the middle income and the higher income family. I know the honourable member was Minister of Education for a very short period of time, a very short period of time, one of the shorter terms within the term of office of that government. But you know it's regrettable that during that period of time he did not take the time or make the effort to acquaint himself with some of the research that has been done in this particular area and to discover that there is ample research which was compiled all over the world, in all the rural urban areas, wherever, to indicate that there is, that the economic background of a child does have a very great bearing and influence on his performance in school. In fact it makes me wonder, Mr. Chairman, what is the position of the Conservative Party on this point at this particular point in time, because if the honourable member were to read last year's Hansard, Hansard the year before, he would find therein speeches of the then leader of his party, who I know is no longer the leader as of a few weeks ago - and maybe that's one of their problems, the predicament that that party has found itself in and hence it is not in a favourable position to formulate a position on matters related to education - but he would find speeches by his former leader wherein he spoke, he took the diametrically opposed position to the Honourable Member for Riel, when he did speak of the needs of the inner city area, the need to plough more funds into that area, to develop programs to meet their particular special needs. The Honourable Member for Riel seems to forget about all of that. He ignores that, he says that's completely irrelevant, completely irrelevant whether the child comes from a family of a minimum wage earner or a family of no income whatsoever or whatever, that's completely irrelevant, that there are some other factors that are of greater significance. What they are in particular, I don't know. I said it was a very significant one and I would suggest that the honourable member that when Hansard recording of tonight's debate appears on our desks, that the Honourable Member for Riel read it very very carefully.

Then he goes on to say that the position of this government is one of downgrading the importance of basic skills. You know he comes into this Chamber after five or six hours of debate on my Estimates, stands up in his seat and spouts off a few unfounded charges and allegations: the government is directionless, basic skills are unimportant and on and on and on and on, and sits down and leaves it at that.

SUPPLY - EDUCATION

(MR. HANUSCHAK cont'd)

At no time, at no time, Mr. Chairman, did this government state the basic skills are of no importance or of any lesser importance. What we did say, what we did say, that to meet the challenges of today's society that there are other skills of equal importance that cannot be ignored. --(Interjection)-- Yes, perhaps, and watching T.V. I suppose today it's no longer necessary to teach children how to sharpen quill pens which the Honourable Member for Portage la Prairie may have had to learn, because we no longer write with one. So perhaps today there are other skills that have to be developed but it no way follows from that that the importance of basic skills is any less than it may have ever been before. The honourable member knows full well that the educational demands are not dictated by a political party, by a government or by the Honourable Member for Riel, or by someone else in this House, but the demands are dictated by the sum total, by the entire process of growth and evolution of education, of scientific and technological progress and advancement, and that in turn determines the educational needs of our society. The honourable member ought to know that, being a professional engineer. If for no other reason than for that, that ought to make him aware of the fact that that is so. He knows full well that what is required of a practising engineer today is far more than may have been required two or three decades ago, or a half dozen decades ago, because of the advancement that was made in engineering. So it's not some dean of the faculty of engineering or a Minister of Education of the day, or higher education, or whatever title they may have borne, who set the standard, but it was the general evolution and advancement which occurred in the practice of engineering which set the standard. And so it goes in every occupation, in every profession.

The Honourable Member for Riel goes on to state that the Department of Education doesn't give two hoots about what parents think. Well here are the two hoots which my department gives to what parents think. This is a survey done of parents of grade 4 students in Manitoba schools and I . . . well I really don't know, Mr. Chairman, whether I should make reference to it or not because it really would be more appropriate - that was one question that the honourable member asked which really could be better dealt with under the next appropriation. But suffice it to say, perhaps I won't tonight, but I'll give the honourable member notice of the fact that I do have documentation here compiled by my department of what the parents think about our schools, about our educational program and when we reach the appropriate place in our Estimates, that I will have this distributed, I will have this tabled in the House for honourable members to see and the honourable members will be able to examine and determine for themselves what the parents of the Province of Manitoba think about our school system. And I would say this, that you, Mr. Chairman, and others will find that the Honourable Member for Riel is dead wrong.

MR. CRAIK: I wonder if I interpreted the Minister correctly in his reply on the Home Life Education Program which is the name he gave it . . . Family Life Education Program. He said then that that particular curriculum was approved by the Education Advisory Committee.

MR. HANUSCHAK: Yes, Mr. Chairman.

MR. CRAIK: Mr. Chairman, that's the Minister's Advisory Committee that I referred to that was made up of this group of parents, teachers and students?

MR. HANUSCHAK: I know of only one Advisory Committee, and that's the one that's set up in accordance with provisions of the Education Departmental Act.

MR. CHAIRMAN: The Honourable First Minister.

MR. SCHREYER: Mr. Chairman, I suppose that one should not want to take issue with the Honourable House Leader of the Conservative Party because I don't know what function Estimates process is to serve if it isn't to serve as an opportunity for members voting Supply to unburden themselves of their own particular philosophic education and their sort of desire to pontificate thereon.

I rather suspect that it is well nigh unto impossible for anyone to reach any speedy conclusion as to what it is that parents really want from an education system, for the reason that there is, I would think, a considerable divergence of view among parents themselves, and that's understandable. There are those who favour a more

SUPPLY - EDUCATION

(MR. SCHREYER cont'd) traditionalist approach, and I for one find a great deal of merit and reason why that is valid; and there are those who favour a more liberal approach, using the word liberal in its generic sense, and who by definition almost favour a much more liberal attitude in terms of the disciplining, if the word even arises in their glossary of terms, of children in the classroom, and also much more liberal scope with respect to the variety of courses that are offered on the syllabus. Then, too, there are those who favour decentralization of value judgment and decision-making by divisionally elected representatives or school trustees, and there are those who feel a central or provincial or state, as in the case of the U.S. monitoring method and syllabus determining approach from the centre is better. And so it goes. There's nothing new about that, it has been that way for a long time and I rather suspect will continue that way well into the future.

There is, of course, room for looking with considerable scepticism and jaundiced eye at too wide a range of options, of courses, and less and less in the way of sort of basic courses being required on the syllabus. That, too, is a matter of opinion. There are those who are sceptical, indeed, about courses such as basket weaving or group decision-making or television watching - and personally, I can share that scepticism and indeed to be blunt I do. That doesn't mean to say, Mr. Chairman, that we have conclusive proof that there isn't some value in having greater variety and scope because, I don't know, I would rather like to avoid this particular argument as to whether environmental influence predetermines whether students will be likely to enroll in academic courses as opposed to vocational. But I for one do believe that it is very much a matter of aptitude and that aptitudes do indeed genuinely differ as between students themselves, and oftentimes that is quite divorced from their - I say oftentimes, not always but oftentimes divorced from their particular sort of demographic or socioeconomic background. There are boys in high school who if one tried to ascertain that the reason that their aptitudes were as they were was because of the economic status of their families, in many cases one would be going down a blind alley, a non-productive alley of research as to do with aptitudes and there are complex myriads of factors that influence them.

It is indeed unfortunate, however, that for too long in our country, and Manitoba certainly was no exception, there was inadequate alternative for those young boys and girls who did not have what one might call an academic aptitude or academic bent. As long as there was not a really adequate vocational or pre-industrial training alternative they were the ones who perhaps were penalized most by our former education system, before greater vocational education opportunity was worked into it. But when it comes to education, Sir, I have great and infinite respect for difference of opinion as I think we must all have.

What I however, rise about is that I do not want to let the Member for Riel leave a false historical record impression with this House. He chastized the Minister of Education suggesting that this government was in any meaningful way involved with the development of and expansion of vocational education opportunity. Well if that's his premise and his motivation I would like to ask the Member for Riel where in Manitoba was there the kind of schools or school facilities which made it possible for effective industrial and vocational training to be provided to children of secondary school age? I would like to know where, Mr. Chairman, because except for a period from 1965 to '68 I have managed to keep fairly close touch with the evolution of the education system in Manitoba. I would like to know if there was in the Swan Valley or in Parklands or in Carman-Pembina or in Metro West, Metro Winnipeg West, or in Metro Winnipeg East, or in Selkirk-Interlake, whether in any of these places there was an industrial vocational school extant or in existence in other words. The answer is, from my own confident memory, Mr. Chairman, that there wasn't a single one of them, not one, but not one.

Mr. Chairman, let us not try to put under the guise of vocational education the kind of courses that were offered in what used to be called the old 50-50s. I don't know if that term is familiar to many honourable members but that was the old syllabus form which was supposed to make it possible for vocational education alternatives to exist. The only problem with that, Mr. Chairman, was that I don't know of any schools that

SUPPLY - EDUCATION

(MR. SCHREYER cont'd) were equipped even for a miserable 50-50 type of approach. To suggest that St. John's Technical School was a vocational training school is ridiculous. Those who ever set foot in St. John's Tech, and I know that the Minister of Education was assigned there for a period of some years and I have some passing but personal knowledge of St. John's Technical School myself, it was called a technical school except that what existed there in the way of equipment and facilities really would be better compared to a kindergarten and that's hardly exaggerating it. It still may be so, I am not suggesting that that has changed. Well the exception of course was, to keep the historical record straight, the school that was built by, and really largely on the initiative of the Winnipeg School Division, the Tec-Voc High School. Now there I can't speak with any great deal of confidence of being accurate because I have such a vague impression of my first recollection of that school.

But certainly we do have vocational schools now worthy of the name and they exist at Selkirk, Swan River, Dauphin, Carman, Metro East, Metro West, I believe Steinbach comes under "degree" and Brandon. Now I'm not willing to bet a thousand dollars, Mr. Chairman, but I'm willing to wager in a friendly way with the Member for Riel that not one of those regional vocational comprehensive schools existed during his tenure and I would say furthermore . . .

MR. CRAIK: On a point of privilege. It's the second time that the First Minister has mentioned it. Dauphin, Selkirk, Swan River were all approved before the government changed in 1969.

MR. SCHREYER: Mr. Chairman, let us bear in mind that they were in office for 11 years; let us bear in mind that the year they were defeated, 11 years later, they said, oh they'd approved them. Mr. Chairman, under way, under way, Mr. Chairman? I now ask very bluntly and directly, my honourable friend, whether ground was broken for a single one of them on the day they were defeated? I happen to know because in Cabinet we had to make the approvals de novo because no firm decisions had been made. Therefore it is by definition ridiculous to suggest construction had started. Construction by no means had been started in the year of our Lord 1969. --(Interjection)-- A ridiculous argument? The argument is very simple. In 11 years did you start a vocational school or not? --(Interjection)-- Well, Mr. Chairman, if that is ridiculous then a simple point of fact: did you in your 11 years of office start the construction of one regional vocational school in the whole province? The answer is you did not. --(Interjection)-- Where? --(Interjection)-- Mr. Chairman, fortunately the facts will not be blurred by lies. Not one single vocational school was started, under construction during the entire 11 years that my honourable friends opposite were in office, but not one let alone five or more. In the same period of time, in case they are now going to blame the Federal Government, I would point out to them that in the Province of Ontario that by the time these people were defeated here in Manitoba the Province of Ontario already had completed construction of more than \$25 million worth of vocational high schools. And they hadn't started, they hadn't turned the turf. What is the expression? Turned the sod for a single one --(Interjection)-- Mr. Chairman, no matter how much they squirm, no matter how much they squirm they cannot make the statement that in their entire period in office that they turned the sod, much less started construction of one secondary regional vocational school in Manitoba. Now he would like to pose as having been the originator of it.

Of course it follows, Mr. Chairman, they didn't pioneer a single one. They didn't pioneer any concepts in education. They did not particularly concern themselves I suppose with what might be done in a modest way or in a larger than modest way with respect to such things as native teacher aides or special effort education in order to start the process of trying to help young native people become certified as fully fledged teachers if not as teacher aides. They take much publicity of the fact that they introduced the unitary school system, which frankly I give them credit for, but then one might as well also explain that the unitary school system was not exactly something to be pioneered by the mid-1960s, it existed elsewhere and there was the benefit of experience to go by.

SUPPLY - EDUCATION

(MR. SCHREYER cont'd)

But let us now just pose this question: if by 1969 they had not started construction of a vocational school, if they had not completed a school, then, Mr. Chairman, the question must be asked, therefore did they actually have to take responsibility for the financing of the equipment that goes in the schools or in the development of in great detail, in operating detail, of the curriculum that goes with a vocational school. To all of these questions the answer is no. If the school had not been built, it wasn't operating. If it wasn't operating they didn't have to have the detailed curriculum in place. So that in summary one can say that by 1969, even though by then I believe it would be true to say that the Government of Canada had the program of financial assistance under way, going well into the fourth year; the Province of Ontario had completed, I'm understating it I know but I would say \$25 million plus of vocational high schools; that we hadn't finished one in Manitoba. In fact we hadn't started one.

Now the Member for Swan River, I overheard him say we also didn't have a billion dollar budget. Well, Mr. Chairman, I don't know what that really proves except the fact that if they didn't want to take responsibility for the raising of the revenue then they couldn't very well have it both ways. They didn't take the responsibility for raising the revenue, therefore they didn't have the revenue for actually getting on with it and building those schools of a regional nature.

I don't think that anyone would have faulted them for not building a whole host of these schools. One per regional approximately is a good start and indeed as we learn by empirical results and empirical evidence we will know better whether or not to extend the concept and expand the physical space and facilities of regional vocational schools. But in the meantime there are, oh let's see, I think six, possibly seven in operation in Manitoba more or less on a regional basis, I think it's fair to say on a regional basis. They are really inter-divisional in nature in that the one at Selkirk - at least the concept was that it would also serve those children from neighbouring divisions who would be within bussing distance and coming from divisions where there was no realistic hope nor justification for attempting to duplicate those kinds of facilities. The same is true of the one at Dauphin and in the case of Swan River it is scaled smaller in size but it relates basically to the one division of the Swan Valley itself. Perhaps that situation there is more optimum.

One should keep the historical record straight, it is as simple as that. When did construction start on these schools? That is what I ask my honourable friend, when did construction start?

MR. CRAIK: Mr. Chairman, I think the Member for Fort Rouge has probably the most appropriate comment. What are we going to do in 1979 rather than 1969? But let's, before we discuss 1979, clarify the record and keep history straight. The program that was initiated in the regional schools as apart from the schools that were government built and operated schools at Winnipeg, The Pas and Brandon where it was undertaken as the second step in technical vocational education program. The first one off of the regional schools as I mentioned, Mr. Chairman, was the one that's now in River East which was originally slated to be a straight vocational school that drew only and primarily technical-vocational students.

But the basic structural decision was made in 1969 on that school to transform it into a regional secondary school under the responsibility of a school division and integrated with the regular academic courses. So that school was committed. At what stage of construction it was at, Mr. Chairman, I think is quite academic. The thing is that the land was assembled and the commitment was made to build the school to the school divisions. How much money was spent, I don't know. But I know that money was spent two years in advance; the principals were hired in advance to develop both the curriculum structure in conjunction with the Department of Education and to supervise to some extent the physical construction of the buildings.

The same was done in Dauphin because I'll tell the First Minister that I spent more than one meeting in Dauphin personally getting the final site selected and the land assembly done and getting it committed, and again in that case getting the liaison done and the commitment made to the school division on it. How much concrete was poured

SUPPLY - EDUCATION

(MR. CRAIK cont'd) I don't know.

The same was true in Selkirk. There was a long, labourious procedure done at Selkirk to assemble the land to get the school started at Selkirk as well.

The same school at Swan River was committed in 1969 prior to the change in government. Certainly in that case there was no construction done but it was committed. The capital spending was committed. The agreements were done with Ottawa at that stage of the game. The money had to be done. You didn't build one of these until you had - the last of the schools was 50-50 sharing, the first was 75 federal - 25 provincial. But no school was committed until the Federal and Provincial Government were in agreement on the location and the details of the school construction. Then the province committed to the school division.

So just to straighten out the record, River East was under way. How much was done I can't tell you but I'll tell you there was years of homework done to get it to the point of committing --(Interjection)-- Mr. Chairman, I'm trying to tell the First Minister and he must know, let's point out one other thing. This government never used all the federal money that was available. After they came to power they made a deal with the Federal Government that let them take the last, in the order of \$20 million, and use it for general purposes. The Federal Government dropped the requirement of advancing the money, they dropped the requirement of advancing the money only after the government, the Provincial Government, had made its commitment, the location was selected and the school details finalized, only prior to the deal this government made, that was the only condition on which you got the Federal Government money. After this government came to power they made a deal with the Federal Government, they took the money from the Federal Government out of the Secondary Vocational program and they put it into their revenues, not to build secondary vocational schools but to use it for whatever purposes they wanted to do. Now you can look up that record too, Mr. Chairman. So I repeat, I repeat, out of that long labourious process of, first of all, dealing with the Federal Government to satisfy their requirements, get the cost-sharing decided, get the details of the school done, get the principal and perhaps one other key person hired in the procedure. . .

MR. CHAIRMAN: The Honourable Minister.

MR. HANUSCHAK: The honourable member is making a charge that this government had appropriated \$20 million, earmarked for the construction of vocational schools, for other purposes, and that is absolutely false. There wasn't one cent that was assigned by the Federal Government for the construction of vocational schools and was used for any purpose other than that. The last of the funds that was allotted for vocational school construction was utilized in the multi-campus operation which we have at Morris, McDonald and the three school divisions to the south and southwest of it and the southeast of it.

A MEMBER: Carman.

MR. HANUSCHAK: Yes, and that was the last of the funds that was spent of the moneys that were earmarked for vocational education, and I would suggest, Mr. Chairman, that when the Honourable Member for Riel says that the government used \$20 million for other purposes that he ought to retract.

MR. CRAIK: Just to backtrack. I said it was of the order of \$20 million.

MR. HANUSCHAK: It was nowhere in the order of 20 cents, not one cent.

MR. CRAIK: Well, Mr. Chairman, I think the purpose of the Estimates is to ask for information from the Minister and certainly this will give him an opportunity to go back and find out just what the amount of money was, just what the amount of money was when that program was finally terminated with the Federal Government. The money was advanced, it was acknowledged by the Minister of Finance, the now Member of St. Johns in this House, under his Capital Estimates, and he advised the House - I can't tell you what year it was - that the remaining money in that fund was advanced to the Provincial Government without having to first fulfill the requirements that was on the money prior to that time, and it was put into the fund.

MR. HANUSCHAK: We still had to use it for vocational purposes.

SUPPLY - EDUCATION

MR. CRAIK: Well I would like to get from the Minister an explanation of where the money was spent. --(Interjection)-- Well, Mr. Chairman, I'm not sure that Capital Estimates is the place where we should be getting at that, we're talking now about the vocational building program. There was a package of money that was received, Mr. Chairman, and I'd like the Minister to explain where the money went. I mean that's what you have your hundreds of people sitting in your department for. You know, we come down here, we're elected to come down here and ask you information, now if you can't supply that information, say you can't supply it, but don't waltz around the question. You stated that the money was given to you by the Federal Government, the remainder of that fund, we want an explanation of where the money went, if you can't explain it say you can't explain it and then tell the people you can't explain it.

Mr. Chairman, the Minister told us he got twenty cents from the Federal Government - that's what he said. I heard him say he didn't even get twenty cents which means that he got twenty cents or something less. He got somewhere between zero and nineteen cents by that, Mr. Chairman, and I think the Minister should explain it even if it's that. That's what he's supposed to do in his Estimates. --(Interjection)--

Mr. Chairman, I want to continue for the historical record introduced by the First Minister. Now I think there are Ministers in the House who do understand and know what schools were committed when. I'm certainly not including the present Minister, Mr. Chairman, but for the purposes of the record that procedure of building those schools was gone through and was committed. The schools were committed for River East, for Selkirk, for Dauphin, for Swan River and the one out on Ness Avenue, and there may be one more and it doesn't come to mind at the moment. The schools - well the Brandon one was already built . . .

A MEMBER: Which one?

MR. CRAIK: The Brandon school was already built.

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, the site wasn't even approved for the building of the Brandon Vocational High School known as Crocus Plains School because, Mr. Chairman, within six weeks after I was appointed Minister of Education I personally went out to Brandon to approve the site, because at that point in time the Brandon School Division was uncertain as to one of three possible locations, and I was the one who met with the Brandon Board and we decided on the site for it. And the honourable member gets up and says the school was already built.

MR. CRAIK: Mr. Chairman, the Minister is perfectly correct, the regional school . . . but the regional school wasn't built, the technical school at Brandon, Mr. Chairman, the technical school was built at Brandon. Pardon me for suggesting that the regional school was built, the regional school at Brandon was under negotiation at the time and that's the sixth one, Mr. Chairman. The previous five commitments had been made on them, Mr. Chairman, and whether or not the concrete was poured, let me tell you that the difficult work of getting to that point, the negotiations with the Federal Government, the provincial budget, the negotiations with the school boards and the commitments of the government by way of making sure that the capital was available for it, had all been done, the commitments were made and the schools were under way. There was no way that there was going to be any turning back at that point.

MR. CHAIRMAN: Resolution 46(b)(1) - the Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON(Sturgeon Creek): I just want to set a record straight, very briefly. And I say that the First Minister's remarks are ridiculous when you argue because you put a spade in the ground that that's when you start a school. And if he doesn't want to believe me, and I'm sure the First Minister would take my word for it, he's not as ill-mannered as the Minister of Education, but I would say, Mr. Chairman, that I was on council of St. James with the previous Attorney-General of this province with the NDP government Al Mackling, when he and I negotiated with the province, the Federal Government and the St. James School Board on behalf of the municipality as to what the price of the land would be for the Ness

SUPPLY - EDUCATION

(MR. F. JOHNSTON cont'd) Vocational School as early as '68 or '67. So to stand up and say nothing was started is complete stupidity. It's the twisting of the truth to influence people, and I tell you this that that school was on its way and very much on its way at that time so don't start twisting the truth.

MR. CHAIRMAN: The Honourable Minister of Education.

MR. HANUSCHAK: Mr. Chairman, the Honourable Member for Assiniboia suggests that I may not believe him . . . Sturgeon Creek. The Honourable Member for Sturgeon Creek suggests that I may not believe him. I don't doubt his word at all, I believe every word he said, I don't doubt, not one syllable of it. But, Mr. Chairman, you know as well as I do that assembly of land by anyone, for whatever purpose that one may have in mind at the time of the commencement of the assembly, is not necessarily an indication or proof positive or confirmation that that project will in fact be carried out. It was sold to the school division and the school division purchased the land and the Municipality of St. James did not have any caveat on that piece of property limiting the use of the school division of that land for that purpose and none other. The school division, had it chosen to at a later point in time, could utilize that land for whatever other purpose of its own that it may have had and the honourable member well knows it. And the honourable member also . . .

MR. CHAIRMAN: The Honourable Member for Sturgeon Creek on a point of order.

MR. F. JOHNSTON: The Minister is again twisting the words. The land was assembled and purchased for that school. I was in the negotiations with the Federal Government, the Provincial Government and the city to purchase the land to build a vocational school and the Federal Government wouldn't have put the money in if it wasn't for that.

MR. HANUSCHAK: I don't doubt that for one moment, Mr. Chairman, but again, I repeat that that is not any indication that the Department of Education, at that point in time, was committing itself to proceeding with the construction of the school there and then. The land may have been purchased . . .

MR. F. JOHNSTON: I remember what he said, he said committed.

MR. HANUSCHAK: Committed. I heard every word that the Honourable Member for Sturgeon Creek said, that there was a commitment to build a vocational school. I heard that, yes, I heard that perfectly well. I heard that perfectly well, but the fact of the matter is . . .

MR. F. JOHNSTON: But you chose to ignore it.

MR. HANUSCHAK: The fact of the matter is I heard it and I'm repeating it to all honourable members that I did hear that statement, but the fact of the matter is that nothing beyond that was done because when it comes to the actual construction of a school it is not - and the honourable member of the front bench knows that because he's the only one on that side who's had that experience - that the commitment of the government to the construction of a school was not finalized until such time as his Cabinet gave approval to the proceeding with that particular project. Now perhaps his government operated differently in his day, I don't know. Maybe there was someone else who made those decisions other than the Minister of Education of that time. But in accordance with the practice of most governments, that is the manner in which they operate.

MR. CHAIRMAN: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, Mr. Chairman, I just thought before the evening closed that someone should get up on behalf of the Manitoba Historical Society and acknowledge their thanks and appreciation for what has happened for the past hour, that a generation of historians I'm sure will be ever grateful for the fact that we have finally got the record straight - or maybe not so straight - but I just thought it would be remiss not to, at least, acknowledge that particular fact. But in acknowledging, Mr. Chairman, something bothers me, and that is that while we may or may not, depending on which side of the House you're on, have got the record straight about what happened in 1969, and there's been very little said about what's going to happen in

SUPPLY - EDUCATION

(MR. AXWORTHY cont'd) 1979 to vocational schools. Particularly, Mr. Chairman, because in the last year or two a Federal Government report pointed out that . . . it at least raised serious doubts about the effectiveness of vocational training as a way of fitting people to occupational needs, and it's certainly my understanding that at the present time we're going into some pretty serious negotiations about who's going to be paying for the whole area of vocational manpower training, and whether the Federal Government itself might be withdrawing totally from the field, which is going to leave this province in a pretty box as to how we're going to pay for all these things. It does come back to, I think, some of the critical issues which is if we're trying to improve the occupational training opportunities for people, whether they're low class or middle class or upper class or don't belong to any class at all at the present time, the fact of the matter is it's going to be very difficult for a province to both develop the funds, and I think, develop the kinds of programs, and I think frankly, Mr. Chairman, that's what we should be talking about. That there is going to be a serious juncture in the development of vocational training in this country. And I would have been far more interested if the First Minister, rather than having planted his feet firmly in historical soil, had rather given us some indication as to what kind of financial negotiations are going to go on; what the position of this province will be; what kind of programs do we foresee and what kind of financial resources will we need to finance them. That would have been far more germane I think to the question. I would have hoped that he would have timed his intervention on those issues rather than one which, I suppose - I know the reason why, I suspect as election fever draws near and the temperature rises the only thing I fear for, Mr. Chairman, is if the election is going to be fought on the basis of antiquarian positions, then it's going to be an awfully dull election frankly because we're not going to get much opportunity to look towards what happens in the future. We're going to be spending a lot of time discussing or debating what happened in the past which doesn't get us very far other than, I suppose, to provide some illustration. But frankly, you know, it was seven years ago, or 15 years ago, whatever the case may be, and frankly that's a little tiresome. If you really want to know the truth I don't think that people in this province frankly are interested in whether the sod was turned in St. James prior to the defeat or before the defeat or whether it was going to be turned.

A MEMBER: Or which shovel they're going to use.

MR. AXWORTHY: Yes, or who was turning the shovel or, I know where the shovel's been turned tonight, I mean that's been pretty apparent. But I think that what we're far more concerned about is really what are we aiming at in the future. And I am concerned about the state of vocational education because there's no question that the philosophy in the Federal Government has changed and I think they've announced that. The kind of reports and assessments they've made about the efficacy of vocational education is something that concerns me as well, because if we're putting large amounts of money into this kind of educational program, both at the secondary and post-secondary level, and not getting many results, then again it comes to a question, are we allocating our resources in the right way. So, Mr. Chairman, I realize that it's perhaps too late to get into a full discussion of that, but I would maybe just forewarn the Minister, perhaps we could get some answers on that. Now we've cleared the record up maybe we can look at what the future will hold.

MR. CHAIRMAN: The Honourable Minister of Urban Affairs.

MR. MILLER: Mr. Chairman, before I suggest committee rise, I would like to suggest to the Member for Fort Rouge that the answers he's seeking he best seek under Colleges and University Affairs because he's addressing himself to the whole question of manpower and training at the post-secondary level. The Federal Government is really not involved in the training at all at the public school level. And so I suggest he bide his time and wait until we get to the Estimates of Colleges and Universities. With that, may I suggest committee rise.

COMMITTEE OF SUPPLY - INDUSTRY AND COMMERCE

MR. CHAIRMAN (Mr. Walding): Order please. There being a quorum the committee will come to order. I would refer honourable members to Page 36 in their Estimates Books, the Department of Industry and Commerce, Resolution 72(d)(1). The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, just one moment. I think in the questioning as we adjourned at 4:30 I was raising some matters about the Incentive Grant Program, and the one that I would like to raise is, the question now is B and K Industries as the Minister . . . I'm wondering, the grants are matters of \$32.67, \$48.60 - is this the kind of grants that this government is trying to offer to industries in this province as incentives for them to . . . ? And it goes on, \$66.00, \$21.34 - surely, surely this government's got more initiative and more drive than to offer those kinds of incentive grants to industries in this province. It's beyond my comprehension, Mr. Chairman, to think that the Department of Industry and Commerce would put this down on the record that those are incentive grants to some industry. I suspect that this B and K Industries is the one that moved from Glenboro to Killarney. Is that the one? I know the industry and I know the man that's managing it, but what goes on with this? Is this the postage, or telegrams or telephone calls between the Minister, or trying to sell NDP memberships? Well, if I was that businessman I would throw those cheques back to the Minister and the department's face and say, "Look, if this is the way you're going to build Manitoba, let's turn it all around." Or he should maybe go some place else. Maybe the Minister can explain. And there are many of them.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, this is very easily explained. This, and I guess every other item, every other company that is shown with a very small amount, is related, but certainly this one B and K Industries that you asked about is under the CASE Assistance Program, otherwise known as the Counselling Assistance to Small Enterprises. C-A-S-E. This is a federal program but we have an arrangement to pay one-third of the costs, and often it involves one consultant going into a company for one day, sometimes two days, to give them some advice on whatever. And in this case I would imagine it's probably, and I'm just guessing, the one-third cost for a consultant for one day with the Federal Government paying twice that amount for a total in excess of \$90.00.

MR. McKENZIE: Mr. Chairman, then after this B and K Industries going through that experience, and that must have been frightening, I wonder if we can have a look at some of his . . . have you any records of how that business has progressed? --(Interjection)-- I don't think it's privacy, I think that type of figuring and incentive should be in the Minister's Estimates some place else, except it showing up in the Incentive Program. The counselling, surely the Department is not going to charge.. --(Interjection)--

MR. EVANS: Mr. Chairman, I'm sure the Honourable Member from Roblin wouldn't disagree with our effort to minimize the burden on the Manitoba taxpayers and to use as many federal dollars as we possibly can, and the arrangement is that these counsellors are retired business executives. These counsellors are retired business executives and they're retained by the Federal Government. The counsellor normally receives \$30 a day and our share per day is \$10, that is the one-third. My understanding is that this company which is in Killarney, the B and K people are in Killarney, developed some bale handling equipment, and I am advised by the staff that it was a very successful development program. So I wouldn't belittle the program just because you have an expert go there for two or three days and because the Federal Government pays \$2.00 for every \$1.00 that the province pays.

MR. McKENZIE: Well, Mr. Chairman, then let's explore in greater depth, let's compare to Monarch which is an urban development, and this is a rural development. I'm looking at the incentive grants that Monarch was able to qualify for under the program and wondering, what is the difference between B and K and Monarch? The only thing I can see is that there's thousands and thousands of dollars . . . Now did Monarch, was this the type of consultant fees and things like that, incentives, that would apply to Monarch, much similar to B and K? Or is it for other reasons?

MR. EVANS: Mr. Chairman, I would like to talk about the Monarch item, but

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd)before I do, I have been advised also that in the current year we are assisting B and K through the Science and Technology Branch. The Science and Technology grant is probably going to amount to approximately \$5,000, but the point is that we may only need the services of this retired business executive under the CASE program for perhaps one day to identify the problem, and after the diagnosis of the business situation we then are in a position to take some type of major corrective action, or some measure, or whatever, and as I said, this company is now in the '75-76 year about to receive, if it hasn't already received it, the \$5,000 grant for this new bale carrier that they've developed.

Now in the case of Monarch Wear, we, as you may know, have been attempting to provide employment in particularly high unemployment areas, and one of these efforts was on the Peguis Indian Reserve at Hodgson, Manitoba, and every one of these payments to Monarch Wear Limited, every single one is related to the training of garment workers on that Reserve. It was a program where Indian Affairs was involved, and the amount of money paid - and it was paid over a period of several months, and I suppose it could have been lumped together, but every single one of those payments relates to salary for what may be referred to as non-productive or marginally productive labour. That is losses that the company, Monarch Wear, would have had in comparison with their viable plants. It also contributes to some overhead costs such as heat, electricity, and so on. In other words, the funds were to reimburse losses to Monarch Wear that they sustained in providing Manpower training to the women and others at the Peguis Indian Reserve. So I repeat, every one of those items as I understand it here, was for that purpose.

MR. McKENZIE: Mr. Chairman, I thank the Minister very much for his answers and his comments. The reason that I raised the question, basically, is because I am trying to find even \$1.00 that was an incentive grant to my constituency and I have yet to be able to find it, and maybe the Minister could answer. I'm looking for a \$1.00 that was spent in Birtle-Russell, I fail to find that. --(Interjection)-- Well, I'm just wondering now with this Incentive Grants Program, where we go from here. Is it yours, as the Minister, you make the decision where these grants go? Is it a Cabinet decision, or who makes the decision?

MR. EVANS: The grants are made if the company applies under whatever program. There are, as I indicated earlier, many kinds of grants. They're all very modest grants, they're meant to be, I suppose, seed money, they are meant to encourage industry. We are not trying to be another DREE Program. We've said that many a time. We do not have any large industrial location grants, because it would simply detract or take away from what could be paid to that enterprise by the Department of Regional Economic Expansion in its industrial incentive program. So the incentive grants we have are over a variety of fields, for design and marketing, for science and technology, some moneys for promotion of products in trade fairs and exhibitions and so on. The normal procedure is for the company to approach us, applying for some type of assistance. In some cases they approach us with a problem, and after analyzing the business and surveying the situation we may recommend that they need to improve the design of their particular product or they may need to have a more active marketing program, whatever the case may be. And then they may thus, if need be, qualify for some sort of grant. But we're not trying to kid anybody, and the last person we want to kid is the Member from Roblin, because the businesses are not going to be successful or they're not going to fail based upon these few dollars. That is not the purpose. We are not trying to supplement or subsidize profits of private companies, that is not the intention. The intention is to steer them in the right course, and we think that the best type of assistance we can give them is the Management Consulting Service and the other type of Industrial Development Consulting Service that we do offer.

MR. McKENZIE: I thank the Minister very much, I think if the Minister refers back to the studies of the ten fastest growing towns in this province, which is in the records of the province, you will find that there is one town in there by the name of Roblin which happens to be one of the ten fastest growing towns in this province, and I would just wonder what type of work the Minister and the Department has done in that

SUPPLY - INDUSTRY AND COMMERCE

(MR. McKENZIE cont'd) town. It's a thriving, very busy town and one of the ten fastest growing towns in this province. Now if he can give me any indication that his staff and his department have been in there trying to help it grow faster, then I think you will have answered all my questions.

MR. EVANS: As I was attempting to indicate, Mr. Chairman, the list of payments made under the department's Incentive Grants Program is not the list of the companies that we've helped.

MR. McKENZIE: I know that.

MR. EVANS: The list of companies that are assisted is many times this list. This just happens to be those who have received a few dollars, as I said, very modestly. There is one company that comes to mind in Roblin had some assistance, I believe, Canadian Fulcon Fabricators. This is a small plastic products company in the town of Roblin. They've been receiving continual assistance from the Design and Marketing Branch for some years and they were recipient of a grant, oh, some three or four years ago. I want to assure the Member from Roblin also that I visited the Roblin Forest Products Limited two years ago myself and we were involved in assisting them.

MR. McKENZIE: That's when the strike there was the problem. One other, and I thank the Minister - of all these incentive programs to these firms, are all these firms viable and functioning today and have solved their problems due partly to this program or their own initiative?

MR. EVANS: Well frankly, no. I think what we've done is help them. I couldn't tell you categorically whether every one of these companies are still in existence or whether they're having financial problems. I couldn't give it to you off the top of my head but I believe most of them are thriving.

MR. McKENZIE: Do you not have a program that you go back in and check out with them on a regular basis?

MR. EVANS: Oh, yes.

MR. McKENZIE: So those statistics are available?

MR. EVANS: Oh yes, they are.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

HON. SAMUEL USKIW (Minister of Agriculture)(Lac du Bonnet): Mr. Chairman, I'm rather intrigued by the line of questioning on the part of the Member for Roblin, because only a few days ago I was amazed that he found so much fault with the province, what he considered to be, lack of restraint in a restraining period in terms of the current Budget, and I'm rather amazed that he is now suggesting that the Department of Industry and Commerce should engage in massive hand-out programs to encourage industry

MR. CHAIRMAN: Order please. What is the point of order?

MR. McKENZIE: On a point of order, Sir, I did not speak on the Budget.

MR. USKIW: I may be corrected in that regard, but I do recall the Member for Roblin expressing a great deal of concern with respect to a whole host of expenditures which he questioned, and besides, that the taxation of the people of Manitoba was a problem in his mind. And this evening he is suggesting that we go on a tangent to spend more money by way of giveaways.

MR. CHAIRMAN: The Honourable Member for Roblin on a point of order.

MR. McKENZIE: Mr. Chairman, on a point of order, I would like the Minister of Agriculture to stipulate the day and the time that I made that speech in this session of the Legislature.

MR. CHAIRMAN: The Honourable Minister.

MR. USKIW: Well, Mr. Chairman, it's obvious that we don't have Hansard with us here, but I can tell you that I know that the Member for Roblin has expressed on more than one occasion some concern with respect to the level of expenditures of the government as a whole. Now that is exactly opposite to the position that he is taking this evening, because it seems he wants some particular advantage or assistance to some particular industry group in the town of Roblin. And I'm rather amazed that the Member for Roblin would wish that the government create differences in its treatment of various communities, one versus the other. I simply suggest to the Member for Roblin that perhaps he should

SUPPLY - INDUSTRY AND COMMERCE

(MR. USKIW cont'd)go back for supper and come back in a different frame of mind, because we are not prepared to suggest that we should increase the Budget of the Department of Industry for the specific purpose . . .--(Interjection)--

MR. CHAIRMAN: What is the point of order?

MR. McKENZIE: Mr. Chairman, I hope you would fill us in on the Estimates where the Minister of Agriculture is speaking on at the present time.

MR. USKIW: Well, Mr. Chairman, I just want to make the point that this is not the year to increase the Estimates of the Department of Industry through giveaway programs as has been suggested by the Member for Roblin.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. Either the Minister of Agriculture was busy doing other things, but I think what the Member for Roblin was trying to point out is that there seemed to be very many small few amounts scattered throughout and we were trying to get clarification of exactly what was happening with regard to that business. As far as the Monarch Wear grants are concerned, I understand from the Minister that that went to the Peguis Indian Reserve Area, around the Hudson area, trying to get local labour involved.

I would like to ask the Minister, when we talk about incentive grants, I guess from the explanations that we've had with regards to several of them they sort of run the whole gamut as far as all the programs involved in the Industry and Commerce Department are. I'd like to just dwell briefly on this type of grant. First of all let me say, that I'm sure that all the members of the Legislature very often get a phone call from somebody starting up a new business and saying, listen, I hear so and so got a grant for such and such and such, I'd like to get in on this, how can I get a grant? I think I agree with the Minister when he says that many of the grants here won't make or break any of the industries because they aren't of that magnitude and as he pointed out, they're not trying to compete with DREE at all.

But I think the minister has a bit of a problem here in that there is a certain amount of alienation or bad feeling being created between the different industries involved when it comes to straight incentive grants. You have one industry getting it and several other people hearing about it and there's a certain amount of bad feeling created. Now we're talking about restraint. I noticed that even a company in my riding got the money and I don't think that company would have failed without that particular grant. I'm just wondering if some of these grants may be under certain categories that don't apply strictly to managerial type assistance like B and K, we're talking about somebody going out there and consulting with this particular person. A thing like Monarch Wear, shouldn't that possibly come under the Minister of Northern Affairs, some kind of an experiment with the Federal Government, with Indian Affairs? Shouldn't the Department of Industry and Commerce be bearing a large majority of their incentive grants? - \$32,000 went to that particular one project. I'm just wondering if the minister has certain thoughts on that particular subject at this time.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, that particular program I believe, has been terminated and unfortunately for various reasons. I believe that we're going to have to, as Manitobans, we're going to have to spend a lot more money to somehow or other create jobs in various regions and areas in Manitoba that have chronic unemployment problems. There's always this criticism of people on welfare, always a criticism of people going off and on, on and off unemployment insurance and the only way that you're going to cope with that is to provide some training and provide some type of industry. Frankly, we are going to go out and we are going to try our very best to create jobs because a greater effort has to be made in certain areas of this province. I'll give you one example that just comes to mind, and that is Amaranth, where there is a high local unemployment situation, and we are going to do our very best to encourage companies, hopefully completely on their own, but in some cases we may have to provide a marginal amount of assistance to make it possible for the company to let us say, put out some work in that particular area. But these are specialized type of programs.

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd)

The vast bulk of the assistance that we give and the grants that are paid out, they're paid out under a program and it's not a matter of who gets there first, it's a matter of whether or not you qualify under the program. There are guidelines, if a company fulfills the guidelines then they're eligible for this particular assistance. In most cases they're very tiny companies, very small, very marginal companies in some cases. Or companies that are not necessarily marginal but they do need a little bit of a boost to get going. And we do respond to companies who come to us. So there shouldn't be a matter of one person telling the Member from La Verendrye, well, so and so got assistance but I didn't, because if that person qualifies under the program, he and his business can receive that grant, whatever it may be. But I want to repeat that our efforts should not be judged in terms of these few hundred minor miscellaneous grants. The bulk of our work is the advice that we're able to give people and the assistance we can give them in so many ways under so many programs. For example, I don't think you will find there the expenditure on our Community Management Program, the Member for Roblin saying, what's in there for Roblin? - I want to advise the Member for Roblin that the Community Management Training Program . . . --(Interjection)-- I'm sorry, would you repeat your comment?

MR. McKENZIE: I just asked why Roblin wasn't . . .

MR. EVANS: This is what I'm trying to answer. I wanted to advise the Member for Roblin that we had a management training program in Roblin in March of 1975. There were 15 businessmen in the Town of Roblin participated, and this was a three day seminar, again on small business management. But that would not be included in that list.

I want to say too that the policy of the department is to give businessmen a choice of options. In every case the business is expected to contribute a substantial share of the cost. We don't cover all of the costs, if it's a design improvement or if it's a technology improvement, that business person, that company's expected to pay in most cases the substantial portion of the costs. What we're doing is more or less encouraging him along a particular line. And if they chose the option to go at a very low cost route, such as the CASE route, then that's their privilege, that's their choice.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: While we're still on the grants, Mr. Chairman, the point that I was trying to make is, and I'm sure that the Minister's staff and the Minister's department gets calls every day from somebody who is wishing to start a new venture, whether it be a small business or a manufacturing business, and they ask what grants are available and I think very often we're caught up in sort of a grant syndrome, if you want to call it that. I know I've referred numerous people to his department with regards to that. The people very often come back and say, well, they don't fall under a certain category, and I'm sure these people that have received grants over here are just a few of the people that did ask for what was available from the particular department. So all I'm trying to point out to the Minister is that it does create certain bad feelings and ill will between certain people who are trying to get a grant and one guy gets it, one guy doesn't. And I'm just wondering, has the Minister mentioned . . . I appreciate that this is only a small part of the Budget. I think it amounts to \$150,000 or \$200,000, but it's something tangible that we can see. I think very often Industry and Commerce is very much like advertising, you can't really assess the exact impact of what you're doing. So I would wonder if the Minister has any comments on that, whether his department is in effect receiving lots of questions and calls from different people who are wishing to start a new company and asking for different assistance or what is available.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, if a person is interested in starting a new business and is looking for an industrial incentive, the best course to follow is to apply to the Department of Regional and Economic Expansion. We have a program whereby we will pay a portion, and I guess as high as 50 percent of the cost of doing a feasibility study which has to go with the application to DREE. DREE applications can be very complicated and they can be rather costly for a small business wanting to expand or a person wanting

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd)to get into business. To that extent we help, in fact, hundreds of companies every year that are involved in applying for DREE grants, if not hundreds, many many dozens. But that's essentially the route of industrial incentives. We never respond to the question, what grants are available. We're more interested in helping them analyze their problem, and in some cases we find after sitting down with them for a few days that this type of assistance they think they need is not the kind that they should be getting. I won't elaborate on that. But we are prepared to take a comprehensive look at business problems and act accordingly.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: Thank you, Mr. Chairman. Well the Minister made a comment there earlier, Mr. Chairman, that rather intrigues me. He said that the department is going to have to spend more money to create jobs. I wonder now what kind of money he's talking about over and above what we're looking at here tonight. I'm also wondering, is he looking at productivity as part of that expenditure of public funds? I'm also wondering, is he in trouble now with the Premier's statement of this 2- $\frac{1}{2}$ to 1, which is going to throw a real ringer into his department? I just wonder if there's room for him and his staff if the Premier's going to pursue that policy, because we won't need the Department of Industry and Commerce in this province. I just wonder if the Minister can give me some idea of what kind of money he is looking for, more money to create jobs, and if in fact he's going to look at some form of productivity when we create those jobs, and then how he can, as a Minister, sit there and tell us tonight that he can live as Minister of Industry and Commerce, this 2- $\frac{1}{2}$ to 1.

MR. EVANS: Well, Mr. Chairman, I don't know what the 2- $\frac{1}{2}$ to 1 has to do with creating jobs for people who are at the starvation line in the Town of Amaranth. The fact is that there are hundreds of people that are living off of welfare or on very very low income level jobs. But the fact is, the typical situation is that the jobs just aren't there. Now, do you want them to live on welfare, or do you want us to try to create some jobs. --(Interjection)-- I'm talking about selected areas in the province where you can identify these. . . --(Interjection)-- Well, I'm not sure. There is in the Budget \$250,000 for this type of job creation allocations. I would call it a human development grant. The principle would be where we would attract a manufacturer who could in turn subcontract work to some particular area, whether it be in the City of Winnipeg or whether it be outside of the City of Winnipeg, but where you have to pay a bit of a price, hopefully in an interim period so that you can make up for any losses. Because we're dealing with people who may not have been full trained, and hopefully by paying what is still a relatively small amount of money, we can create some jobs in specific areas. We are hoping to try one or two places and see whether we can accomplish this, but that is the amount of money that has been set aside.

MR. McKENZIE: Well Mr. Chairman, may I ask the Minister, is productivity part of that formula or is it just straight welfare? You called it human development grant, if I understood the Minister correctly. So is it just a straight grant trying to help these people get their skills and learn the trade and become . . .

MR. EVANS: Yes.

MR. McKENZIE: That's fine. Okay.

MR. CHAIRMAN: The Honourable Member from Wolseley.

MR. ROBERT G. WILSON: Under the section that says Programming, design and marketing, to create jobs for small and rural enterprises. Is the Minister familiar with the Dauphin situation? Was there not a company up in Dauphin that made paddles and it seemed to win some design awards, and then the government set up a business in order, as you say, to create jobs, but in fact has now created problems for that business that was existing? The other thing is, in an area like Dauphin where you've got the Mincome situation, how does your department create those type of jobs and how would you design and market in an area where you were competing with a Mincome situation, even though I appreciate it is for only three years, how would you overcome that?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Well, as I understand it, people under Mincome are the people that

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd) were on welfare anyway, so, you know, you're not creating . . . There is a company that we assisted in the design of a paddle for canoes, etc and I believe it's still operative in Dauphin. It started, incidentally, in Winnipegosis and they decided to expand and they moved from Winnipegosis down to Dauphin. The work that we were involved with in this company was not only a new paddle design, but also with some plant engineering advice and also a quality control system. This is all under the Product Development Group Program. We also have been helping this private enterprise company, it's called Xyloid Industries. We've also helped them through the Manitoba Trading Corporation, helping them to sell around the country.

MR. WILSON: To where?

MR. EVANS: I'm sorry in England, the UK.

MR. WILSON: So what happens if, the fact that you come in and set up another company to flood the market, then what you do is go out and try to help these companies unload their surplus? What I mean is, if there's a company there that's a viable company and then you assist bringing the Winnipegosis company in there and creating certain possible problems, do you then assist both companies to become viable or do you just assist the government-sponsored-through-grant company?

MR. EVANS: Well I understand there are two companies, there's now one in St. Malo. I don't know whether I understood the member properly. The company that was in Winnipegosis is the same company that's in Dauphin, they just moved their operation to Dauphin. There's one in Dauphin and one in St. Malo, and we're prepared to help both. I mean, we can't discriminate, they're both private companies. The staff tell me that the market seems to be there and we just hope that they both survive, but, you know, it's their money and they have to take that risk. We will stand behind them in whatever way we can with our programs, but there's no government enterprise in manufacturing paddles.

MR. WILSON: It's not a co-operative or a government enterprise.

MR. EVANS: No, it's a private investment.

MR. WILSON: Okay, thank you.

MR. CHAIRMAN: Resolution 72. The Honourable Member for St. James.

MR. GEORGE MINAKER (St. James): Mr. Chairman, through you to the Honourable Minister. I wonder if the Minister could advise how members are selected to become members of the Board of Directors for the Manitoba Design Institute, what criteria is used in the selection of members?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: We attempt to get a fairly wide cross section of the community. We have people that you might say have had a considerable amount of business management experience. For example, the last Chairman, Wiel Michener, I think has had business experience as well as professional experience in the architectural field, but business experience and some experience and interest in design work... We like to get some people representing consumers, as we've had in the past. We also like to have some representation from labour, and in the past we've also had some representation. I guess you might say, from the professional engineering community. So my experience over the years is that we've usually been able to get a fairly good balance in this particular board, and as I've just described.

MR. MINAKER: Mr. Chairman, I thank the Honourable Minister. I wonder if he could also advise, is there any consideration given to territory or general location within the province where these people come from?

MR. EVANS: Yes, I guess there is in every board of government. There are some difficulties in this particular area, there's some difficulty in gaining people who can come regularly to the meetings and so forth. But I would like to see a greater representation from outside of Winnipeg. We seem to end up, I must confess, in many cases with a great number of people from Winnipeg, but we do attempt to get people from outside of the city and we have over the years, and it's varied. This goes for many other boards that I'm involved with.

MR. MINAKER: Mr. Chairman, I noticed in a recent news release that seven new members were appointed to the Board of Directors, and I notice that there was I

SUPPLY - INDUSTRY AND COMMERCE

(MR. MINAKER cont'd) think two artists, two people involved with the labour movement, one from education and one from, I guess there was one lone manufacturer. Does there seem to be a tendency to select people that are more from, say, graphic design, or artistry than, say, from other cross sections of the community. I notice that there's already, I believe, two graphic designers on the board as well as two artists. I'm wondering whether and how they select these people, that you had indicated earlier, Mr. Chairman, the Minister had, that they try and get a good cross section of the consumers in the province.

MR. EVANS: Yes, well it has varied over the years, Mr. Chairman. As I said we like to get people representing consumer interests, business interests, including engineering and manufacturing. We like to get people who have some interest, however, in design, we like to have some people from labour groups. But hopefully the challenge is design upgrading, and therefore from wherever you may come that is the problem. But I found we've had a fairly good balance over the years. I think the last board had a greater percentage of manufacturers on it, somebody from the furniture industry and so on, and maybe this year we've gone a little bit more towards the artistic.

MR. MINAKER: Mr. Chairman, I wonder if the Minister could advise, is there any gratuity that these directors of the board receive for their services?

MR. EVANS: Yes, there's a small honorarium, \$27.50 per meeting and there are out-of-pocket expenses for travelling if you come from out of town.

MR. MINAKER: I wonder, would that, Mr. Chairman, be the same for for the chairman of the board or the acting chairman at a meeting?

MR. EVANS: We've made a change this year, the new chairman is a member of the Department of Industry and Commerce and he receives his regular salary. No civil servant serving on any board or commission in Manitoba receives an honorarium in addition to his regular salary.

MR. MINAKER: I wonder if the Minister could advise how many meetings normally are held within a year.

MR. EVANS: About five, five meetings a year normally.

MR. MINAKER: Thank you.

MR. CHAIRMAN: Resolution 72(d)(1)--pass; (d)(2)-- the Honourable Member for La Verendrye.

MR. BANMAN: The \$229,000. Would that represent a majority of the grants that we've just been talking about?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: I can give you a breakdown. It does include assistance, these Designer Marketing Grants, to small business, but it also includes this Federal-Provincial Product Development Program. It's 120,000, but 60,000 of that is recoverable, so of the \$229,500, \$60,000 is returned by the Government of Canada. There's \$10,000 for Program Administration and expenses of the Design Institute. Did I mention the \$20,000 for Product Design and Market Review Boards? \$30,000 we've allocated this year for these various miscellaneous grants; \$30,000 for Product Development Research and Community Design programs; we provide \$5,000 as a grant to the Design Management Centre at the University of Manitoba. That is a joint Federal-Provincial funding whereby we also get funding from the Province of Alberta and the Province of Saskatchewan; Alberta pays \$5,000, Saskatchewan \$5,000, Manitoba \$5,000, and the Federal Department of Industry, Trade and Commerce pays \$15,000. At any rate that's included there, and then there's \$14,500 for various publications and awards. So that itemizes 229,500. I may have repeated myself at one point, if your arithmetic doesn't add up, but that's what it does add up to, 229,500.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: I just wondered, you said "publications", what publications would those be?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: They're mainly pamphlets that are used in conjunction with these Product Review Boards that we hold around the province, miscellaneous. It's a very

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd)small amount, \$14,500, for various publications, but that includes also the preparation of the awards and a little bit of promotion that's involved and a little bit of advertising.

MR. CHAIRMAN: Resolution 72(d) (2)--pass; (d)--pass. Resolution 72(e) Regional Development (1) Salaries. The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. I wonder if the Minister could tell us what percentage of business assessment is in rural Manitoba, and when I refer to rural Manitoba I refer to Brandon, Portage, Dauphin, Steinbach, versus the assessment in Winnipeg. Would he have those figures?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: I'm not sure whether I understand the question. Is the Member for La Verendrye asking, of all the expenditures and of all the staff resource time that is expended during the year, what percentage is expended on assistance outside of Winnipeg as opposed to within the City of Winnipeg?

MR. BANMAN: No. To clarify that statement, Mr. Chairman, or that question, the business assessment as far as municipal assessment is concerned. In other words, I think that would give us a fairly good indication of what is happening with regards to the construction and probably the maintenance of existing businesses or the moving in of new ones.

MR. EVANS: I don't think I could give you that estimate easily. I think you might have to go through the Municipal Affairs documents and see what the business assessment figures are from one year to the next.

MR. BANMAN: Further along the line of regional development, our corporations have been working for some time now and they've been involved in things such as the regional analysis program and are of course very active in trying to attract businesses to the different areas or regions of Manitoba. I think one of the benefits of course of the regional development corporations is that it gives a lot of the municipal people within that particular region a chance to get together and maybe discuss their common problems together. I'm wondering if the Minister - we're looking at a \$600,000 figure here - if the Minister has any changes that he is anticipating as far as the development corporations are concerned. Has he got any feelings about the direction that the regional development corporations are going, and if he feels that they are performing satisfactorily. I note that some of the corporations are losing some of their members because, of course, you might have the jealousy from one area from another which is always present. But where are we heading with the corporations? Does he see any changes in the future with regards to the function of these particular development corporations?

MR. EVANS: Mr. Chairman, I'm glad to do that but that would be regional development finances under Other Expenditures, not under the Salaries of this branch, but I'll be glad to answer the question.

MR. CHAIRMAN: May we see if there are any questions on (e)(1). The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, I wonder if the Minister would advise us, under the Salaries item, how much of those salaries are related to Regional Communications?

MR. EVANS: I wonder if the member could be more explicit. I'm not sure, you mean writing a letter to me?

MR. MCKENZIE: No. Mr. Chairman, if the Minister will refer to Page 26 of the the Annual Report, it says that in this area there is three main objectives: No. 1 is Small New Enterprises and Local Entrepreneurship Development; and the second is Special Development Projects; and the third one is Regional Communication and Information. I'd like to know how much of this salary item is related to Regional Communication and Information?

MR. EVANS: It's difficult to give you a precise estimate on that, Mr. Chairman, because there are three or four staff members that do spend a lot of their time working with the regional managers, attending the monthly meetings, working on projects for the corporations, but they don't necessarily spend all their time with those corporations. I don't know what percentage of their time is spent, but we have about three or four people, some of whom you know, Norm Bergman maybe. I'll just mention him because he's so

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd)very well known. He spends a considerable amount of his time liaising, communicating with NorMan and I think WestMan or whatever region, but the point is he's also very much involved in the Community Management Programs, organizing these throughout the province. So I don't think we can give you an estimate of that, except to tell you that we have three or four personnel in this branch. They spread the work around, one person will take one or two corporations, and so on.

MR. McKENZIE: Mr. Chairman, I hope the Minister will give us that kind of information. The reason I ask for it is because there was a day not very long ago in the Minister of Agriculture's office in Roblin there were three people, there's 17 there today; in the Department of Mines and Resources there was one, there's seven there today. You go into the Department of Agriculture in Dauphin today, there's about 70 in there, there used to be five. And I'm just wondering what kind of regional communication and information and what liaison, what kind of staff changes and how the moneys are being transferred back. I know there are more and more civil servants in the rural area, but what liaison and what kind of a communication are you talking about here and how many people are involved

MR. EVANS: Okay, the number of people in the branch, as I am advised, is seven at the present and there's one vacancy, for a total of eight. And that includes three staff outside of Winnipeg, one in Brandon, one in Portage, one in Selkirk.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, the Member for Roblin raised the question of the difference in staff numbers as between Roblin and Dauphin with respect to the Department of Agriculture, and I simply want to take the opportunity to point out to him that Dauphin is the headquarters for the Parklands Region. Since the department has regionalized we have set up a central system within each region, and that Roblin is merely a smaller office operation, a satellite operation so-to-speak servicing a very local function, the local areas.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Under the Salaries, Mr. Chairman. First of all in the Annual Report they mention that the branch assisted the marketing potential and feasibility of 35 businesses, private industries employing 80 people were established during the fiscal year and 18 of the remaining 30 projects are still under consideration. Would this be a total that the development corporations handled or was this where the department got directly involved with the regional development corporations?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: I would say, Mr. Chairman, that in all likelihood it would have been co-operatively dealt with the Manager of the Regional Development Corporation. Particularly in any significant development the RDC is directly involved. But it could be that someone from Steinbach comes into the office and talks to our people and spends two or three hours at a time and we set him up at some trade show in Toronto. I mean, that's the way the cookie crumbles, that's the way the world works. And the regional corporation is not involved. So, you know, it happens that way. But any major industrial development, the regional corporation is always involved.

MR. BANMAN: Further down in the report, Mr. Chairman, it mentions that the branch also assisted the Department of Finance in organizing a tour of northern hydro development sites for representative out-of-province investment houses in support of a \$150 million provincial bond issue in October. Does the department do quite a bit of this type of work? And in a case like this, would the bills as far as the air fares and some of the organizational costs be borne by the Department of Finance or would the Department of Industry and Commerce absorb that?

MR. EVANS: Mr. Chairman, my information is that that would be borne by the Department of Finance. I can tell you that this simply refers primarily to Mr. Norman Bergman who has a fantastic knowledge of business contacts all over this province and he's very good at organizing these types of tours. This is not done that extensively but we were glad to have been able to help.

MR. BANMAN: Well, just a point. I would agree with the Minister that if

SUPPLY - INDUSTRY AND COMMERCE

(MR. BANMAN cont'd)Mr. Bergman arranges something it's usually arranged and you don't have to worry about the consideration, so I can see people wanting to use him for that particular purpose. Thank you.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: I wonder if the Minister might explain what this person in Selkirk would be doing. He mentioned there were three in two other towns and cities and one in Selkirk. So I can familiarize myself, what's he doing in Selkirk? What would he be doing?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, essentially it's a point of contact. This is true in the three cities or towns. That person is a field person, I suppose, and is a point of contact for the people in the Interlake regions. He by himself of course can't provide an extensive amount of assistance, but he does funnel problems and requests to the appropriate people in the department. And he does a significant amount of travelling to the various towns and helps to - well he would help to set up some of these community management development programs that we have in the region. We were talking about that earlier this afternoon, I don't know whether the member was here. But we have an extensive Community Management Development Program for example. These are some of the things that that person would do. If there was any possibility of a new industry developing or expansion, he could be the first point of contact, not always, but he could be.

MR. CHAIRMAN: Resolution 72(e)(1)--pass; (e)(2) - the Honourable Minister.

MR. EVANS: Mr. Chairman, under this item, the Member from La Verendrye asked about the directions that the Regional Development Corporation seemed to be taking and what I personally felt about the directions, and so on.

It is true that some of the corporations have lost members, constituent members. The constituent members are essentially the municipalities, they contribute on a per capita basis. I am pleased to report that while there has been some losses, this past year we've seen some return to the fold, a number of municipalities. This is particularly true in WestMan, I believe, where several municipalities which had previously dropped out have now come back in.

We have increased our financial support to the corporations in the past year. We offered to pay the corporations an additional dollar for every new dollar they receive from their municipalities. I might add that since the corporations were formed in the late Sixties and early Seventies there has been no change, no increase in the per capita contribution by the municipalities, and we felt that having increased our contribution to the corporations in the past several years so that our contributions in some cases were getting to be what, 65, 75 percent, pretty high, that if they wanted to remain self reliant and independent, that they in turn should put up some more of their own money. So we said, okay, we will increase the contribution on a dollar per dollar basis. I am pleased to say that a number of the corporations have responded. I would mention the Central Plains Corporation which increased the levy from its own members by something in the order of \$6,000, and we have matched that in the order of \$6,000, so they've got a better budget with which to work.

I think that the corporations have gone through a couple of phases. I think initially perhaps too much was expected of the regional development corporations. I think some municipalities, some municipal leaders who contributed their funds, their taxpayers' money, thought, well, all we have to do is join the development corporation and we'll have a factory in our town inside of a year or so. And it simply of course doesn't work that way. I think they've gone through that phase. I think there's a much more realistic appreciation of the role of the corporation and of the limitations which the corporations face. In many ways, the limitations that are faced by the regional development corporations are the same limitations that are faced by the provincial Department of Industry and Commerce. You know, we can try very hard, we can promote, we can do industrial research, we can contact possible investors and so on. We do all those things. We work very hard, but we have to work within realistic constraints, our market is of a certain size, we've got a certain geography, a certain resource base with which to work etc.

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd)

I think the corporations have come to that stage of maturity, and I believe that they have been a tremendous force for creating greater harmony and co-operation among the towns within that particular region. Now I make that as a generalization, there will always be exceptions, but I think that there's a greater feeling of cohesiveness, there's a greater understanding of what economic development is all about. I would hasten to add that a lot of the very good work that has been done by the staff of the corporations and by the Board of Directors is in the general field of economic development, which may not involve manufacturing, may not even involve retail work, it may be simply the improvement of the tourist industry in their particular region. So having said that, I think I've given you a very capsule review of what I think has happened and is happening to these corporations.

MR. CHAIRMAN: Resolution 72(e)(2). The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, I'd like to ask the Minister a couple of questions. The trade missions - what's been the experience of attending these trade missions etc.?

MR. EVANS: That's not under this item.

MR. McKENZIE: Aren't we under Trade and Industry now?

MR. EVANS: No.

MR. McKENZIE: Oh, I'm sorry, I apologize.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: I don't want to keep the Minister here on this thing too long, but I'm just trying to convince myself. Could he do me a quick selling job as to why this \$617,000 is well spent? I'm just going over my mind, it says here five industries employing 80 people were established, does this mean - in your opinion, do we get this money back in tax dollars for the help that we give? What I'm saying is, that it seems to me in some of the areas where you've got representation, the areas in my opinion are dead and I wondered if there's some excitement going on there I don't know about.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, I would state categorically that you cannot measure the return on this expenditure of \$617,300 in terms of the number of new establishments, because it is very difficult to bring new industry to rural Manitoba. I think this is what the Member from Wolseley was implying and I would be the first to admit it. The great bulk of work that is performed is really in assisting the existing enterprises in improving their productivity, and I really think that we've done a considerable amount. I wish we had the time, or if members would like to take the time, to go into the vast array of programming that we have for rural Manitoba.

I've mentioned the community management programs before, but there are other specific items that we've been engaged in. Through this branch we are looking at the possibility of taking people in certain areas where there's high unemployment, taking them off welfare and creating some jobs for them. We're hoping to interest, and we have worked with one or two companies in contracting some work out to some of these localities where there's high unemployment, and it remains to be seen how successful we will be. Well, that's a new area that we're more or less involved in.

We spent some of this money in communities helping them to develop industrial parks or planning industrial parks. 9000 for example is in here for Winkler, Portage la Prairie and Swan River to help them develop and establish industrial parks. You know, you have to go out to these towns, and you do see that they do have some industries. They may be small but they do have some pretty viable small manufacturing enterprises. But the biggest figure in that \$617,000 is the grants for the regional development corporations. The minimum figure we have here is 250 but it could exceed that, so - well about 40 percent of that is the grants to the regional development corporations. There's also moneys in here for some feasibility studies for rural enterprises. I would not like to judge the investment of that money in terms of the new companies that happen to arise in rural Manitoba.

MR. CHAIRMAN: The Honourable Member for Wolseley

MR. WILSON: Yes. Very quickly. In other words, if you are assisting in

SUPPLY - INDUSTRY AND COMMERCE

(MR. WILSON cont'd)planning, some of this money may be spent and the plans may be on paper or in a can so to speak. They'll be futuristic kind of things.

MR. EVANS: Well some yes, but some not so, some are very pertinent. I'd give you one example. The Member for Virden is not with us, but he's got a company that has developed in the last two years, Waldon Industries Limited. They manufacture farm equipment. We have done a considerable amount of work with them in the past and we are right now. You're working with them on their Manpower requirements. We're helping them with plant design and so on. And that takes staff time and that's part of the salaries, that's part of the money that's spent. But that's the company that employs I think 200 people here and now and that's pretty darn important for the Town of Virden. And the regional branch is involved in that.

MR. CHAIRMAN: Resolution 72. The Honourable Member for Roblin.

MR. McKENZIE: Mr. Chairman, how many staff in this section of the department?

MR. EVANS: Well I answered that before but I'll answer it again. There's seven on staff now and there's one vacancy, for a total of eight.

MR. McKENZIE: Thank you.

. . . .continued on next page

SUPPLY - INDUSTRY AND COMMERCE

MR. CHAIRMAN: Resolution 72(e)(2)--pass; (e)--pass, Resolution 72, resolved that there be granted to Her Majesty a sum not exceeding \$2,613,400 for Industry and Commerce--pass. Resolution 73, Trade and Industry Group (a) General Administration (1) Salaries. The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, I wonder if the Minister through you could advise me where I could raise questions regarding Manitrade. Would it be under this section or would it be under 73(3)(c)?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Yes, (3)(c) is most direct, although General Administration is general administration.

MR. MINAKER: I wonder then if I might raise a few questions. In the year-end report for Industry and Commerce there's indication that Manitrade contracts with Manitoba clients are on a commission markup or a service fee basis. I wonder if the Minister could advise the committee if Manitrade is buying and reselling goods.

MR. EVANS: This is probably best discussed under Trade Development. The reason . . .

MR. MINAKER: Okay. Well then, Mr. Chairman, I'm sorry to interrupt the Minister, I can wait and deal with it under that section because I have other questions relating to this.

MR. EVANS: I'll be pleased to answer it for you.

MR. CHAIRMAN: Resolution 73(a)(1). The Honourable Member for Roblin.

MR. McKENZIE: I just wanted to know if the Minister could give me some idea about the rapeseed crushing plant which I raised earlier and if he and the department have done some feasibility studies, or is it feasible to suggest even today when the rapeseed market is certainly depressed and may never recover for various reasons? It was a real issue not too long ago, and I'm sure if the Minister and the government give some indication that they're prepared or somebody's prepared to provide crushing services in this province rather than ship the raw product out, which is one of the things that we've been asking for for years, put the finished product out, especially from the northern areas. Studies that I have looked at and others indicate that it's feasible, and unless we are prepared to enter into that market now, we may be at the stage in where it's over and others are going to pick it up. I'm just wondering if the Minister could give me any indication which I can take back to my constituency which basically grows I guess half the rapeseed of the province, if they in fact should not forget rapeseed and get into the other grains. They're still waiting for some direction or indication either from the Provincial Government or Federal Government if they should proceed or go back and grow wheat, oats and barley.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, I could advise the honourable member that we did complete a feasibility study in the fall of 1975. This was an interdepartmental effort including the Department of Agriculture, and I believe a DREE application was considered for a plant in that area. I don't know whether it's in the town of Roblin or not.

MR. McKENZIE: It doesn't matter where it is.

MR. EVANS: In that vicinity, but it was turned down early in this year, early in 1976.

I might also add that I received some disturbing news that the Federal Government is altering the freight rates in such a way that it could be very damaging to the rapeseed crushing industry in western Canada. It could even force some existing companies out of business. But that's a bit of preliminary bad news I hope to be able to be pursuing this in the next day or two, affecting Alberta and Saskatchewan as well as Manitoba.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: I wonder if this is the area where we talk about the maintenance of employment in Manitoba's industry sector. And I wonder under the garment industry with all the work that we did to go into, some of the assisting and bringing over many skilled people in the needle trade and setting up through I guess grants some of the reservations or the native programs, what are we doing now that the garment industry has

SUPPLY - INDUSTRY AND COMMERCE

(MR. WILSON cont'd) fallen on hard times? And where do these people go, these unskilled people - well, they were skilled in the needle trade - where do they go now that we've brought them into the province from Europe? Where do they go now? Are they setting up other . . . ? The question I'm asking is, is there a decline in the needle trade pertaining to the closing down of some plants? And again I'll speak from sort of the street talk, that apparently Monarch Wear has geared down; apparently TanJay's gone out of men's clothing, and this is the type of thing that I'm talking about. Do you feel that the public is aware there's a slowdown in the needle trade or is there not really a slowdown? I may be just sort of seeking an opinion from the Minister.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Mr. Chairman, in the last couple of years there was quite an expansion in the clothing industry and again I have to rely - and I'm not disputing, you know, perhaps some of the bad news the honourable member's heard as it may have affected one or two companies. But according to the Statistics Canada the clothing industry in Manitoba - this is in terms of the value of factory shipments - clothing industry in Manitoba increased by 13.9 percent in 1975 over 1974. Now I know there's some inflation in that, but it's not a negative figure at least.

I was going to mention, and I think we made some reference to this last night under another program, but we do have a very active program which we established a few months ago. I met with the committee of the Fashion Institute of Manitoba Industry Association, the Executive Director and some of the other executive members and we've established a Human Resource Development Program. We're also establishing what we refer to as a productivity centre. The advice that I received is that generally speaking the industry seems to be holding its own. But you must understand that a great percentage of the industry's output is sold in the United States and elsewhere in Canada and we can be as productive as we like but if there's a recession in the markets that normally buy the products made in Manitoba it's going to have a dampening effect on the companies here. The general observation I get from departmental staff is that the industry seems to be holding its own.

MR. WILSON: Well, again the Minister talks about value in goods. In dollar terms, he's probably correct. But I would think that a pair of blue jeans has gone up three or four times what I used to buy them for and I just make the observation 13.9 is really not - to me that indicates that the business is slowing down.

One part of my question that wasn't quite answered in that we talked about maintaining employment in the Manitoba industry. Now if the needle trade is slowing down but is holding its own pertaining to value in goods, but maybe not values in numbers of items flowing, that means that certain people are either being laid off or for instance if they're closing down certain sections that they normally would employ people, what happens to all these new Canadians that have been brought in? In other words I guess the question I'm asking is: is there work for those who want to work? Are they being absorbed in the work force? While they were brought here originally for the needle trade I guess they're going off - the question I'm asking is: is there employment for them?

MR. EVANS: Yes.

MR. WILSON: Because the question maybe I'm asking is if you have growth in a particular industry, like you talked about the boom in 1974 in the needle trade, and now maybe we're looking on a levelling off or in effect, certain recessions. As you say they export their product. I'm just looking for the Minister's comment in that area.

MR. EVANS: Mr. Chairman, I will comment on that. I just wanted to add though that while the clothing industry increased its output in 1975 over 1974 by 13.9 percent, in all of Canada the change was 4.7 percent. So compared to the national average we're about three times better off in terms of percentage increase.

I might also add that in terms of total factory shipments for all industry groups in Manitoba, the total increase was 9.5; that's for every industry group: metal, machinery, electronic products, etc. So even compared to the Manitoba total the needle trade surpassed them: $9\frac{1}{2}$ for Manitoba all industries; 13.9 for the clothing industry.

The information we have is that while there is a lot of pressure from offshore

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd) imports causing some adjustment in the industry that the member referred to, my advice is that there's a very strong demand for employees. The industry is always looking for productive employees and the job is there if you can do it. I'm sure you could phone up any one of the leading manufacturers in town and they'll tell you that same story.

MR. WILSON: Then maybe the question of what department or what hold do you put on these people when they're brought here to work in the . . . They're brought here to fill a void in the needle trade. Is there any contract for two years, one year, six months? How come if there's slow-down in business that there's still a demand for people if . . .

MR. EVANS: Mr. Chairman, the program that the Member from Wolseley is talking about where many immigrants were brought into Manitoba from Italy and the Phillipines was a program, I believe, that evolved under the previous Minister, Mr. Spivak. That was many years ago and there was some subsidy. We terminated that program when we came to government although we paid some of the bills that were outstanding. But I repeat there isn't a problem of these people. Many of them have left the clothing industry and have gone into hospitals and nursing homes and other places. But I mean it's a free society and that's their choice and many of them have drifted away, that is true. But quite a few have stayed.

The problem, as I understand it, is finding enough sewing machine operators, particularly sewing machine operators so that it's not the problem of not enough jobs for such people. The amount of immigration into the clothing industry is very minimal today, extremely minimal, and it has to be approved by the Federal Government. We as a province are involved in advising them about the supply and demand situation. So at the present time there is no major immigration into the clothing industry in Manitoba.

MR. WILSON: I'll leave it at that except that I would hope the Minister would gear up the emphasis on this training program for the employables. I know that some of the work that was performed out on the reservations, the quality of workmanship is superior to that done in the city except that unfortunately the numbers of garments produced are far less. Therefore it doesn't become viable so obviously they need some kind of government help in order to justify carrying on the business.

MR. EVANS: Mr. Chairman, without going into detail this is what this Productivity Centre is all about that we are in the process of establishing in co-operation with the industry.

MR. WILSON: Right on.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. I wonder if under this particular heading we could discuss DREE.

MR. EVANS: Yes I suppose we could. I think Item (b) is probably more appropriate than General Administration. It happens that the Assistant Deputy Minister heads up both Industry and Trade development and some of this staff are included under General Administration.

MR. CHAIRMAN: Resolution 73(a)(1)--pass; (a)(2)--pass - the Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, I'm wondering of the experiences of the Minister and the department at the trade fairs that they've attended around the world and it looks like they've went extensively around the world. What's been the experience? Can we sell Manitoba products in Lima, Peru, which it looks like you can't sell any products for the mining industry in that country. Or Turkey? West Germany? What has been the experience of attending those trade fairs?

It appears - and I'm not that good at reading statistics - that furniture sales have been one that has . . . Calgary here is an example and others that certainly recognize that we must have good furniture in this province and the prices are right. The general outlook that the Minister and his department have in attending these trade fairs and I'm all for that type of projection and activity, we've got some products to sell here. But I'm wondering what the Minister can advise what the result has been of it. If we can turn - the Annual Report is - I'm looking at Page 44 . . .

SUPPLY - INDUSTRY AND COMMERCE

MR. CHAIRMAN: Order please. We haven't yet passed 73(a). I believe the honourable member's remarks would come better under Industrial Development or Trade Development.

MR. MCKENZIE: I was using Other Expenditures as the one that I was trying to get.

MR. CHAIRMAN: The Minister advises that it would be better dealt with under Trade Development.

MR. EVANS: Yes, if you wouldn't mind.

MR. CHAIRMAN: 73(a)(2)--pass; (a)--pass. Resolution 73(b) - Industrial Development: (a) Salaries. The Honourable Member for La Verendrye.

MR. BANMAN: I'd like to briefly discuss the Department of Regional Economic Expansion with the Minister and receive several of his views on it. We note that the Economic Council of Canada in the last little while has said that they feel that DREE has had little impact on the regional disparity of Canadians. We also note that Quebec has got its lion's share of that particular agency getting 46 percent, almost half of what the Federal Government has put out.

I think the questions that I would like to know is the Minister mentioned before there, that if a Manitoba company is interested in applying for a DREE grant the Manitoba Government - if I understood him right - absorbs 50 percent of the cost of the application. I understand it's a fairly extensive application. Does the Federal Government absorb the other 50 percent? That's one question.

I presume the government then employs certain consultants with regard to this. I noticed in another article not too long ago that the Regional Economic Expansion people have gone ahead and spent as much as \$15 million to \$16 million a year on consultant fees to process these application forms which seems like one large sum of money.

Basically I wonder if the Minister could tell us if he feels that DREE has done a job in Manitoba? I know many of the companies that I've spoken to, it's given them that initial boost. I think it should also be pointed out to many people that once that money is received for any expansion whether it be machinery or anything else, that is already taken off the retail cost of that machine which means that the company cannot then use that as a depreciation or a write-off after that. So it doesn't look as good as it may seem. When we see a company gets \$40,000 or a million dollars that goes towards the processing equipment or a particular manufacturing equipment, in fact that comes off the top and the company is then not allowed to depreciate that particular equipment. I'm wondering if the Minister could comment on the remarks of the Economic Council of Canada with regards to the limited effect that DREE has had on regional disparity and his feelings over Quebec's getting the 46 percent of that agency.

A MEMBER: What did we get, eight or nine?

MR. EVANS: Well to answer the earlier question of the Member from La Verendrye on the 50 percent sharing of the cost of the feasibility study, while the Department of Industry pays 50 percent, it is expected that the firm that is completing the application pays the other half. Then of course if they are successful with the application then they are eligible for some grant or other.

You know I've been on record previously and I would simply repeat that I'm not satisfied with the amount of DREE funding in the Province of Manitoba. At the same time I'm inclined to question the degree of effectiveness of industrial incentives as a method of stimulating industry. It's one of these questions that you could argue forever and a day on, you know. Very often, unfortunately, an industrial incentive may cause an industry to come into being and to be located at a certain place and after two or three years, after the incentive money originally runs out, so to speak, the industry folds. So I don't know whether there is anything to be gained by this. The fact is you have to recognize that certain regions of Canada have particular limitations, whether it be resource base or whether it be the market or manpower supply or whatever. I would say, merely repeating what I've said before on various occasions, that there is a limited degree of effectiveness of DREE. Having said that there are examples where DREE can be very instrumental.

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd)

There are one or two companies that I can think of in Manitoba where DREE can be extremely instrumental in providing an incentive to make something happen that wouldn't perhaps happen otherwise. So I'm not trying to sit on the fence on this. I'm not satisfied with the amount of DREE moneys that have been spent in Manitoba. I think in some cases the moneys have not been that effective. But having said that I must admit there are one or two cases that I can recall, and there are probably others, but there's one or two that I can recall where the DREE money has been very important to the people. I see my friend the Member from Virden. I think it's been very important to Walden Industries Limited and so I use that as an example. My criticism is that they should have got more than they did. --(Interjection)-- No I'm talking about DREE money, not our money.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: I wonder if the Minister could tell us what time or what amount of money the department expended with regards to the filling out of the DREE applications or helping the companies with the DREE applications. Is this done through a private consultant firm or does the department do it?

I think just as a matter of personal thinking with regards to the DREE facilities very often we get caught up in the grant syndrome as I mentioned before and many of these companies would have possibly gone ahead with construction of a facility of one kind or another without that particular amount of money. As I mentioned the benefits in very many cases isn't that significant.

I wonder if the Minister could just tell us how much we did spend on processing these DREE applications and maybe you could enlighten us a little bit. I understand that certain firms, some of the larger corporations, because of this constant search for grants and money that governments are handing out are employing full time employees on staff already just going around just looking for grants. It seems to be sort of a fruitless and non-productive type thing but we seem to have created that climate in society now where a lot of the companies that are larger can afford people who just sit and watch the grants as they go by and pick them up as they can pick them. It puts some of the smaller industries at a disadvantage. Maybe this is one of our biggest problems in the last little while. A lot of the home grown industries - and I know some of the larger industries in my particular riding have evolved throughout the years and they've got a solid base, a solid footing, and they aren't causing any problems for anybody. They're providing employment for the people of the area and I think very often what we do is we don't recognize these people enough. They get put off sometimes seeing different people get the money when they've had to slug it out themselves and it's a problem that we have created, not only on the provincial scene but federally too of course.

MR. EVANS: Mr. Chairman, the Member for La Verendrye asked about moneys to help in processing. I want to hurriedly state that we do not process the applications. What we do is provide moneys to help them to do the feasibility study and prepare the application. It's the Federal Government that processes the application.

Our quick best estimate is that we are likely going to spend maybe \$40,000 - \$45,000 in the next year and that's half of the cost. I would also hasten to add that this money is essentially for these small companies that you talk about. I mean the bulk of the work in this department is for the small entrepreneur, it's not for - you know the large companies by and large can look after themselves and indeed do. Most of our work is geared towards helping the smaller Manitoba companies.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, I'm reviewing the Minister's Annual Report and I see an item here of some \$17,000 for a feasibility of the whey plant in Selkirk. Can we in the opposition have some access to that feasibility study?

MR. EVANS: I'm advised that this department did not spend any money on a whey study, feasibility. We didn't spend any money on a feasibility study.

MR. MCKENZIE: Well I just see the item for \$17,000 and I wonder what was the money spent for?

MR. EVANS: What page was that?

SUPPLY - INDUSTRY AND COMMERCE

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Mr. Chairman, it's on Page 17 under the Food Industries Branch. You'll notice that right on top there it says a whey/milk powder/butter facility at Selkirk. It's the primary and secondary activities of the branch during the year ending . . .

MR. EVANS: That refers to the input of the staff towards this. As you know there was an inter-departmental committee including Industry and Commerce and the Department of Agriculture and that would refer to staff time spent. I am advised that we did not expend any moneys for an outside feasibility study. Our department did not.

MR. BANMAN: I wonder if the Minister could provide us with maybe a rough figure of how many man hours were spent with regards to this particular study.

MR. EVANS: A third of a man year.

MR. BANMAN: Was the Minister of Agriculture's Department or Crocus Foods charged for that third man year?

MR. EVANS: No, that's not customary. Just as we don't charge a private company in Steinbach for a third of a man year if need be.

MR. BANMAN: Further along under the Food and Industry Branch we notice that there's a directorship and it consists of Morden Fine Foods, Crocus Foods and Manitrade. Is this basically a . . .

MR. EVANS: As I understand it the individual served on those boards because of his technical expertise in this area.

MR. BANMAN: The food processing people as far as the private processors - and I appreciate we don't have too many in Manitoba, it's probably one of our problems - but people such as the people in Portage . . .

MR. EVANS: Don't forget the bakeries and the dairies and so on. Meat packing plants. That's all food processing. It's pretty big.

MR. BANMAN: That would then lead me to the question of why would the basic people involved in the directorship of this particular company be - and there seems to be three government agencies and then one, the Manitoba Dairy Board. Now I presume it's the Dairy Board and not the Manitoba Milk Producers Marketing Board because that would be another group.

MR. EVANS: I'm sorry I didn't catch the entire gist of the question.

MR. BANMAN: Well to put it bluntly why aren't there any private companies with regards to that particular directorship?

MR. EVANS: As you pointed out these are publicly owned. They're government financed companies. I would think that it would be a conflict of interest if a member of the staff of Industry and Commerce would be on the board of a particular private company. Well it could be. I think it would be very awkward actually. I mean a company that was at least active in Manitoba.

MR. BANMAN: Do I understand the Minister correctly that the Department of Industry and Commerce then provides personnel to sit on the Board of Directors as far as those four agencies are concerned?

MR. EVANS: Yes, this involves one person as I understand it in each case. Maybe in Manitrade there were two people. Manitrade is an agency of this department.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: Well I'd like to split this one up I guess in two. The first observation is: as a layman I don't know too much about it but attending Expo in 1967 in Quebec City I attended the Canadian Mink Breeders Association Convention as an observer because people were going on with me to Montreal. Since that time I've just sort of had a passing interest in the industry and I wondered what has happened to the mink industry in Manitoba. We have all the beef by-products, we have all this left-over stuff, we have fish. We discovered apparently something that was second to none in Time magazine, something like the sable mink. At one time we had the best fur industry in North America. Now this mink that was discovered here in Manitoba apparently is being herded in Wisconsin. I wondered what is the government doing to bring back the fur industry to Manitoba?

MR. EVANS: I'm not sure whether I caught the last question.

SUPPLY - INDUSTRY AND COMMERCE

MR. WILSON: I was asking what the Minister's plans are under Industrial Development to bring what was supposed to be a natural, it was like rolling a seven, for the fur industry to be a viable industry in Manitoba. What has happened if all these factors are there if we have the fish, the beef by-products and we have the discovery of some interesting species. What has happened to the industry? I remember at one time even going to Victoria Beach area that was a - now you don't see a mink pen anymore. I just wondered what's gone wrong with the industry?

MR. EVANS: Mr. Chairman, you're talking about the primary industry, fur raising. That's under Mines and Resources.

MR. WILSON: Mines and Resources?

MR. EVANS: Or is it Agriculture. Renewable Resources.

MR. CHAIRMAN: The Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I think it should be pointed out that the mink industry in Manitoba took its downturn at the time where the Russians and the Scandinavians became very aggressive in the market and under-priced to the point where it wasn't profitable for Canadian mink ranchers to make a go of it. I don't know whether that still is the case but that was really what happened as I recall it two or three years ago. There's not been a recovery since.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: The thing was that I was surprised that it would be under the Minister of Mines and Natural Resources because so many of these fish plants and different things like that in a small sense in my opinion relate and possibly if it had been under the Minister's department maybe it wouldn't have disappeared from the scene.

However I wanted to ask another question under the Peat Moss Operation. An article appeared in the paper, some fellow named Manson Coles or something discover how he's going to make peat as some kind of thing. Was this just a pipe dream or is this industry taking off, this peat operation? Is there anything being done with new discoveries to make this operation go?

MR. EVANS: Yes there are two peat moss companies in Manitoba and they're both active. I believe one has come to Manitrade, Manitoba Trading Corporation for some assistance in looking for new markets and we're helping that company. They're both privately owned I believe.

MR. WILSON: Do they sell all they manufacture? Do they sell everything that they have or is there a surplus?

MR. EVANS: Well it's a mining type of operation I suppose in a way. I think they probably dig out of the ground as much as they mean to sell or as much as they can sell.

MR. WILSON: I see.

MR. EVANS: I can't give you an update exactly on their profit picture or what-have-you.

MR. WILSON: So in other words the Minister's Department could play a large role in the expansion of this particular product.

MR. EVANS: Well we have worked with both of those companies and one in particular has asked for some help through Manitrade and we are working with them.

MR. WILSON: Last but not least we had a company here called - I think I used to buy bacon from them, Dents, that went under. I wondered what has the government done to make F. G. Bradley so successful that they couldn't have done with the former operator. What I'm saying is what involvement does your department have with F. G. Bradley?

MR. EVANS: Well as I understand it, Mr. Chairman, the original Dents Company did have some difficulties and went under but two or three of the originals started up again and they are doing some processing of sausages. But F. G. Bradley, we were instrumental in working with them. They were interested in coming to Manitoba. I'm very pleased to report that when they filed their DREE application they indicated that they would likely hire 35 persons. By the time that they got established on a more or less ongoing basis and today I'm advised they now have 78 employees.

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd)They've got double the number they expected so they're doing very well.

MR. WILSON: Just so I'm clear. What role did your department play with this company?

MR. EVANS: The role we played is the role we play with a lot of new companies and we provide them with market information, do a lot of contact work for them. I'm not sure, I guess they got a feasibility grant. We helped them get the DREE grant and you know just general consulting and industrial promotion service.

MR. CHAIRMAN: Resolution 73(b)(1) - the Honourable Member for Roblin.

MR. McKENZIE: I want (b)(2). I apologize, Mr. Chairman.

MR. CHAIRMAN: Resolution 73(b)(1)--pass; (b)(2)--pass. The Honourable Member for Roblin.

MR. McKENZIE: The item \$65,000 that the Minister is recovering from the Federal Government, could he explain what that covers?

MR. EVANS: That's under the DREE planning agreement. There's an item in here for DREE Planning. This is general planning that the Federal Government seems to insist on and that's estimated at \$130,000 and of that \$130,000, \$65,000 is recovered from Ottawa.

MR. McKENZIE: To further clarify that point, as I understand this whey plant at Selkirk the Federal Government contributed X-numbers of dollars, or did they? The word that I was going to ask the Minister to explain on page 67 was the "Optimization of Whey Management, \$17,000." Some of those words, that first one is beyond me - "optimization."

A MEMBER: They haven't got those words in Roblin.

MR. McKENZIE: Is that feasibility, or . . . ?

MR. EVANS: No. Mr. Chairman, the Federal Government paid nothing towards any type of study for the whey plant to my knowledge. That's something you should really be asking the Minister of Agriculture.

MR. McKENZIE: Well did they contribute X-number of dollars to the construction of it then?

MR. EVANS: There was no construction. The whey plant?

MR. McKENZIE: Well then did the Manitoba Government make application?

MR. EVANS: Yes the Manitoba Government - this was made, yes.

MR. McKENZIE: And you never received anything?

MR. EVANS: Well we didn't proceed so there was no DREE moneys forthcoming.

MR. McKENZIE: Then would the Minister explain now this optimization of whey management, that \$17,000 of hard earned taxpayers dollars, what that was for?

MR. EVANS: \$17,000. Again where do you see that? That's in the last year's Annual Report?

MR. McKENZIE: It was spent in 1974.

MR. EVANS: Page 67. Oh yes, Optimization of Whey Management, Use of Rapeseed. That \$17,000, that's under the Science and Technology Branch and maybe I could get some detail on that, but that is not a feasibility study, that is more or less related to the technical processes. That was approved by the Manitoba Research Council. There was a technical study on the stabilization of whey until it can be processed and dried and so on, the main emphasis being on how to prevent bacteria growth.

MR. McKENZIE: I wonder if we can have a copy of that report, Mr. Chairman.

MR. EVANS: We can see whether there's one around. But it has nothing to do with the economics of the plant, it's strictly a scientific study on bacteria growth. I don't know whether I can read it myself.

MR. McKENZIE: The reason I raise it is that some of the other dairies have asked if some of that information could be . . .

MR. EVANS: If any company is interested in this, we'd be pleased to discuss it. Would you please refer them to me and we'll give them the information.

MR. McKENZIE: Thank you.

MR. CHAIRMAN: Resolution 73(b)(2) - the Honourable Member for St. James.

SUPPLY - INDUSTRY AND COMMERCE

MR. MINAKER: Mr. Chairman, through you to the Minister. I wonder if the Minister could advise us how many dollars he has in Other Expenditures for advertising and exhibits this year.

MR. EVANS: Are we talking about trade development when you talk about exhibits?

MR. MINAKER: Mr. Chairman, I'm looking at last year's Public Accounts and under Trade Development.

MR. EVANS: We're not on Trade Development, we're still on Industrial Development. Industrial Development (b)(2). We can answer that under Trade Development. Maybe we should pass this item.

MR. CHAIRMAN: Resolution 73(b)(2) - the Honourable Member for La Verendrye.

MR. BANMAN: Mr. Chairman, when we discuss Manitrade are we looking at (b) or (c). Would we be discussing (c)?

MR. EVANS: (c).

MR. BANMAN: I'll pass to (c).

MR. CHAIRMAN: Resolution 73(b)(2)--pass; (b)--pass; Resolution 73(c)(1) - the Honourable Member for St. James.

MR. MINAKER: Yes, Mr. Chairman, through you to the Minister. I raised a question earlier with regards to any work that might be done by Manitrade for other government departments or Crown agencies. I wonder if the Minister could advise if Manitrade is selling any products from Crown agencies or government owned companies or other government departments.

MR. EVANS: Mr. Chairman, one that comes to mind, and I'm subject to correction here, but one that comes to mind, I believe recently we agreed with the ManFor, formerly known as CFI, to seek out markets for their products, pulp and paper. But the bulk of the companies, like 99 percent, are private such as you know, Canadian Rogers Western, Fleming Pedlar, Harco, Micro Tool and Machine, Monarch Industries, Washtronics, Quality Communication Products in Morden, Alpha-metrics, Kipp Kelly Limited, Dubois Wild Rice, Evergreen Peat and Fertilizer, etc. etc.

MR. MINAKER: Mr. Chairman, I wonder if the Minister could advise if Manitrade has done any marketing for Flyer Industries or Saunders.

MR. EVANS: None for Saunders to my knowledge but we would like to try to help sell a few Saunders buses.

MR. MINAKER: Saunders buses?

MR. EVANS: It's getting late. Flyer Industries Ltd., buses made by Flyer Industries.

MR. MINAKER: Those are flying buses I guess.--(Interjection)--I wonder if the Honourable Minister can advise if Manitrade has had any success in getting markets for Flyer Industries, recent markets.

MR. EVANS: Not yet but we're actively working on one contract, it's in the mill. Whether it comes to pass remains to be seen.

MR. MINAKER: Would the Honourable Minister advise whether Manitrade would charge Flyer Industries for their services. And if they do on what basis? Is it commission or . . . ?

MR. EVANS: Yes, we charge a commission. There's a percentage fee that is charged to everybody that uses the service of Manitrade depending on the degree of service that we give them. If we act as an agent we charge - what is it? Two percent? It could be as high as five percent in some cases but if it was a multi million dollar sale, the percentage is scaled down. There is a formula that's applied to everybody. As I said, 99.9 percent of the business so far has been for private companies. I would say our best area of service or the most potential for service is probably developing medium sized developing companies. For instance, I think a good example is Quality Communication Products at Morden. We've helped them. I believe we helped them sell products to the Turkish Telephone Company and we've helped them sell now to Costa Rica. This is where I think the potential lies. The more established companies are looking after themselves but this is where we do most of our work.

SUPPLY - INDUSTRY AND COMMERCE

MR. MINAKER: Mr. Chairman, through you to the Minister. I wonder if the Minister could advise, has Manitrade been involved in buying and re-selling? In other words involved in buying the product from the manufacturer and then responsible for collecting the moneys and invoicing the receiver.

MR. EVANS: Under the Act we can do so and we have in some cases purchased, but only after the order is sold.

MR. MINAKER: I wonder if the Honourable Minister could elaborate on that last statement, "only after the goods are sold."

MR. EVANS: In other words we don't buy on a speculative basis. When we know that we have an order for \$250,000 then we are prepared to buy in a sort of a bridge, I guess a bridge financing manner but we don't take any risk in effect.

MR. MINAKER: Mr. Chairman, through you to the Honourable Minister. In the terms of bridge financing, is the bridge financing for the importer of these goods?

MR. EVANS: No, this is for export.

MR. MINAKER: Obviously the Honourable Minister didn't understand me. In other words is the financing put forward because the manufacturer cannot afford to get money to manufacture the goods before he sells them or is it to finance the person who's buying it in another country?

MR. EVANS: I am advised that when we're dealing with foreign countries there's sometimes a little extra period of time and normally the banks like to finance. We're looking after that additional period of time that's sometimes involved in getting paid from a company in a foreign country. You know there's a matter of communication, etc. So this is what we're doing in effect to facilitate exports abroad.

MR. MINAKER: Mr. Chairman, through you to the Honourable Minister. In such cases, to date, have all accounts receivables been paid up?

MR. EVANS: There are no losses.

MR. MINAKER: No losses to date. I wonder, Mr. Chairman, the Honourable Minister, can he advise: was Manitrade involved in any way with any Saunders Aircraft sales?

MR. EVANS: No. I answered that before, no. I was going to add that all our sales are based on irrevocable letters of credit.

MR. MINAKER: Was Manitrade involved in any way with the SkyWest project in any financing?

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. Once again I appreciate the efforts the department is doing with regards to the selling of commodities or exporting of manufactured goods in Manitoba. Again it's probably one of these cases where many times you participate in a trade show or try and sell your product and it's one of these things where it's hard to see what the particular corporation Manitrade is doing. Again it's hard to put a dollar value on it just the same as advertising.

I refer the Minister specifically to Page 52 of the Annual Report. The revenue sales figure there is a little better than half a million dollars. Would that represent the total figure that Manitrade was involved in in this sort of bridge financing thing that he was talking about?

MR. EVANS: No that is the invoice, that's the actual invoice sales. The year that you referred to, 1974, to March 31st, 1975, the total was approximately \$575,000. This year ending March 31st we've more than doubled - we've about doubled. We're up to \$1.2 million in invoice sales. If we were dealing in bulk commodities, you know, you get into the bigger figures but we're dealing - let's face it - we're dealing with small Manitoba companies, medium sized companies and some of the orders are not that large. It does take a lot of effort but at any rate we have about doubled the number of invoice sales. The number of transactions: last year it was 67 and this year 166 transactions. We are dealing in approximately 22 countries now as well as in Canada too.

MR. BANMAN: The commission charged then by Manitrade, would it be roughly about 10 percent?

SUPPLY - INDUSTRY AND COMMERCE

MR. EVANS: Two percent of sales is what it averages.

MR. BANMAN: I'm referring again to Exhibit B there of the last Annual Report that we got. The sales figure versus the product purchased, merchandise. There's a difference in there. Is there a reason for that particular difference? In other words your sales were roughly about \$50,000 more than your purchases.

MR. EVANS: I believe there's some mechanical reasons for this. Maybe time differences. Also it's suggested there may be some freight differential. But without taking some more time to go into this I can't give you a more precise answer than that.

MR. BANMAN: The Minister gave us the new invoice sales transactions of \$1.2 million ending March 31, 1976. Would he also be able to give us an approximate figure as to what the bad debt expenses would be? The bad debt expenses.

MR. EVANS: We have no uncollectable accounts and we have 3,000, maybe 5,000 at most goods out on assignment at the present time. But that doesn't mean that we won't be able to collect on them. But it's because of the way we operate. We don't buy on a speculative basis.

MR. BANMAN: Thank you.

MR. CHAIRMAN: Resolution 73(c) - the Honourable Member for Roblin.

MR. McKENZIE: I'm wondering through the experience of the Manitrade now, if the Minister could give us some idea, or his staff, of what industries in this province can compete on the world market.

MR. EVANS: Yes, I can give you sales under negotiation as of March 31, 1976. I'm advised that we have some commitment to the companies to keep some of this confidential.

MR. McKENZIE: But there are some - and I can recognize some of them. The furniture industry looks like it's one that can compete and there likely are others.

MR. EVANS: I did mention some of the companies that we were dealing with a moment ago. I guess I could repeat those without giving you the numbers of dollars. I'm sure the Member from Roblin would not want to . . .

MR. McKENZIE: I just want a broad statement.

MR. EVANS: At the moment I believe we're dealing with - how many clients are we dealing with at the moment? About 20 clients. That is 20 Manitoba companies and I've mentioned some of them before. Some of them have had statements in the paper. Canadian Rogers Western for example, we sold the complete slaughterhouse facility to Panama and I'm very pleased to say that they're going on to sell similar facilities to other Latin American countries such as Guatemala and Honduras. Washtronics, Alphametrics, I mentioned Quality Communications. They've sold electronic equipment to the Turkish Telephone Company. There are others - Evergreen Peat and Fertilizer, we've been able to help them.

MR. McKENZIE: Mr. Chairman, the next question to the Minister. I'm wondering like in the example of say this trade fair at the World Mining Congress at Lima, Peru, is an example where there was no sales. If we could accept goods from some of these countries where we're selling - and I'm talking about free trade back and forth, what jurisdiction have you to accept or bring goods and services in from these outlying . . . without the jurisdiction of the Government of Canada? Can you go in and make an agreement with Peru that we can bring in their goods here and trade on a free trade basis or are you tied up that you have to deal privately as Manitoba with that jurisdiction.

MR. EVANS: Mr. Chairman, very briefly how it works is we have one, two people in - well we have one person in Latin America for example who's very fluent in Spanish. I believe he was born in Canada but that's a detail. The fact is that he works through Canadian Trade Commission offices in the various countries getting leads etc. and we deal with the private companies. Then we line up the private company in Honduras, for example, with a private company in Manitoba and bring them together and that's our function. We're essentially concerned with exports not imports.

MR. McKENZIE: Well I'm wondering then can I ask the Minister to even expand Manitrade farther and naturally that's the way the world functions, it's imports and exports. Can you work through the Government of Canada and offer these countries that

SUPPLY - INDUSTRY AND COMMERCE

(MR McKENZIE cont'd)we'll import some of their goods if they'll take some of ours. Or is that left to the Federal Government, the Ministry of Industry and Commerce or Trade and Commerce at the Federal level?

MR. EVANS: That's a very good idea, Mr. Chairman, and under the terms of our Act we could do so. We haven't as yet. Particularly with these so-called third world countries, some of them like to operate this way. They say, well, we've got X numbers of dollars of this merchandise or product or raw materials we'd like to sell, and this is possible. It is legally and in fact it's financially possible. Thus far it hasn't worked, it tends to be more complicated. Then, of course, you have to see whether or not you're breaking some Canadian tariff law. You have to look at each case individually but it is possible.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: Well, Trade Development, I guess, probably the trade missions would come under that.

MR. EVANS: Yes.

MR. WILSON: Maybe the question I'm asking is just a very quick explanation of the trade mission concept. Does the government make money on these trade missions or is there an expense involved? What I mean is if so many people want to go on these trade missions and they are quite - for lack of a better word - popular or a lot of people want to go on them, is there any charge to these company representatives to go on your trade missions?

MR. EVANS: Mr. Chairman, to answer the Member from Wolseley I can tell him that we are no longer engaging in the so-called large flag-waving trade missions because they're not practical. They're too expensive for what you get out of them. What we are engaging in are very small practical selling missions - I guess you could call them a mini-mission - where we have through our salesmen of Manitrade found one or two companies in whatever country or wherever, that would be interested in buying this particular product made in Manitoba. We know, we've got a lot of advance information. Based on that we're prepared to pay about half of that person's cost but he has to pay half also. I'm advised we've got two Manitoba manufacturers in Europe now with our salesmen. But that's based on some pretty firm marketing information, it's not a speculative mission. So I can tell you therefore that we do not have large - we have gotten out of that.

We do have other types of exhibits in which we are involved in, trade fairs. As a matter of fact in the last year Manitoba companies participated in 28 trade fairs and there were 50 participating companies. This was in the last fiscal year, March 31st, 1976. At these trade fairs, after the fair is over or during this fair you usually sell the merchandise that you brought there for display and you may get some orders. In this past year these companies sold almost a half a million dollars worth of spot sales and we estimated they picked up potential sales of \$2.1 million. In this entire venture we anticipate that we spent something like \$65,000. But that's a service that we provide in encouraging our people to get out and display their wares and so on.

On the other hand I might advise too that we do try to attract incoming buyers and that's on a much smaller scale. In the last year we brought eight or ten clients in this category. I'm sorry, eight buyers in this category. It's incoming.

MR. WILSON: It's a two-way flow like you will support half the expenses of somebody to go over with a fairly firm concept in mind or fairly firm market. You say you also bring buyers from other countries into Manitoba to buy our products. Then my question would be: obviously if there's taxpayers' money involved why would these people want to be so secretive about the success they've had in other countries? What are we jeopardizing by this cloak and dagger situation? We should be very happy that Canadian Rogers Western has sold a slaughterhouse in Panama and going on to wherever.

MR. EVANS: Well first of all the buyers that we bring in are people who are buying our goods and we paid to bring them here. I mean we bring them here when we're pretty sure that we've got something that's going to be sold. As far as the other is concerned we felt that where the company is happy to tell the world about what

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd)they've done, we've issued a news release and we've done this with Canadian Rogers Western. I can tell you that they have sold several millions now to Guatemala, Honduras, Panama and Nicaragua. There are other companies as well. I don't know, it's just a matter of ethics, I suppose, as to whether or not they would like us -we're quite prepared as a department to say this is what we've done, you know, we've sold here, we've sold there and this is how much has been spent, involved. There's no secret about it as far as we're concerned. But I guess some manufacturers are not as interested in telling the world where they're selling their products because they're worried about the competition.

MR. WILSON: As a type of person that's trying to encourage the free enterprise system and the entrepreneurial enthusiasm I cannot see why the department shouldn't be telling the taxpayers who are supporting, this is what we're doing. I think that anybody that enjoys some benefit with tax dollars should be prepared that the government is going to tell the world or tell the people of Manitoba what they're doing. It might get a few other citizens and entrepreneurial types excited about what government is doing.

What I'm concerned about is the brain drain and the flow of people that after a graduation - and many of my friends who have gone; I'm probably one of the most travelled people in Canada just going visiting my friends in Toronto and Vancouver, because the economic situation here took them to other parts of Canada. I'm saying that they would have stayed here if the Minister's Department is doing all these wonderful things that I am rather excited about.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. I wonder if the Minister could tell us how close the Manitrade is working with the Federal Department of Industry and Commerce and their particular trade offices. I note that they have several around the world. What is the type of response or co-operation that they've got from the Federal Government?

The other concern, of course, we're spending taxpayers' dollars. Are we duplicating any services that the Federal Government is providing or are they not providing adequate services in this field?

The other thing I'd like to mention that we discussed very briefly is if we in the prairies could get involved with some kind of bartering system with other countries. I know from my own personal experience in my own business I would like to get together with the Minister of Agriculture and possibly trade some hogs for some Japanese cars if we could arrange that. We've got that tariff duty and of course the eastern concerns wouldn't allow us to do that. Are there any overtures on behalf of the department other than the tariff problem that we face in western Canada, and it was discussed at length the other day in a resolution, are there any other things that the department is doing with regards to the lowering of the tariff rates?

MR. EVANS: As I indicated the other day in the House we had made representation ourselves and with the other western provinces to the Federal Government on some lowering of tariffs but we also deal with very specific Manitoba companies. In some cases we would like to see the tariff raised for some companies. So I'm not trying to be inconsistent here but we believe that it's in our interest to see some lowering but we appreciate that it's got to be on a selective basis. For example, I think Pleasure Craft, they were under some jeopardy a couple of years ago with some tariff change.

You asked though a very fundamental question: are we duplicating any of the services of the Federal Government in the field of foreign trade? I'm pleased to report that we are not in the sense that Ontario and Quebec and many other provinces do have an extensive array of trade offices in other countries. Ontario has I don't know how many, 12, 15, 14 in the United States alone I believe. No, 14 all over the world. I think that that's a duplication. Quebec has and some other provinces have as well. We do not have any trade offices abroad.

Our philosophy, our approach is to use the small number of salesmen we have who are on contract - I think we have 3 or 4 salesmen, it varies, who work through

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd)the Canadian Trade offices. We seek their co-operation and I would say this: that by and large the Canadian Trade Commissioners abroad are very co-operative and are very helpful to us. It's a matter however of advising them of what the needs of Manitoba are or of a particular company in Manitoba might be. Once you've done that then I have found that they really go all out to give us every assistance they can because they are located in the country. I think it would be a waste of Manitoba taxpayers' money if we were to duplicate what is being done by the Federal Government in setting up offices. Offices abroad are very very expensive and there are some difficulties involved in operating them in a productive way.

Therefore, as I said, we prefer to work with contracts. It is possible that in some countries such as Japan you will find a company that would like to actually do some research for you at seeking out. As a matter of fact we had one company, a Tokyo corporation, who was prepared to look for industrial prospects for Manitoba. That's on the other side of it, at their expense, at the expense of those who were interested in coming here. But that is my view.

MR. CHAIRMAN: Resolution 73(c)(1) - the Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, one brief question of the Minister. I wonder if he could give us an indication of what happened to the pilot project of trying to sell the beef in Israel.--(Interjection)--Manitrade is in the Annual Report here.

MR. EVANS: Mr. Chairman, the Department of Agriculture sold the beef. Our staff supported the procedure with our knowledge of tariff regulations, shipping problems and all that red tape that you get into when you deal in foreign trade. It's supportive service that we fulfill.

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

MR. MINAKER: Mr. Chairman, in the Annual Report on Page 49 under Export Sales Development there's mention that in North America the two sales representatives were peddling various products from Manitoba and one of them indicated was bulk whiskey. I wonder if the Honourable Minister can advise us who is the manufacturer of this bulk whiskey.

MR. EVANS: I believe that's the Minnedosa Distillery.

MR. MINAKER: Mr. Chairman, it is the Minnedosa Distillery? Are they now back in operation or is this what they had on the shelf aging?

MR. EVANS: It's what they manufactured some years ago. It's improving as the years go by.

MR. MINAKER: It depends on whether somebody's got in there and are watering it down. Mr. Chairman, I wonder if the Minister could advise if Manitrade has been successful in selling some of the bulk whiskey.

MR. EVANS: We haven't been as successful as we'd like because the market fell off. We are still pursuing the matter with the company and we're hopeful that the market is strengthening and that some sales will result.

MR. MINAKER: Mr. Chairman, through you to the Minister. Is there so much whiskey there that there isn't a potential market here in the bottle form?

MR. EVANS: I would gather that the Manitoba market is - I'm not suggesting that Manitobans don't consume their share of whiskey - but you know there are other companies such as Seagrams and there are other whiskey manufacturers, distillers of course, that expect to be able to sell in Manitoba and there's just not enough market in Manitoba given the competition, for this particular company, as I understand.

Another very important point, Mr. Chairman. Unfortunately the distillery at Minnedosa does not have a bottling facility. That's where the jobs are. Seagrams at Gimli has an enormous bottling facility now. They've increased substantially. I don't know how many jobs, 150 jobs? It's grown substantially. What we want to see at Minnedosa is a bottling facility and we've been working on that as a matter of fact - in spite of DREE.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: Is it safe to say that the distillery in Minnedosa is going to open up again with the help of your department and possibly federal money?

SUPPLY - INDUSTRY AND COMMERCE

MR. EVANS: I don't know whether it's safe to say it or not. This is what we're striving for. We're working with the group there and we'd like to see a bottling facility brought in and we'd like to see them get some DREE money. But we have not yet been successful but we are continuing our efforts with them.

MR. WILSON: So in other words if a group of businessmen come up with the bottling plant then we can expect Plainsman Whiskey back on the shelves? In other words the distillery would be opened again.

MR. EVANS: I think so.

MR. WILSON: Okay.

MR. CHAIRMAN: Resolution 73(c)(1) - the Honourable Member for St. James.

MR. MINAKER: Yes, Mr. Chairman. Under Export of Professional Services there's an indication that there was a successful project in Cuba. I wonder if the Minister can advise us what that particular project was and what it involved?

MR. EVANS: If you're talking about the Hotel Nationale that was not, unfortunately, successful. The tourist people in Havana were very excited with the services and products that we were prepared to sell them but there was some problem in the purchasing bureau which is a different department. I believe that we've made a number of contacts however for Manitoba professional companies and I believe that they have sold some of their services here. I'm advised that we have been successful recently in selling design services and equipment for a butter storage plant in Cuba.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: On that subject if we're under that section, approximately how much taxpayers' money or government money was lost in the hotel venture in Cuba?

MR. EVANS: \$25,000 approximately.

MR. WILSON: Just \$25,000? I mean it's a shame we lost any money but if that's all.

MR. EVANS: Yes, and some of the private companies I guess lost some money too. Because we had roughly a dozen Manitoba companies involved.

MR. WILSON: But wouldn't the government lose in excess of \$25,000 if they've paid for their travel out of another budget? But you say there was some spin-off benefits?

MR. EVANS: Oh yes, there is the cost of staff and all that, yes. The staff are paid on an annual basis or a monthly basis or whatever.

MR. WILSON: How long were your staff down there, Mr. Minister? I mean, how many staff and . . .

MR. EVANS: One key staff person on several visits and then we've maybe had one or two others who went there with the Manitoba group twice.

MR. WILSON: Have there been any MLAs in the last while down there for business for your department?

MR. EVANS: There have been no government MLAs on any business for this Department of Industry and Commerce and I have never visited Cuba myself in any capacity.--(Interjection)--Oh yes, Morris McGregor went on a winter holiday there. I believe some MLAs went on a winter holiday there but that's their business.

MR. WILSON: Well I didn't want the Minister to name the one member of our caucus that was there. Apparently there was members from the government side there.

MR. EVANS: That's right but that's their money and that's their holiday.

SUPPLY - INDUSTRY AND COMMERCE

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. McKENZIE: I'm wondering with Manitrade how they can compete in the world market with the transportation costs that we face in this province at the present time?

MR. EVANS: Well that is a great difficulty that we face in Manitoba being in the centre of the continent and with very heavy transportation costs. It's very true, I agree 100 percent with the observation. It's a very very competitive world.

I would say that where we can compete is where we have something rather unique to offer and we get out there and hustle. As I am advised, in the case of the equipment for the Turkish Telephone Company, we were competing with some Japanese firms and I think some German firms, --(Interjection)-- mainly Japanese so we had some pretty stiff competition. But I guess we had a pretty good product and this type of product is high value in relation to the weight. So transportation costs would not be a high percentage of the selling price. I think that's where we can succeed in selling high value products, selling unique products. We're selling Washtronics, that's bus washing equipment, to some Latin American countries - companies in those countries; it's rather unique and it's a pretty good product and the cost of freight is not that excessive, it's not prohibitive. Also, of course, if we're selling professional services well there isn't very much freight, you might say, in that type of venture.

MR. CHAIRMAN: Resolution 73(c)(1)--pass; (c)(2)--pass; 73(c)--pass. Resolution 73 - Resolved that there be granted to Her Majesty a sum not exceeding \$1,323,900 for Industry and Commerce--pass.

Resolution 74-Affiliated Agencies and Activities. (a) Economic Development Advisory Board: (1) Salaries. The Honourable Minister.

MR. EVANS: Mr. Chairman, on this item as you know there is a provision for the Economic Development Advisory Board to appear before the Economic Development Committee of the Legislature and at that time the Chairman comes along and gives an extensive report. I'm prepared to answer questions on the Board's activities but I merely say that there will be an opportunity again if the members wish to get into this in more detail.

MR. CHAIRMAN: Resolution 74(a)(1). The Honourable Member for Wolseley.

MR. WILSON: I realize the amount isn't that significant but how many staff people would be involved in this figure?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Three.

MR. WILSON: Three? Okay.

MR. CHAIRMAN: Resolution 74(a)(1)--pass; (a)(2)--pass; (a)--pass. Resolution 74(b) Manitoba Bureau of Statistics: (1) Salaries. The Honourable Member for Wolseley.

MR. WILSON: I'd like to know how many staff people are under \$351,100 and what are their basic duties. I'm trying to envision what type of function they'd be performing.

MR. EVANS: I'm advised that there are 18 staff in the Bureau. There are a number of services that the Bureau performs, three come to mind.

One is the publication of a monthly statistical digest. We are now surveying the market so-to-speak to see whether that might be reduced to a quarterly, but the point of that digest was to bring together Manitoba statistics so that we could easily examine the Manitoba situation compared to going through maybe 200 documents of Statistics Canada. That is the essential function of the Statistical Digest.

In addition to that we compile a Northern Prices Survey, food prices survey mainly on northern towns; there's some southern towns as well. They got into the survey on conjunction with the Mincome demonstration project. This involves pricing work, similar to pricing work that's done by DBS or Statistics Canada, but Statistics Canada doesn't do any town in Manitoba outside of Winnipeg. The information, I might add, from the pricing survey is of use to Northern Affairs; it's of use to Manitoba Hydro, they make use of that in their contracts and cost of living allowances, etc.

A third report that the Bureau publishes or series is on credit unions. There

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd)are quarterly and annual reports published on credit unions on behalf of the Department of Co-operative Development.

I suppose you could divide the functions of the Bureau into four parts: The acquisition of information which is the various surveys I was telling you about, secondly the dissemination which is the publication and then there's a great deal of processing that goes on and there is some research and development. I want to hasten to add that a good deal of the Bureau's work is for other government departments who come to them for specific requests for tabulations of statistics. We do have an arrangement with Statistics Canada to get census information. This is on a confidential basis and we are sworn to the secrecy provisions of The Statistics Canada Act. With that we're able to make various tabulations and cross tabulations which are made available to departments, any department of government or any agency, in their research and planning work. So generally I think I've described the function of the Bureau. It also acts as I said in a consultant capacity; it acts in a data clearing house function and is more or less the focal point for most of the general statistical activities in the government.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: Could you explain again - I missed it - what is your role with Mincome under this section? What do you do for Mincome?

MR. EVANS: Specifically we have a contract with them to collect some food prices data for certain towns in southern Manitoba.

MR. WILSON: I see. Okay.

MR. CHAIRMAN: The Honourable Member for La Verendrye.

MR. BANMAN: Thank you, Mr. Chairman. We had a few days ago in the House some Supplementary Estimates brought in. What are the projections as far as the Supplementary Estimates are concerned? Is that about the limitations as far as the moneys required for the Bureau of Statistics this year?

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: That is correct and I think we explained it in the House. There was about \$100,000 and this came from - it was an administrative problem whereby the Bureau was not able to bill some of its in-House clients. But at the present time we've devised a new system whereby if a department wants the Bureau to undertake a survey they're going to have to find the money. -- (Interjection) -- Well it's a service agency so if the Department of Tourism wants us to do a survey of tours coming to Manitoba, for example, I don't know whether they want us to or not, that's strictly hypothetical, then we will help design the form, etc., etc. We'll do whatever they would like us to do providing we have the personnel and we simply have to bill them for it. I would hope that that problem that arose over the past few years will not arise again.

MR. BANMAN: So if I understand the Minister correctly, for instance the survey they're doing for the credit unions, the tabulations, the northern pricing, the Northern Affairs is being billed for that and Co-operative Development is being billed for the other one?

MR. EVANS: Yes. There are two categories. If the survey is done for a specific department at its request then that department will in future be charged. But if it's a general survey where there are multiple users it's pretty difficult so we'll pick up the cost directly. For example, that Statistical Digest, you know, that's for anybody and everybody and a good number of people in the private sector use it as well and we can't bill anyone in particular for that. We pick up that cost.

MR. BANMAN: Yes. Something like the Northern Food Pricing, would that be general statistical information that the department would gather or would something like that be requisitioned by the Northern Affairs people?

MR. EVANS: Originally it was requisitioned by Northern Affairs but I said we didn't have that policy in place until now. We've added to that some of the southern towns and the material is now being published and it's being made available to the public as well so we haven't billed the Department of Northern Affairs. But if that were to start anew or if Northern Affairs wanted us to do something else very special for them then we would be billing them.

SUPPLY - INDUSTRY AND COMMERCE

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: Very quickly. I wanted to ask the Minister to respond to the fact that Mincome on, I believe, W5 was labelled as a Dauphin program and now it appears, like if you're doing food pricing in southern Manitoba and gathering that information, I don't see any recovery from the Federal Government here if that is basically a federal sponsored program jointly with the province playing some role.

MR. EVANS: Well it would be our Department of Health and Social Development who have a contract with the Federal Government and that project in turn made a contract with us to gather statistics on selected southern Manitoba towns beyond Dauphin, Dauphin and some others for comparative purposes as I understand. We just picked up the towns that they asked us to as I understand it.

MR. WILSON: And you give that information to the Minister of Health and Social Development and bill him for it?

MR. EVANS: Yes. We had a contract with Mincome and we've billed them and they've paid for it. The information is compiled now in one report and it's issued and it's available to the public. So we have a series. . .

MR. WILSON: There's no one in your department that is concerned when gathering this information if they run across infractions under the sort of AIB program?

MR. EVANS: As my staff tells me we're not a policing agency. It's like Stats Canada, the Consumer Price Index sort of thing, but. . .

MR. WILSON: Are these reports then available to those type of Ralph Naders like myself who want to see the difference?

MR. EVANS: Yes. But we don't reveal any individual company. We give you the average for the town by food, by canned meat, canned fish, canned condensed milk, bread, cheese, you know, all these items.

MR. WILSON: Just broad terms then.

MR. EVANS: Yes.

MR. CHAIRMAN: Resolution 74(b)(1) - the Honourable Member for Roblin.

MR. MCKENZIE: Can the Minister advise me what duplication we can find in this with the Federal Bureau of Statistics?

MR. EVANS: There's none.

MR. MCKENZIE: Is the Minister telling me that none of the statistics that he's producing or the department can be provided by Statistics Canada?

MR. EVANS: Oh I suppose if they wanted to spend the money, for instance, on these northern communities to collect food prices they could. But the one exception, as I said before, Mr. Chairman, we have this statistical digest which is a convenience for people doing research on Manitoba. We've taken these various Statistics Canada reports, and you'd have to go through a set of about 200 Stats Canada reports to get the information that we have in that document. We have co-operated with Stats Canada on census problems and so on. But essentially the information we compiled on credit unions is original information supplied to us by the credit union societies.

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

MR. MINAKER: Thank you, Mr. Chairman. I wonder if the Minister, through you, could advise the committee how much it costs us to put out the Manitoba Statistic Digest annually and how many man years of the department are involved in its production?

MR. EVANS: One and quarter. Our estimate is one and a quarter staff man years or staff person years, whichever you prefer. I hope I'm reading the right line here. The cost is \$24,700, that's the rough estimate. That includes everything, the staff time plus the publishing, processing.

MR. MINAKER: Mr. Chairman, how many books are produced during each printing?

MR. EVANS: The average for the last five months has been a little over 600, approximately 620 per month. We are now in the process of surveying the mailing list to see whether people are prepared to pay for it and therefore we hopefully can reduce the cost involved.

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd)

The other thing we have done, we've decided in order for economy to reduce it from a monthly to a quarterly. We think that that's adequate. Also if we charge for it we maybe break even, I don't know.

MR. CHAIRMAN: Resolution 74 - the Honourable Member for St. James.

MR. MINAKER: Yes, Mr. Chairman, I wonder if the Minister could advise generally who is on the mailing list or distribution list at this time. What category of people or industries receive it?

MR. EVANS: All of our Provincial Government agencies, all the libraries in the province, people who are interested in economic research generally. We also send some copies to the Federal Government and any other province that might be interested. MIAs I think. If a company wanted to, any consulting firm wanted to, they would be on the list.

MR. CHAIRMAN: Resolution 74(b)(1)--pass; (b)(2)--pass; (b)--pass. Resolution 74(c) Manitoba Energy Council. The Honourable Member for St. James.

MR. MINAKER: Mr. Chairman, there was a news release in February with regards to natural gas storage facilities in the Daly Field and I wonder if the Honourable Minister can advise if the government is involved in any way as a shareholder in Daly Gas Storage Limited or Norcan Energy Resources Limited, or are they involved in any financial way with the exploration activities and development activities that are presently going on.

MR. EVANS: Mr. Chairman, the answer is no to all of those questions.

MR. CHAIRMAN: Resolution 74(c)(1)--pass - the Honourable Member for Wolseley.

MR. WILSON: How many people would be employed for that \$75,000?

MR. EVANS: Three plus one part-time, I believe.

MR. CHAIRMAN: Resolution 74(c)(2)--pass; (c)--pass. Resolution 74(d) - Manitoba Transportation Economics Council: (1) Salaries. The Honourable Member for La Verendrye.

MR. BANMAN: Mr. Chairman, I wonder if under this particular item we could discuss Skywest or the regional air carrier.

MR. EVANS: What would you like to know about this that hasn't been already - in fact there's been too much said over and over. As I've indicated publicly, Mr. Chairman, Skywest has been wound down. It is not operative and we're hoping that Mr. Lang will finally fulfill the federal promise to institute a prairie regional air service. The ball is in Mr. Lang's court and he has indicated publicly that he intends to go it alone. We are waiting patiently for him to proceed. It's a federal promise and it's their jurisdiction, so we're urging him to get on with the job.

MR. BANMAN: Well, if I could at this time I'd like to ask just several sort of technical questions:

No. 1: has the Department of Industry and Commerce made any payment to the Manitoba Government Air Service with regards to the training of the pilots and have they made any payments to Saunders for aircraft rental or are they just strictly on loan to the Manitoba Government Air Service?

MR. EVANS: We have paid nothing to the Manitoba Air Division and we have paid nothing to Saunders per se except for some landing fees.

MR. BANMAN: In an article not too long ago, I don't know if it was a press release or just an article, the Minister was reported to have said that he was going to be going after the Federal Government to try and recoup some of these losses.

MR. EVANS: That's right.

MR. BANMAN: The losses, are they now totally borne by the Department of Industry and Commerce?

MR. EVANS: We have received bills from the Air Division but, you know, there are certain expenditures that we made based on understandings that we had with the officials of the Ministry of Transport and the former Minister of Transport. We are determined; we'll do everything in our power to obtain the moneys from the Federal

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd). . . Ministry of Transport that we spent in good faith and in co-operation with advice from their officials. We may have to take them to court, I don't know. If we have to go that route I guess we will.

MR. BANMAN: Did we have a contract with the Federal Government or was it all verbal? I wonder, Mr. Chairman, if the Minister has any documentation, any letters or any correspondence . . .

MR. EVANS: Oh, yes, there's lots of correspondence in general. I have correspondence from the former Minister; we have copies of news releases of the amount of moneys they're paying; we have letters from the department; we have agreements that have been initialled by the different officials in detail. But the one thing that is lacking is Mr. Lang's signature.

MR. BANMAN: So basically what we're saying is that we did get into it as far as the logo design and I notice that that's cost us money and we've spent a fair amount of money and we did not have a contract as such with the Federal Government.

MR. EVANS: No there was no contract as such.

MR. BANMAN: I appreciate the Minister's frustrations in trying to get this air service going, but having been in business myself for a while I realize that unless you have some of the money and you have a signature on a contract, nothing happens. I'm just wondering, we've spent about a quarter of a million dollars with this particular Skywest venture and we've still got the airplanes bearing the insignias and the logos of it and it looks like it's going to cost the Manitoba taxpayer a quarter of a million dollars and really what we've got is very very little.

MR. EVANS: We are endeavouring to recover as much as we possibly can. There are many documents on file on this thing.

MR. BANMAN: I would suggest that when you're dealing with, especially with governments, and when you're even dealing with private corporations, before you make a substantial move - a quarter of a million dollar move - that it should be nailed down firmly before we go ahead and spend this kind of taxpayers' money.

MR. EVANS: You should understand that the Federal Government did spend some money. They put some electronic avionics equipment in Brandon, Dauphin and Yorkton. They adjusted the waiting room, I know, in Brandon. They've spent other moneys themselves. There was every evidence that they were proceeding. They were spending some of that money and they did spend some of that money. At any rate I think that is water under the bridge.

MR. BANMAN: Well it is water under the bridge. The only problem is that maybe when we do enter an agreement with the Federal Government or with anybody else, we should definitely have signed agreements before we start spending the taxpayers' money on a venture such as this.

MR. EVANS: Well you may be correct. But as I said, we have letters, we have memoranda, we have minutes of meetings with their officials, we have directions from them to do this, to do that, approval for this that and the other, and I had personal meetings, I met personally with the former Minister who assured me in writing and verbally that we had his full approval and approval of the Government of Canada. We have a copy of the Treasury Board minutes allocating \$3.3 million for this project. Now if that isn't an indication that something is supposed to happen, I don't know what the hell is! All I can say is don't trust Otto Lang, because if he wasn't there this thing would be in operation today.

MR. BANMAN: All I'm trying to suggest to the Minister is, if he would have had maybe the former Minister Marchand's signature on that contract or Otto Lang we wouldn't be in this predicament right now of having expended this money. That's the only point I'm trying to make.

MR. CHAIRMAN: The Honourable Member from Wolseley.

MR. WILSON: I'm not trying to be critical of the Minister's statement "don't trust Otto Lang", but I wondered, he had explained some of the expenses incurred, like the waiting room in Brandon. We're taking the government to court, that's the statement that he made, we'll possibly may take them to court to recover some of the

SUPPLY - INDUSTRY AND COMMERCE

(MR. WILSON cont'd) expenses incurred. Now the Member for La Verendrye has said it's a quarter of a million. I wonder besides the waiting room in Brandon if he might give me some kind of indication of expenses. Are we talking about cost of the design for a logo which may be a very small thing? I'm trying to get a general range of expenses that we incurred that I feel that if the Minister feels he's got a point, I don't see taking the Federal Government to court. I think there is a negotiation. We can get that money somehow or other given back to the taxpayers of Manitoba if it was money clearly spent on an understanding.

The other comment I have - maybe I'll let the Minister answer that first, then I have one more.

MR. EVANS: I mentioned the waiting room in Brandon. That was not our expenditure, that was an expenditure by the Ministry of Transport.

MR. WILSON: Yes.

MR. EVANS: And the avionics, that's a federal expenditure, that was not our expenditure. Our moneys were spent on acquiring key staff, uniforms for the staff, setting up a communications network, setting up travel agents or representatives in the communities involved, setting up a ticketing arrangement. You see this was to be a complete interline ticketing arrangement whereby you could get on the Skywest system and go to anywhere in the world; you could buy a ticket from Dauphin, for instance, to Tokyo, Japan if you wanted. So there was money spent in co-operation with Air Canada as well. So all these are the various things that you have to do to get an operation such as this off the ground.

MR. WILSON: Well now I've got three questions. You mean to say in all the landing places where this Skywest was going to go, you were going to set up a Skywest Travel Agent who was going to compete with travel agents?

MR. EVANS: No, no. We would contract with an existing travel agent.

MR. WILSON: Oh, I see. All right. The last question is - and I'm talking as a layman now - what would be wrong if you were willing to subsidize Skywest for \$650,000 and now that it has failed why would you not want to subsidize - what do they call them - provisional carriers? Why would you not want to subsidize one of the successful ones to carry out this service?

MR. EVANS: Well, you know, this goes back over ground that I think has been covered a number of times. The fact is that we did receive proposals - not bids - but proposals from five carriers and after examining them carefully we decided we could do it most cheaply and have the most effective control over the expenditures by setting up this small joint Saskatchewan-Manitoba operation called Skywest. We did receive bids from TransAir for example - not bids but a proposal which I would say was the most expensive of all for various reasons. For one thing they have contracts for pilots that pay probably higher wages than some of the other smaller carriers pay but that's a fact of life. We went the route we did because we thought that we would have the best control over the expenditures and we could do it most cheaply in this way.

MR. WILSON: Would the opposition then that these people have put up, would it be maybe a fear syndrome that maybe the government, like Ottawa, would not keep their word and just stay to the three cities and might expand to all areas of the province? I mean what guarantee did the private sector have that Skywest would cement itself into those original thoughts that you were talking about? What guarantees did they have that you wouldn't start heading north or . . .

MR. EVANS: Mr. Chairman, you can only operate under a licence through the Air Transport Committee and our application specified those communities and it was very clearly specified that this was a two-year demonstration project and the moneys we had for subsidy was for a two-year period.

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

MR. MINAKER: Yes, Mr. Chairman. Through you to the Minister. I wonder if the Minister could advise whose authorization it was to spend moneys to develop Skywest? Who gave the authorization? Was it the Honourable Minister or his department or Cabinet?

SUPPLY - INDUSTRY AND COMMERCE

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: Well as part of the agreement we were to contribute in fact over 250, but a minimum of 250. We were prepared to take the overage as a matter of fact. So that was part of the understanding with the other governments. The moneys were allocated in last year's Estimates of this department. So we had the authority granted in the passing of the Estimates last year.

MR. MINAKER: Mr. Chairman, I hope the Honourable Minister will correct me if I'm wrong. If I understand the Honourable Minister correctly then, he authorized his department to proceed to go to Manitoba Air Services and ask them to train pilots. It was the Honourable Minister who authorized his department to do that.

MR. EVANS: I guess every Minister takes responsibility, he has the authority. But the decision to proceed was a Cabinet decision. It's a government decision as was the decision to finally terminate our frustrated negotiations with Mr. Lang. That is a government decision. It is not an individual personal decision.

MR. MINAKER: Mr. Chairman, if I understand the Minister correctly now, then it was the Cabinet who gave the authority to go ahead without a Letter of Intent or a contract from the Federal Government. Is that correct?

MR. EVANS: We had a Letter of Intent from Mr. Marchand.

A MEMBER: Let's have it, eh?

MR. MINAKER: Then, Mr. Chairman, I misunderstood the Minister earlier where he said he did not have a Letter of Intent. --(Interjection)--

MR. CHAIRMAN: Order please.

MR. EVANS: No, I just said we had no contract signed.

MR. MINAKER: Mr. Chairman, I misunderstood the Minister earlier when he said that he did not have a letter of Intent.

MR. EVANS: Contrary, contrary, you weren't listening. You were not listening. Mr. Chairman, I said we had no contracts signed but I said we had many other documents that clearly indicated that the Federal Government intended to proceed, including correspondence from the Minister of Transportation.

MR. MINAKER: Mr. Chairman, could I ask through you to the Minister. Does the Minister have in his possession a signed letter by the responsible Federal Minister saying to proceed with Skywest and spend this money and train the pilots. He has that with the Minister's signature on it which would be the Letter of Intent saying that your Skywest has been approved, proceed. That to me would be a Letter of Intent. I would think the Federal Government would be fully responsible for any expenses that had been spent to this point.

MR. EVANS: Yes I have a letter from Mr. Marchand and Mr. Marchand indicated to me that he has supported the Skywest concept, the approach we were taking and that he would be signing the documents. The documents clearly spelled out in detail the various types of expenditures.

MR. MINAKER: Mr. Chairman, then through you to the Minister. Did that particular letter indicate that the Provincial Government had authority or the Minister had authority to proceed and start to spend money on behalf of the Federal Government?

MR. EVANS: We weren't spending money on behalf of the Federal Government. The Government of Canada indicated it was prepared to spend a certain amount of money via the Skywest Limited.

MR. MINAKER: Then did the Minister indicate that the government could proceed?

MR. EVANS: Did the Minister indicate . . . ?

MR. MINAKER: Did the Honourable Minister Marchand indicate in his letter that everything was A-okay and proceed?

MR. EVANS: The letter was positive. They liked the approach that we were taking. They agreed with the Skywest concept and the agreement that Mr. Marchand was about to have signed indicated immediate cash payment of \$100,000 immediately.

MR. MINAKER: But there was no indication in the correspondence for the Minister to proceed with any work?

MR. EVANS: All that was in the agreement which he indicated he was going to sign.

MR. MINAKER: Mr. Chairman, I wonder if the Honourable Minister could advise what the amount of the Accounts Payables are with the Manitoba Air Services for this particular venture. How many dollars is that?

MR. EVANS: We haven't got a figure for you, it hasn't been resolved. It's a matter of discussion.

MR. MINAKER: Has the Honourable Minister got the figure that he would like to settle for with Air Services?

MR. EVANS: Not at the moment.

MR. MINAKER: I could be corrected but I think the Honourable Minister responsible for Renewable Resources indicated that it was somewhere, I think, in the order of \$140,000. Is that correct?

MR. EVANS: There is some dispute on what are allowable or what we think are allowable invoices. Some of the invoices go back to an earlier period and as I said, it's a matter that's going to require further discussion and negotiation between the two departments.

MR. MINAKER: Could the Honourable Minister advise the committee what Accounts Payables he presently has with Saunders Aircraft and how many dollars?

MR. CHAIRMAN: While we're waiting, perhaps I could recognize the Honourable Minister of Agriculture.

MR. USKIW: Mr. Chairman, I just wanted to point out to the Member for St. James that it is not unusual for provincial governments right across Canada to spend money based on letters of intent and commitments, verbal and by letter. From the Government of Canada that's historic. It predates this government. And let me tell you that we have had the same problem with respect to the whole of the Dree package where the government has decided to withdraw from agreements that were entered into two years ago. The only thing remaining was a signature but they had authorized expenditures against those agreements. And now they tell us that they don't have the money. And the vet clinics is one example in my department where we had spent money and we had built the clinics. They're already in operation. The agreements were drawn up in 1974. But the Government of Canada has now decided because of a restraining effort to cut expenditures that they are not going to now go good on those agreements. And that's a new experience in our relationship with the Government of Canada. But there was every reason to go ahead with every one of those programs.

And even the government prior to 1969 dealt with the Government of Canada in the same way. The FRED agreement in the Interlake and many other agreements. It just so happens that their morality has changed somewhat in the last year.

MR. CHAIRMAN: The Honourable Minister of Industry and Commerce.

MR. EVANS: The estimate I have for the Saunders' payment, it could be \$10,000, but that again is subject to negotiation with Saunders Company Aircraft Limited.

MR. MINAKER: Mr. Chairman, that would cover the painting of the aircraft in the colours of . . .

MR. EVANS: No that would have been shared-cost by the three governments.

MR. MINAKER: I wonder if the Honourable Minister can advise . . .

MR. EVANS: I'm sorry, the Ministry of Transport was to pay that directly.

MR. MINAKER: Will Saunders be billing his department for these paint jobs if they have to repaint them for sale to someone else?

MR. EVANS: Well I think that they are billing us but as I said the matter is subject to negotiation.

MR. MINAKER: How much is that, Mr. Chairman, that bill for, for the painting of the aircraft?

MR. EVANS: \$9,500.00.

MR. MINAKER: For each aircraft, Mr. Chairman?

MR. EVANS: For both.

MR. MINAKER: I wonder if the Honourable Minister could advise if there is any Accounts Payables that are from other outside agencies such as Air Canada and so

SUPPLY - INDUSTRY AND COMMERCE

(MR. MINAKER cont'd) forth, other than government departments.

MR. EVANS: Yes, there were a few but they've been paid.

MR. MINAKER: Well that was my next question, have they been paid?

MR. EVANS: Yes.

MR. MINAKER: How much were for the ones that were paid?

MR. EVANS: We don't have a breakdown but our best estimate right now is about \$170,000.

MR. MINAKER: And they have all been paid, Mr. Chairman?

MR. EVANS: Yes.

MR. MINAKER: Then my next question is, Mr. Chairman, to the Minister.

When is the Minister planning on paying the Manitoba Air Services and Saunders Aircraft?

MR. EVANS: As soon as we complete our negotiations with them.

MR. MINAKER: Regardless of what the outcome with the Federal Government.

MR. EVANS: Well that's part of the . . . as I've indicated, we're proceeding to get what we think is the federal contribution.

MR. MINAKER: Well, Mr. Chairman, I still haven't quite understood the Minister's answer and I hope he will correct me if I'm wrong. Is the Minister indicating that if he does not receive any moneys from the Federal Government that he will not pay Manitoba Air Services and he will not pay Saunders?

MR. EVANS: No, I am not indicating that.

MR. MINAKER: Thank you.

MR. CHAIRMAN: The Honourable Member for Roblin.

MR. MCKENZIE: Mr. Chairman, I wonder if the Minister can give us some indication of any feasibility studies he may have had to indicate that this was feasible. And the intent of the department or the government or where did you get into it? Did you recognize that this was a federal jurisdiction, air transportation, and what agreements you had with the Federal Government to lay it on the line, and your feasibility studies and some letters of intent that we can take it back to our constituency and justify these tax dollars. I'd like any or all documentation that you can table us tonight.

MR. EVANS: I'm advised we did three or four studies on marketing, including the one jointly with MOT. But, Mr. Chairman, the Honourable Member from Roblin doesn't know and doesn't understand the history of the air transport in these . . .

MR. MCKENZIE: I sure do.

MR. EVANS: If you did, you'd understand that private enterprise has been singularly unsuccessful unfortunately in serving these areas. And the whole point of this project was that we were going to come in with a high quality, high frequency service that had to be subsidized. It's a chicken and egg thing. In the past, either the schedules were insufficient or the aircraft were inadequate in size and performance; and for one reason or other, Midwest, TransAir and Air Canada before that failed. We thought we had the right size of aircraft and with this kind of scheduling and this type of quality of service, we could develop something. So therefore it was to be a two-year pilot project to see whether we could develop it. And that was the basis on which it was conceived, that was the basis on which the agreements were entered into, and that was the basis that the Prime Minister of Canada made his announcement in 1974.

MR. MCKENZIE: Well, Mr. Chairman, I am very quietly asking the Minister if he can give us that information. He's indicating that others had failed, which I am quite familiar with, but somehow, he and his department or the government had some indication that they had a new way, a new avenue, and it must have been done through feasibility studies to prove they could do it better, or at least as good. I'm wondering could we have that information.

MR. EVANS: It was our opinion after looking at market potential that if we had the right kind of aircraft, the right kind of service, this could be developed. But we never said that we would be successful at the end of the - it was a two-year demonstration project. At the end of the two years, that may have been the end of it. And I would like to remind the honourable member that the Federal Government spent over \$20 million between Ottawa and Montreal where they have - how many Air Canada,

SUPPLY - INDUSTRY AND COMMERCE

(MR. EVANS cont'd) Canadian Pacific flights a day? Twelve? Fourteen, fifteen a day, plus rail service and bus service every hour or on the hour. One hundred and twenty miles distance and they were prepared to spend a very great deal of money on a demonstration project. They're using twin Otters.

We felt that western Canada was entitled to some demonstration project money and the Prime Minister indicated that that was forthcoming.

MR. McKENZIE: Mr. Chairman, I hope the Minister doesn't think that we're opposing what he did. We approved expenditures of money in the Estimates to get this thing off the ground and I'm all for the project.

MR. EVANS: I'm glad to hear that.

MR. McKENZIE: My problem is now to justify the expenditure of tax dollars in my constituency. We're not going to get any letters of intent, we're not going to get any of these studies? How can we, hopefully, some day set up a transportation system in this province if the Minister and the government is not going to co-operate with the opposition?

MR. EVANS: Well, Mr. Chairman, the fact is that the Federal Government has said they're going to maintain their - they said they're going to keep their promise so we're waiting for Mr. Lang to get on with the job of instituting a service. That's what we should be pressing for. And they're agreed, and I trust that they will follow through. In a matter of months, they said we would have it in place. So there it is. And that's based on a lot of the work and all of the studies that have been done.

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

MR. McKENZIE: I'm just wondering like, where are we going to end up with this impasse. We've got egg all over our face - the government has. --(Interjection)-- Well it certainly has. We're looking at a --(Interjection)--

MR. CHAIRMAN: Order please.

MR. McKENZIE: Mr. Chairman, we're looking at a quarter of a million dollars, tax dollars, that's gone down the drain and I just ask the --(Interjection)-- It's a quarter of a million dollars in this experimental project. And I just ask the Minister if he could give us in the opposition some letters of intent or some feasibilities or something to justify the expenditure of these dollars. Then we can take it back and then jointly, not only the government but the opposition will assist the Minister and this government to hopefully get a transportation system back in this province. And that's all we're asking.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: I wonder how many people the Minister hired and how many contracts do we have to buy out without the people working for the money? And the last part of it is - the figure of a quarter of a million dollars has been tossed around - I wondered in light of statements that have been made with the payments to be made to the other departments, if this figure might not be higher by the time we finally get the audited statement.

MR. CHAIRMAN: The Honourable Minister.

MR. EVANS: To answer your second question, first. It could be higher, you know, you're talking about the Air Division, and so on, and to answer your first question - 13 people but they're all gone.

MR. WILSON: Did we have to pay any money to them?

MR. EVANS: Oh well, they were on contract.

MR. WILSON: For how long? Two years?

MR. EVANS: Oh no, no, no.

MR. WILSON: How long were they on contract, six months?

MR. EVANS: Yes. It varies. The key person we had on longest and some other people we only had for a couple of months, you know. There was 13 people in total involved, but as I said, they were given two weeks notice and that was it.

MR. WILSON: I was hoping the Minister would possibly consider - I hope this letter that he has from Mr. Marchand doesn't disappear like Howard Hughes' will.

SUPPLY - INDUSTRY AND COMMERCE

(MR. WILSON cont'd) I'd like to see it published some time to give some . . .

MR. EVANS: Well we did publish it, Mr. Chairman. We released it at a news conference a couple of months ago. I think we did. It was right over TV on the John Harvard Show, plus some of these other documents were shown by Mr. Harvard on the 24 Hours Program.

MR. WILSON: I see. Well then we're waiting to see what the Federal Minister does and the indication then is we're over \$300,000 in taxpayers' money spent to date and we're hoping to recover that some time.

MR. CHAIRMAN: Resolution 74. The Honourable Minister of Agriculture.

MR. USKIW: What would be the final figure that the Minister gave on the Skywest loss or their reclamation that they are attempting . . .

MR. EVANS: I'm sorry we can't give you a final figure. We know there's about 170,000 - 175,000 but the balance is in dispute with the Government Air Division and Saunders Aircraft. So I can't give you a final figure. My staff can't give me a final figure.

MR. USKIW: The members in the opposition suggested something in the order of over 300,000 and I'm wondering how that is arrived at.

MR. EVANS: I don't know how they arrived at it.

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

MR. MINAKER: Mr. Chairman, I believe - and I could stand to be corrected - when we were dealing with the resources, Renewable Resources Estimates, the Honourable Minister indicated that there was outstanding - 140,000 I believe the figure was with Industry and Commerce over Skywest. And I guess that's how we arrived at it with the \$10,000 from Saunders and another \$10,000 for the paint jobs.

MR. CHAIRMAN: Resolution 74(d)(1)--pass; (d)(2)--pass. The Honourable Member for Wolseley.

MR. WILSON: Well I can ask the questions some other time. I wondered why there was such a drop.

MR. CHAIRMAN: Resolution 74(d)(2)--pass; (d)--pass. Resolution 74. Resolved that there be granted to Her Majesty a sum not exceeding \$1,080,700 for Industry and Commerce--pass.

I refer honourable members back now to Resolution 71(a). The Minister's compensation. Resolution 71(a)--pass. That completes the consideration of the Department of Industry and Commerce. Committee rise.

IN SESSION

MR. SPEAKER: The Honourable Member for Flin Flon.

MR. THOMAS BARROW (Flin Flon): I move, seconded by the Member for Ste. Rose, that the Report of the Committee be received.

MOTION presented and carried.

MR. SPEAKER: The hour of adjournment having arrived the House is adjourned and will stand adjourned until 2:30 tomorrow afternoon. (Wednesday.)