

# LEGISLATIVE ASSEMBLY OF MANITOBA

Friday, July 14, 1978

Time: 2:30 p.m.

**OPENING PRAYER** by Mr. Speaker.

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Before we proceed, I should like to draw the honourable members' attention to the loge on my left, where we have Miss Karen Sanford, Member of the Legislative Assembly of the Province of British Columbia. On behalf of all the honourable members, we welcome you here this afternoon.

Presenting Petitions . . . Reading and Receiving Petitions . . . Presenting Reports by Standing and Special Committees . . . Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills.

## ORAL QUESTIONS

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

**MR. SIDNEY GREEN:** Mr. Speaker, I wonder whether the Attorney-General has any information with regard to the subject matter I raised yesterday in the House relating to a graveyard.

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

**HON. GERALD W.J. MERCIER (Osborne):** Mr. Speaker, that matter is presently being investigated by the Public Utilities Board which is responsible for the enforcement of the provisions of The Cemeteries Act and which reports, I believe, to the Minister of Consumer Affairs, but they are in the middle of the investigation of the matter at the present time.

**MR. GREEN:** Well, Mr. Speaker, I'm glad that there is somebody looking at it. Would the Minister confirm, or is he able to confirm, that the essential facts which I indicated yesterday were occurring, are in fact occurring, and that is what is being investigated.?

**MR. MERCIER:** I'm not . . .

**MR. GREEN:** Mr. Speaker, I direct a question to the Minister of Consumer Affairs. Can the Minister advise the House whether at this time in the Province of Manitoba there is a building permit issued and building taking place at the site of a previous cemetery, and that stones are being bulldozed?

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

**HON. EDWARD MCGILL (Brandon West):** Mr. Speaker, my information is incomplete at this time, but I have been advised in an interim way, by telephone, that the secretary of the Public Utilities Board has been able to determine, in discussion with the builder, who is the buyer of the property, and the parish priest, that the area in question, a number of years ago, all of the interments there were removed and that this was no longer considered to be in the category of a cemetery. The builder has advised in this preliminary way that there is no indication of any interments having been disturbed, and no indication from his excavations up to this point. But Mr. Speaker, I give this information as interim, and we are actually going to visit the site to corroborate these facts that have been given.

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

**MR. GREEN:** Mr. Speaker, in view of the irreparable changes that would be made if construction was allowed to continue, could the Minister see to it whether any good offices or other legal efforts could be taken to see to it that at least until the facts are determined accurately to the satisfaction

of the Minister, that nothing further is done. Otherwise, we may be dealing with the subject after the event, in which case it would be impossible to repair the damages that have occurred.

**MR. MCGILL:** Mr. Speaker, I appreciate the member's concern and we share it, but we will endeavour to ensure that the law as it now stands is not contravened and that this actual investigation on site will take place within the next day or two.

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

**HON. DONALD W. CRAIK (Riel):** Mr. Speaker, this morning I indicated that I had had a reply from Manitoba Hydro with regard to a story contained in the Winnipeg Free Press and emanating from a question by the Member for Inkster as to the matter. I wish to table it, Mr. Speaker, at this time. It is some length so I won't bother reading it. The information is available, if that's satisfactory to the House. There are quite a number of topics included in addition to the direct question of the Member for Inkster, and what would appear to be, from the point of view of Hydro, quite a number of corrections to the information that was presented. However, I let it speak for itself, Mr. Speaker.

If I can take the opportunity as well, Mr. Speaker, there was a question from the Leader of the Opposition on July 12 requesting that as a matter of convenience, that a document be tabled showing for the last 20 years, on a combined basis, the results of the province's operations. I would in addition like to table that at this time. I would like to point out that for the years 1958 to 1967, that the information, in all cases it's prepared on the combined basis, the same as we are proposing this year, in which we showed last year's as well.

Mr. Speaker, from 1958 to 1967, the information is taken from the Public Accounts which were prepared by the then Comptroller-General and then in 1968, the Provincial Auditor's office was established and therefore from the years 1968 to 1977, the information is directly from the Public Accounts as produced from the Provincial Auditor's Report.

Now, these numbers have been graphed over that period from 1958 through to 1967. In addition to that, shown separately are other debt figures that are shown separately but can be added in to cover other costs that are being covered for other consolidated fund deadweight charges. But, Mr. Speaker, I will table these at this time as well and I think that the Members of the House will see that the information is significant, it is revealing and I think will be valuable to see that we do have a financial picture that requires the restraint program we have been talking about and carrying out.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. EDWARD SCHREYER (Rossmere):** Mr. Speaker, without editorializing on the point that the Honourable Minister has made by way of editorializing, I would ask if this information has been cross-checked with the Canada Tax Foundation data, which is compiled every second year for all provinces, and which gives a basis then of consistent trans-Canada or trans-Canadian application.

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

**MR. CRAIK:** Mr. Speaker, I mentioned that the question asked by the Leader of the Opposition was placed July 12th, which was the day before yesterday. We haven't had a chance to quite check it through with all the trans-Canada organizations that may have a comment to make on it. It has been checked and prepared with the examination of the Provincial Auditor, so that the information here has been, particularly in those years prior to 1967 when it was the Comptroller-General's office, the Provincial Auditor has put in a great deal of time in gathering that information — his office has — for the reply to the question.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. SCHREYER:** Yes, Mr. Speaker. I would like to ask the Minister of Finance whether he can say whether anyone has been appointed to head up the study of the Western Interprovincial Regional Electrical Grid. Yesterday we approved Estimates to cover some of the cost of that study. If it is to be a study dealing with economic analysis of the operations of such an electrical grid, and an engineering study as well, and if so can the Minister say whether the person appointed has had any experience whatsoever, but any whatsoever, in the operation of either an electrical utility or in economics?

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

**MR. CRAIK:** Mr. Speaker, there is a press release today being issued from the four provinces, and I think the one for Manitoba has probably gone out to the media — it was to go out at noon today — indicating that the study leader, manager or head of the study group — and there are approximately seven or eight people in total on the group — the head person is Mr. Gordon Spafford from Winnipeg, and he will be heading up the study group for the four-province study.

**MR. SCHREYER:** Mr. Speaker, if this is the study dealing with the economics of western interprovincial electrical utility grid and with the engineering feasibility thereof, I ask two questions. Has this person had any experience whatsoever in the operations of an electrical utility — one of them, let alone four of them — and has this person any previous training and experience in economic consulting?

**MR. CRAIK:** Mr. Speaker, if the Leader of the Opposition is asking whether he is a utility employee, I don't know that he has ever been a utility employee. He has certainly been involved in the engineering economics field of power development for perhaps 20 years and has experience in Manitoba and in British Columbia, principally, as his background, and, Mr. Speaker, has been adopted and accepted by the four provinces for the study as being a qualified person to head up the study. I would hasten to add that there are a number of people contained in the study group from different disciplines. It's not easy to find — and perhaps one wouldn't even want to find or to attempt to find — a person who covered all the disciplines. The particular discipline that Mr. Spafford is in is from the engineering area and with a significant background in cost benefit studies in hydro-electric projects.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. SCHREYER:** Mr. Speaker, I am asking whether this person has had any direct involvement in the operations of an electrical utility anywhere in Canada, in the actual operations of a utility, and whether this person does have qualifications in economics. That is all I'm asking.

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

**MR. CRAIK:** Mr. Speaker, in my opinion, Mr. Spafford is probably one of the best qualified men in Canada in the engineering and economics field. Whether or not he has been a utility employee, I can't answer that question. His field has been primarily in the energy consulting field, but whether or not he was a utility employee, I do not recall, having gone through his background, as to whether or not he actually worked for a utility at one time or other. He was at one time on the Fraser River Board early in his career, as I recall. He did consulting work for Manitoba Hydro through Underwood McLellan. He may have been an employee of one time of Hydro, although I doubt it, although he worked very closely with them over the years, for a period of time on the Nelson River Studies studies as well.

**MR. SCHREYER:** With respect, then, to the reference to his expertise in energy consulting and in utility operations economics, I would like to ask the Minister if it is his understanding that Mr. Spafford's particular analysis of the economics of Nelson River Development is shared by any one of the senior management personnel of Manitoba Hydro at the present time?

**MR. CRAIK:** I suspect, Mr. Speaker, that it is shared by most of the Manitoba Hydro people who are knowledgeable in this field.

**MR. SPEAKER:** The Honourable Leader of the Opposition with a fifth question.

**MR. SCHREYER:** Mr. Speaker, it is the last few words to that reply that prompt this supplementary. I am asking the Minister if it is his understanding that the present senior management echelons of Manitoba Hydro share the rather peculiar analysis made by Mr. Spafford of Nelson River Development. I am asking about the present senior management of Hydro.

**MR. CRAIK:** Mr. Speaker, that is the last thing I would use as a criteria for Mr. Spafford's qualifications for this job.

**MR. SCHREYER:** Are we to conclude from that answer, Mr. Speaker, that those who have had many years, if not a working lifetime, of experience in senior management of a utility, are to be

taken as the last word in relationship to any critique of analysis made by someone who has never occupied a senior utility management position?

**MR. CRAIK:** Mr. Speaker, it doesn't have a thing to do with it. The earlier question was as to whether or not, in view of the comments or attitudes of the Hydro, people with regard to this matter, whether or not there was an acceptance or what. I don't think that has a great deal to do with it either. I think what has a great deal to do with it is that Mr. Spafford is recognized across this country as being a very competent individual. My answer is that you will find the majority of the people at Manitoba Hydro knowledgeable in this field, without polling, which I don't presume that they were suggesting that I should do before having agreed with anybody's selection for the head of this study, Mr. Speaker. But I suspect if it was done that you would find the same results there. To repeat again, he is one of the most highly-regarded people in the energy field in Canada.

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MR. LLOYD AXWORTHY:** Mr. Speaker, I have a question for the Minister of Urban Affairs. In view of the report that was tabled last evening with City Council, prepared by a Committee of federal, provincial, and municipal civil servants, which describes the prospects for Winnipeg as entering into a major economic slump within the next decade, can the Minister indicate what action the Provincial Government intends to take in response to that report? Can we expect the Provincial Government to revise substantially many of its estimates concerning the issue of economic growth and employment and the need to provide incentives for economic development in the City of Winnipeg in order to respond to this particular report prepared by members of the three levels of government?

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

**MR. MERCIER:** Mr. Speaker, I have not yet had an opportunity to circulate the document to members of the Cabinet, but will be doing so in the next few days, and decisions will be made after they have an opportunity to review the report. This is only the first of six phases of the study, Mr. Speaker, and the study will now proceed to public hearings organized through the City of Winnipeg Council.

**MR. AXWORTHY:** Mr. Speaker, a supplementary to the same Minister. In terms of the next phase of the report, does the Provincial Government itself intend to make a direct response in those hearings to the specific assessments made in this report concerning (a) the substantial decline in inner city housing, for which there is presently no response; (b) the recommendation or assessment that the energy costs for urban dwellers in the City of Winnipeg will increase \$7,000 within the next five years, without a commensurate increase in their rate of income, and (c) that there will be a substantial decline in the area of manufacturing jobs compared to other western cities? Can we expect the Provincial Government to prepare a specific policy proposal response to that that would be delegated or representative of these hearings?

**MR. MERCIER:** Mr. Speaker, there are many issues which are raised in the report, and whatever responses are necessary will be made after the report has been considered by the government.

**MR. AXWORTHY:** Mr. Speaker, I would ask a supplementary, if I might then, to the Minister of Finance responsible for the Energy Council and Manitoba Hydro. Can the Minister indicate that in the assessments made by this tri-level task force concerning the substantial energy costs — I think that they estimate \$7,000 increase, without a commensurate increase in income, that will be experienced by residents of the City of Winnipeg — if members of the Energy Council were responsible or involved in the making of these assessments and decisions, and . . .

**MR. SPEAKER:** Order please. I wonder if the honourable member could shorten up his question a little bit.

The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Speaker, I will put the question specifically: Were members of the Manitoba Energy Council or staff involved in Manitoba Hydro involved in the deliberations of these assessments, and does the Minister intend to make some response to these predictions that were contained in this report?

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

**MR. CRAIK:** Well, Mr. Speaker, the tri-level report that is referred to . and the newspaper report on it arrived both on my desk this morning, and I haven't had an opportunity, or staff haven't had an opportunity to review it, beyond the rather gloomy and depressing headline that appeared in the newspaper, with a number of others along with it. So it hasn't had a chance to come up for examination at this point, but we will certainly have a look at it.

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

**MR. WILSON PARASIUK:** Thank you, Mr. Speaker. My question is directed to the Minister of Urban Affairs. Will he table this report as soon as possible, since it was prepared in part by provincial officials and already is a public document to other elected officials in Canada? Would he table this report so that members of the House can talk about it on the basis of having looked at the report, rather than just press reports on it?

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

**MR. MERCIER:** Certainly, Mr. Speaker, I will attempt to make available to every member of the Legislature a copy of the report.

**MR. PARASIUK:** A supplementary, Mr. Speaker. I hope the Minister would endeavour to make that report available in time for the public to peruse it, or the members to peruse it, before Law Amendments Committee meets to consider amendments to the Rent Stabilization bill, in that the report contains information indicating that the vacancy rate in Winnipeg is near the national low of 1.3 percent and that will be pertinent information for our discussions of the amendments to that bill.\$

**MR. MERCIER:** I believe I already answered that question.

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

**HON. L.R. (Bud) SHERMAN (Fort Garry):** Mr. Speaker, this morning I took as notice a question from the Honourable the Member for Brandon East relative to possible staffing reductions of laboratory technicians in the Nuclear Medicine Department of the Health Sciences Centre serving the General Centre and the Children's Centre. The honourable member asked me whether there had been any staffing reductions or changes in that area relative to budgetary considerations. The answer, Mr. Speaker, is "yes".

**MR. SPEAKER:** The Honourable Member for Brandon East.

**MR. LEONARD S. EVANS:** Mr. Speaker, I thank the Honourable Minister for his answer. Could he elaborate, if the answer is "yes", what has been the reduction in this type of staff?

**MR. SHERMAN:** Mr. Speaker, the technicians work a normal day-time routine, Monday through Friday. They also formerly provided on-call scanning service in the evenings — that was 4 p.m. to midnight — and during the weekends, Saturdays and Sundays. A month ago the administration discontinued this on-call service, while implementing an assessment procedure to measure the effect of the change. As a result of that evaluation, Sir, the administration has reinstated the on-call service during Saturday and Sunday day-time hours. I am advised that the new schedule will satisfy medical needs.

**MR. EVANS:** Well, Mr. Speaker, to the Minister, does the Minister not believe that there is still a higher hazard existing at night-time, when such technicians are not available to conduct what I understand to be very critical medical tests for people who are in there on an emergency basis, often destined for Intensive Care?

**MR. SHERMAN:** Mr. Speaker, the Manitoba Health Services Commission advises me that those tests can be accomplished safely during a 24-hour period and that the medical needs of the person served in those two centres by that kind of technology are being responsibly met, and that the program is being continually monitored and will be subject to reassessment if, as and when necessary. The hospital advises that it was undertaken simply as an economic efficiency that they felt could be achieved within the area of responsibility that they hold and carry, and they believe that the

present service is satisfactory. But they will continue to assess and monitor it.

**MR. EVANS:** A supplementary, Mr. Speaker. I am glad to hear the Minister say that they will continue to assess it and monitor it, because, Mr. Speaker, the fact is that there is a higher hazard because of the lack of availability of such staff at night-time.

I'd like to ask the Minister a related question, really to ask him if he has an answer to a question that was related to this. I posed this on July 5th, and that is the recycling of medical equipment particularly swan gang tubes, and the Minister, on that date, said, "I will check it out." I wonder if the Honourable Minister has an answer as to whether the indeed medical tubes are being recycled.

**MR. SHERMAN:** Mr. Speaker, I can't give the honourable member any definitive answer on that. It has taken considerable time to pin down the spelling of swan gang tubes and in fact to determine whether the terminology is correct. Whether it's swan gang tubes or swan tube gangs, I'm not sure, but I am investigating it and I will get the answer as quickly as possible.

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

**MR. RONALD McBRYDE:** Mr. Speaker, I'd like to address a question to the Minister of Labour. During her Estimates, the Minister indicated that the vacant position of a health and safety inspector at The Pas would be filled, and I wonder if the Minister could tell us whether or not that position has been advertised or bulletined yet.

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

**HON. NORMA L. PRICE (Assiniboia):** Yes, Mr. Speaker, we hope to have the position filled very shortly.

**MR. McBRYDE:** Yes, Mr. Speaker, I wonder if the Minister could indicate whether that has been advertised yet, and by what date she hopes that position will be filled.

**MRS. PRICE:** Well, Mr. Speaker, I can't give a date, but the department is working on it and we hope to have it filled very shortly.

**MR. McBRYDE:** Mr. Speaker, I would also like to ask the Minister whether there has been any progress or change in the labour dispute between the Safeway stores and the Retail Store Employees Union.

**MRS. PRICE:** Not as yet, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Speaker, I have a question for the Minister of Consumer Affairs, responsible for rent agency. The statement he made last week outlining the steps the agency was going to take in reference to the court case determining rent rebates that the Ruttan Corporation undertook, could the Minister now indicate whether in light of the Supreme Court turning back the application, whether the rent increases now being recommended under the leasing proposals by that company are to be based upon the original rents, going back three years — or would they be, as they presently are, the leases that are being submitted to the tenants, based upon the inflated values that have already been overturned by the courts?

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

**MR. MCGILL:** Mr. Speaker, I will take that question as notice.

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

**MR. GREEN:** Mr. Speaker, I'd like to direct a question to the Minister of Finance, who must have had this report at least since this morning. Does the Minister of Finance not consider it unusual that the hydro utility would be arguing an appraisal that was had by the owner, as against its own appraisal, when the owner's appraisal is lower than the Hydro appraisal? In all my experience of expropriation matters, I have never seen the expropriating authority challenging the appraisal of a property which they want, which is lower than their own appraisal.

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

**MR. CRAIK:** Mr. Speaker, I know what the member refers to. Perhaps I should have read the statement, so that the members would know what it's about. But it's indicated here that Mr. Terhoch's appraisal of the land at 16,500 appears to be substantially understated, as in the opinion of Manitoba Hydro's appraiser, comparable land in that area at that time had a market value in the order of 25 percent higher, and this is borne out by the sales in the area.

Mr. Speaker, what the Member for Inkster, I think, is saying, and I agree with him, that it seemed rather strange that Hydro was caught in the position of trying to defend the fact that Mr. Terhoch, at the time that he had the land appraised, had put a value on it which is lower than they would have put on it. That's what in effect the statement says that I'm sure he is referring to on the top of Page 2.

**MR. GREEN:** Mr. Speaker, the Honourable the Minister has repeated back what I said fairly accurately but I still ask him, what kind of animal is arguing against the owner's appraisal when it is lower than the expropriating authority's appraisal. Now, I believe in fairness, Mr. Speaker, but at the same time, appraisals are very subjective and here we have an appraisal of the owner who says his land is worth 32,500; Hydro insists on paying 51,000 because they think his appraisal is too low. I must say that this is a first that I am aware of, that an expropriating authority would challenge the owner's appraisal because they say it's too low.

**MR. CRAIK:** Mr. Speaker, what it says is, if I might read it: . "The parcel of land owned by Marvin Terhoch was appraised by an accredited appraiser employed by Manitoba Hydro as having a market value of between 49,000 and 51,000. An appraiser engaged by Mr. Terhoch in 1976 appraised it at 32,500."

Now, it is a question of the dates. What I thought he was questioning was later on. It appears that Hydro is taking the position that the appraisal later on, 16,500 was understated, according to Manitoba Hydro's appraiser and which appears them defending the position that Mr. Terhoch would normally defend. But, Mr. Speaker, that is the information as supplied by Hydro on the question. I simply provide it as information. I have some continuing information to come from it but there were a number of corrections that were important to get across which were not correct in the newspaper report, that are contained in the report. But I agree with him on that particular point. There is a difference here and there is perhaps some question on the difference. There is a time difference as well.

**MR. GREEN:** Mr. Speaker, may I ask the Minister whether he would adopt the policy with Manitoba Hydro that they accept the an appraisal of an owner, unless they think it is too high, which it seems to me is the normal way that an expropriating authority would go about things, that they would expropriate land, they would get an appraisal from the owner and if they considered it not too high, they would pay it. In this case, there is nothing in the report which would indicate that the difference in appraisal of 32,000 to 51,000 has anything to do with the year 1976. As a matter of fact, the date of the Hydro appraisal is significantly omitted from the report.

**MR. CRAIK:** Mr. Speaker, the member raises a specific question. I will take the question as notice and find out. I want to point out that it is not my intention to answer for Manitoba Hydro's every move. I have asked them for a report to answer a specific question in the House, and if the member has a further question, I'll undertake to obtain that answer. Whether it is an error in value judgment is something I haven't attempted to obtain.

**MR. GREEN:** Mr. Speaker, I have no suggestion that the Minister should answer for Hydro's every move, but as the Minister responsible to whom the public looks for responsibility, can he assure this House that Hydro, in operating an expropriating policy for which the citizens have to pay, will not be challenging appraisals by owners on the grounds that they are too low. That is not every move; that is a policy with regard to expropriation which, Mr. Speaker, I think is unheard of.

**MR. CRAIK:** Mr. Speaker, as I said, I'll take the question as notice and attempt to obtain further information as requested by the member.

**MR. SPEAKER:** The Honourable Leader of the Opposition.

**MR. SCHREYER:** Mr. Speaker, as I understood the Minister referring to Pages 2, 3, and 4, there would seem to be nothing that needs further pursuing. The problem is with respect to Page 1 and

on the series of questions and answers in respect to Page 1. I would like to ask the Minister if one of the ways that might be taken to ascertain the facts and the judgment of the matter, would be to request of Manitoba Hydro that they proceed to divest themselves of that same said land, given that that land that was acquired under rather questionable appraisal differentials, happens to be no longer required by Manitoba Hydro, the right-of-way having been selected some two miles south of this particular site. That being so, would the Minister consider the advisability of having the land divested and resold to see in fact what the true market value is?

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

**MR. CRAIK:** Mr. Speaker, I think that is a pretty good suggestion. I don't know what Manitoba Hydro may have in store for it. They have indicated that they have no use for it for workers or for any other purposes and I presume that it would be something that could be put on the market. However, the suggestion will be passed on to them and perhaps something will be returned in the way of advice on it.

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

**MR. BILLIE URUSKI:** Thank you, Mr. Speaker. I would like to pose a question to the Minister of Municipal Affairs and ask him whether he has made a decision with respect to the application for subdivision near the vicinity of the St. Andrew's Air Field within the Municipality of St. Andrews.

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

**MR. MERCIER:** Mr. Speaker, I will have to accept that question as notice and look into the matter.

**MR. URUSKI:** Mr. Speaker, while the Minister is taking that question as notice, could he also advise the House whether or not the council of the Rural Municipality and/or the planning district board had occasion to review this application and what their position was with respect to this application?

**MR. MERCIER:** Yes, Mr. Speaker.

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

**MR. MCGILL:** Mr. Speaker, yesterday, the Member for Elmwood directed a question to me as the Minister responsible for the Manitoba Telephone System related to the hiring of one Iain Grant, and while I do not have the transcript of the question before me, Mr. Speaker, I believe the inference was that the hiring of Mr. Grant by MTS may have circumvented the intent of the redeployment list. Mr. Speaker, I can tell the member that Mr. Grant was hired by the Manitoba Telephone System in June of 1975. He was with the Telephone System on contract until September, 1975. He returned to the Manitoba Telephone System in January of 1977. He is employed on contract in the marketing department of the Telephone System.

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

**MR. RUSSELL DOERN:** Just for clarification, is the member indicating that Mr. Grant was not changed in terms of his status from a contract employee to a permanent position within the last six months?

**MR. MCGILL:** Mr. Speaker, I don't recall that as part of the member's question. I have no information before me that would indicate that his status has been changed within the last six months.

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

**MR. DOERN:** Mr. Speaker, on that point I would ask the Minister whether he would check out the question of whether or not Mr. Grant was taken off contract and made a permanent employee of Manitoba Telephone System since October.

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



**MR. MCGILL:** Well, Mr. Speaker, we would be glad to get information for the member but I can't quite relate this to his original question, if the hiring of Mr. Grant was in some way a circumvention of the redeployment practices.

**MR. DOERN:** Mr. Speaker, the question was related actually, or if it wasn't clear, to the fact of was there not a change in status making him a permanent employee which would be a significant change.

**MR. MCGILL:** Mr. Speaker, I don't know whether change of status for MTS employees generally is of interest to the member but I presume that the status of employees at MTS does change from time to time.

**MR. SPEAKER:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Speaker, I have a question for the Minister of Labour. On Monday last I asked her if the Department of Labour could provide an estimate of the number of farm workers that would be brought in from foreign countries to work in Manitoba during this farming season and if the Department of Labour plans any steps to look at the situation and see if alternate employment could be provided for Manitobans. I wonder if she has yet an answer to that question.

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

**MRS. PRICE:** No, Mr. Speaker, I haven't got the answer but I'll have it on Monday for the member.

**MR. SPEAKER:** Order please. Time for questioning having expired, we will proceed with the Orders of the Day.

#### ORDERS OF THE DAY

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

**MR. JORGENSON:** Mr. Speaker, I move, seconded by the Minister of Finance, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Ways and Means for raising of the Supply to be granted to Her Majesty.

**MOTION presented and carried** and the House resolved itself into a Committee to consider of the Ways and Means for raising of the Supply to be granted to Her Majesty, with the Honourable Member for Radisson in the Chair.

**MR. JORGENSON:** Mr. Speaker, the Clerk advises me that there was a mistake in that Order. It should be the Committee of Supply rather than the Committee of Ways and Means.

**MR. SPEAKER:** Is that agreeable for the change in wording that it is the Committee of Supply? (Agreed) The Honourable Member for Radisson.

#### COMMITTEE OF SUPPLY

**MR. CHAIRMAN, Mr. Abe Kovnats:** The Honourable Member for Inkster.

**MR. GREEN:** Yes, Mr. Chairman, just on a point of order. I wonder if the House Leader would mind at this time outlining what he has in mind for today, this evening, tomorrow, so that honourable members would be aware as to what they can expect.

**MR. JORGENSON:** I apologize for not announcing that earlier. It is the intention to proceed in the House this afternoon. This evening the Standing Committee on Agriculture will be meeting. If they complete their hearings tonight, there will be no further meetings of the House or the Committees tomorrow. If, however, by virtue of the Member for Lac du Bonnet . . . Well, let me put it this way. God and the Meer for Lac du Bonnet willing, — he equates them equally in his opinion — then the Committee on Agriculture will have to meet tomorrow in order to conclude the hearings. If, however, they finish tonight, there will be no hearings at all and no House meeting tomorrow. So it's up to the honourable members in the Committee of Agricultural whether they want to sit all day tomorrow.

**MR. CHAIRMAN:** The Honourable Member for Lac du Bonnet.

**MR. SAMUEL USKIW:** Well, Mr. Chairman, is the House Leader indicating that the Member for Lac du Bonnet will now rule the roost in the committee? We will remind the Chair of the Committee that would be in order.

**MR. JORGENSON:** As my honourable friend knows, there is no limitation on the amount of time that any member can use to ask even foolish questions but that he also takes the responsibility when meers who have come in some considerable distance to present briefs are not provided that opportunity at the time that they want to present them.

**MR. CHAIRMAN:** Order please. I would direct the honourable members to the Supplementary Estimates. We are on Resolution 5. Manitoba Energy Council — \$120,000; Other Expenditures \$120,000—pass.

Resolution 5: Resolved that there be granted to Her Majesty a further sum not exceeding \$120,000 for Finance. Manitoba Energy Council, (b) Other Expenditures — \$120,000—pass.

Health and Social Development, Corrective and Rehabilitative Services — \$154,000. (k) The Alcoholism Foundation of Manitoba — \$154,000—pass — the Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Chairman, I would address my inquiry to both the Minister of Finance and the Minister of Health. The Minister of Health would remember that when we discussed his Estimates, myself and the Member for Winnipeg Centre were in substantial indignation about the fact that the appropriation for alcohol services in the province had literally been cut close to 20 percent and that one of the consequences of that is that a substantial number of the private agencies working the field of education and prevention would either have to cease operation altogether, I think in the case of three or four agencies, or be substantially cut back in others. It was strongly urged at that time that the Minister reconsider the appropriation for alcoholism, particularly in light of the statements made by members of his own caucus concerning the dire threat of drunkenness that they saw prevading the province and the requirement therefore to raise the drinking age. Considering that many of the services dealt in the field of prevention and education, it seemed to be the only logical course. \$

Now, Mr. Chairman, when I asked a question of the Minister a few days ago he didn't appear to know fully whether this \$154,000 would be appropriated specifically to those agencies, and I would ask at this time whether in fact this new appropriation will be designated to rescind and to compensate, recompensate really, for the moneys that were cut back under the original estimates?

**MR. CHAIAN:** The Honourable Minister of Health.

**MR. SHERMAN:** Mr. Chairman, I must advise the Honourable Member for Fort Rouge that the \$154,000 being sought from the committee at the present time is not designated or intended to go to expand funding for any external agencies or any programs other than those that have been in existence in the past. In effect, it is going to pick up the costs of some of those programs in the past that were not met by the amounts budgeted in previous years. The \$154,000 represents a deficit, the estimated deficit as at March 31st, 1978, for the Alcoholism Foundation of Manitoba. It's our intention and desire that the Foundation, which has operated at a deficit, and a substantial deficit, I might say, for the past three or four years, be put in a current operating position and not be saddled with an ongoing deficit, and hence we want to meet that deficit and pay it off during the current year's appropriation distributions.

**MR. CHAIRMAN:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Well, Mr. Chairman, I have to express my very serious disappointment at that answer, because I think that during the course of the discussion of the Estimates, that a case — I think a logical case — was made to the Minister about the inadequacy and in fact the serious mistake that had been made by his department and by the Alcohol Foundation in its funding of the external agencies. Mr. Chairman, I wouldn't want to make any wild-eyed claims about the consistent and total logical and effective cases always made by members of the opposition. There are times when we are touched by a degree of hyperbole, I expect, but I can say with all honesty, Mr. Chairman, if there's anything that I ever tried to convince a Minister of, it was that, that the government had made a mistake in the level of funding, that they were going to provide for very

serious damage to the ability of this province to cope with the problems of alcoholism, and that the severe cuts, the close to 20 percent cuts, that were made in the budget dealing with alcoholism were really uncalled for, even in comparison to those being provided to hospitals and other social service agencies, which at least received a 2.2, or 2.9, or 6.2 — I'm not sure what figures are accurate now — that the other helping services have provided. Yet in the one area dealing with alcoholism, which I consider to be perhaps one of the most serious sources of illness and causes of family disruption and social problems in this province, we were engaging in almost a wholesale 20 percent cutback at that time. And I believe, Mr. Chairman, at that instance in the debate of the Estimates, that the Minister took those comments seriously and did promise to consider them, to look at them and to evaluate them to see what could be done, and I had frankly, Mr. Chairman, looked forward with some small anticipation to a correction of that condition. And now I find that the \$154,000 is simply a way, as I gather it, of cancelling out previous deficits of the AFM, when in fact, I think a much more serious public policy issue is not the cancellation of the deficit, but more the continuation of needed and basic services.

Mr. Chairman, we were not asking for anything fancy, or for anything expanded, we were simply asking for a maintenance of what was, even on a hold-the-line principle, even on the basic philosophy that the government has adopted of not spending any more, but just doing the same, but — I believe the Minister has said this many times — not cutting back on services. I think it was very clear at that time, serious cutback in services were going to be occasioned. And I would again come back to the Minister and say, is there any other chance for further support in these areas, at least to bring it up to a position where the services dealing with alcohol prevention, maintenance and treatment will not suffer an absolute decline, but in fact, if at least, at the very basic minimum, would be maintained at roughly the same level of service as they were last year, taking inflationary costs into account.

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

**MR. SHERMAN:** Well, yes, Mr. Chairman. The answer to the Honourable Member for Fort Rouge is yes, and I give him that undertaking that I am embarked on the search and on the undertaking that I accepted from him and from the Honourable Member for Winnipeg Centre during the consideration of my Estimates. That exercise is not ended; in fact, it's scarcely begun. It's in mid-course. I intend to pursue, as vigorously as I can, avenues to ensure that the programs and program areas will be adequately supported. It will no doubt have to be done internally, and I'm embarked on that job right now. The fact of the matter is that I was attempting to answer a moment ago my honourable friend's basic question as to whether this \$154,000 was being sought to increase funding for programs, and I have to answer honestly and tell him no. The deficit was \$154,000 this past March 31 and the government wants the Alcoholism Foundation out of debt and out of deficit, if possible, as we go through 1978-79. So, we have, it has an appropriation voted by this House, to which we are asking for an additional \$154,000, to be put on top, in which we'll have to live. But I concede that programs and treatment comes first, and I intend to pursue every possibility I can to make the internal adjustments necessary to reinforce that programming area.

**MR. CHAIRMAN:** The Honourable Member for Winnipeg Centre.

**MR. J.R. (Bud) BOYCE:** Well, Mr. Chairman, if the Minister intends to have them operate entirely in the black for the fiscal year it amounts to a further cutback in the services. What it boils down to in this particular case, \$150,000 represents about half a month's payment, and I think I mentioned it earlier so that it would be on the record, that the Alcoholism Foundation, the Board of Governors, I have to accept the responsibility for them being in a deficit position for the last two years, because it was on direct instructions from my office to function in that way, because we had to establish a benchmark from which to operate. And while I do support the Minister's contention that somewhere along the line the books have to be balanced, \$150,000 — even if you're paying 10 percent, which the province doesn't — is roughly \$1,000 a month, plus. So for six weeks, and that's all it amounts to, is the bridge financing from the end of one fiscal year to the next fiscal year. So it's \$150,000, it's just a matter of about six weeks, Mr. Chairman, that the Alcoholism Foundation is actually in the red, because they pick it up on the next year's cash flow. So the Minister is in a position, with the additional funds, to continue that until some other time. I will agree with him that somewhere along the line books have to balance and it's a desirable goal, but not at the present time. You've cut the budget by 20 percent right across the board, and it's nice to sit back — and I don't become parochial — just tell us, like the Salvation Army, we have to go out and beat on more doors to collect more money, and we have that as a source of funds. But there are other agencies which haven't got that capacity, and you've cut these particular programs to the bone, and I'm very glad that the Minister is going to have some time to take a look at what is going on with this organization.

I don't want to be parochial, but members will recall I was Chairman of the Board of Governors at one particular time, and it is an organization which is rather close to home. But nevertheless, the stories which come to me are quite disturbing, that the organization, the higher echelon is entrenching to protect themselves. They are more and more disassociating themselves from AA groups, which is the backbone of that system, and I would suggest that just as soon as the House recesses that the Minister sit down with some of his associates within the Conservative Party that were just as interested as I was, and we kept politics pretty well out of that particular area, with the co-operation of the people in the community.

But to get back to the \$154,000 that the Minister says he is asking this House to vote, because he wants to put them in the black, I would suggest that this is not the year to do it. I don't think that there is any reluctance on anybody in this House to vote you \$154,000, but I would support the contention of the Member for Fort Rouge that some of that \$154,000 should be used to augment the already less than skeleton type of operation that you have going in the province. We talk in this House so much about indicators and economics, you can go on, and on, and on, and on, for hours on economics, but there's people out there and as things get worse economically, then people get more confused and they have a propensity to indulge in self-anesthetization. I think that's in the dictionary for the Minister of Finance. But I would suggest to the Minister that he seriously consider that the \$154,000 be used, as suggested by the Member for Fort Rouge, to augment the budgets and to continue that deficit, because it's a matter of \$1,000 additional costs. They expect them to operate entirely in the black this year, and I must digress, I'm going around because I haven't got notes or anything else on this, but if the deficit of \$154,000 will put them in the black this year, they've cut back considerably. Because as I recall it, at the end of the last fiscal year, it was about \$250,000' \$260,000 deficit at the end of the fiscal year, so that they have reduced in the last fiscal year, the services before he even cut anything by about \$90,000, so that's an additional \$90,000 cut to what is reflected in this particular year's Estimates. So I would implore the Minister to take this \$154,000 and augment the budgets of some of these agencies who have been doing an excellent job in the province, and to carry that deficit forward another year, realizing full well that the books at some point in time, have to balance.

**MR. CHAIRMAN:** The Honourable Member for Brandon East.

**MR. EVANS:** Mr. Chairman, I'd like to ask the Minister of Health and Social Development whether he is informed or knowledgeable of the co-operation and co-ordination between the Alcoholism Foundation of Manitoba and the Motor Vehicles Branch with respect of course, to particular problems arising from alcoholic drivers. I believe there have been efforts over the years for co-ordination and co-operation between the two agencies, but I have — and I can't unfortunately give the Honourable Minister any specifics, any cases, any examples — but I have heard some rumour of possible deterioration in this co-operation between these two agencies, from my area, in the City of Brandon, and that we may all be suffering, as taxpayers, and as government, and as a people, because of some breakdown in co-ordination and co-operation. And again, I am not sure whether the Honourable Minister is aware of this co-ordination liaison that goes on; I am not familiar with the details, but I am wondering if he could comment on this, whether he is aware that the maximum co-operation is being brought forth, that the Motor Vehicle Branch is using the AFM to the maximum potentiality of that organization. And if he cannot comment on this matter at this time, could he take it under advisement to assure himself that there is that maximum liaison and full use of the AFM in co-operation with the Motor Vehicles Branch to get at this one particular problem of drivers who have serious drinking problems.

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

**MR. SHERMAN:** Mr. Chairman, I want to acknowledge the burden of the remarks placed on the record a moment or two ago by the Honourable Member for Winnipeg Centre, and thank him for them. I am not going to comment on them because I don't think they require comment. He has asked me, as the Member for Fort Rouge did, to think about the problem and think about a course of action that I can take, and I have assured both members that I am concerned about it, and I am going to do what I can to ensure that those programs are effectively funded.

With respect to the question just raised by the Honourable Member for Brandon East, I am familiar with the issue that he raises, with the question that he raises. There's no point being coy about it, I think it can be said without fear of contradiction that the relationship is not good between the Alcoholism Foundation and the Motor Vehicles Branch, and the courts in that particular area to which he refers. There used to be, I think, an extremely well recognized and respected liaison between the AFM and the Motor Vehicles Branch in which the AFM was available to serve in the capacity

of counselling and treatment and readjustment for drivers who had their licences suspended, or who had otherwise faced highway traffic infractions related to alcohol, and that liaison seems to have broken down, Mr. Chairman. I am aware that it's broken down, and it's part and parcel of some challenges that we face in the whole area of the operation of the AFM to which I have addressed myself in past months, and I am continuing to address myself, and with respect to which I hope to be able to present the Legislature next winter with a solution.

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

**MR. JAY COWAN:** Yes, thank you, Mr. Chairman. I will be quite brief, but I just did not want to let the opportunity pass, to encourage the Minister to, when he does review the AFM budget for the next year, when he does make the budget, that he gives special consideration to many of those programs that he has cut back for this budget year.

When I first saw the Supplementary Estimates, I have to admit that I naively hoped, and sincerely hoped, that some of that \$154,000 was going to be put into use in some of those programs that have been cut back, and in specific — I have to be parochial about it — in specific, I was hoping that the Churchill Health Centre would have received some of that funding. I now realize that that was naive, although it is indeed sincere. So I just wanted to take this opportunity, I could not let it pass, I would have been remiss to my constituents, and I feel that I would have not done my own self justice, if I had not stood up and once again, tried to convince the Minister of the importance of those programs, and try to convince the Minister that those programs must continue and they must continue on the funding that they had previously, at least the funding they had previously, because the problems in that Town of Churchill are not getting any better. And no one in this House, and no one in this province, would dare suggest that. They are getting worse, and those problems are ultimately going to be reflected in alcohol problems, and I think that now, of all times, now, is the wrong time to cut back as they have done and I would have hoped that the Minister would have recognized that, and tried to put some money back into that program.

But as he has seen fit, as he has seen fit — and he is the Minister — not to do so, then again I would just rise and very briefly suggest to him that when he goes over the Estimates for next year, that he does so, that he puts money back into those programs that are so dearly needed in the north.

**MR. CHAIRMAN:** —pass.

Resolution 6: Resolved that there be granted to Her Majesty a further sum not exceeding \$154,000 for Health and Social Development, Corrective and Rehabilitative Services, (k) The Alcoholism Foundation of Manitoba, \$154,000—pass.

Resolution No. 7, Industry and Commerce, (2) Operation, (g) Industrial Development, (2) Other Expenditures \$60,000—pass — the Honourable Member for Inkster.

**MR. GREEN:** Can we have what this particular \$60,000 is for?

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

**MR. CRAIK:** Mr. Chairman, it's the obligation for the Tupperware Plant at Morden.

**MR. CHAIRMAN:** —pass — the Honourable Member for Inkster.

**MR. GREEN:** Mr. Chairman, I would like to make brief comment on this item, which is the —(Interjection)— Well, test me. The operation of the Tupperware Plant in Morden, which I imagine was supported by a DREE grant. —(Interjection)— There is no DREE money involved in the Tupperware Plant at Morden? Pardon me? Site preparation? Well, Mr. Chairman, why is the Province of Manitoba engaged in site preparation and construction for a private company in the Province of Manitoba?

**MR. CRAIK:** Mr. Chairman, this particular amount of money deals with feasibility studies, site preparation and some of the infra-structure dealing with some of the servicing of that particular site. In the future, now that we do have a DREE agreement signed with the Federal Government dealing with infrastructure and development, these costs will be cost-shared with the province.

**MR. GREEN:** Well, isn't that agreement with Ottawa with the Department of Regional Economic Expansion?

**MR. CRAIK:** Mr. Chairman, unfortunately this particular project had started before that agreement

had been signed and since there is no retroactivity allowed in that particular agreement, this particular expense, as far as the feasibility study, some site preparation and some infrastructure costs, which are being shared with the Town of Morden, this cannot be included in that new agreement. It is anticipated that for the development of industrial parks and for helping out in infrastructure arrangements such as this, including feasibility studies, that those costs will be borne under the new DREE agreement, should that be required in the future.

Mr. Chairman, I am somewhat inclined to agree with the Member for Inkster's question, why would we be undertaking to do this? I want to remind him this was one of the obligations we took over when the government changed. This grant had already been agreed to by the former government and, secondly, I want to remind him that this is one of those cases where money is coming out of the vote this year to pay for last year's obligation.

As a matter of fact, the Order-in-Council didn't pass until after the fiscal year-end, but the money was obligated about a year ago.

**MR. GREEN:** Mr. Speaker, I thank the honourable member for once again reminding me that when I was a member of Cabinet I participated in things which I wasn't 100 percent in favour of.

**MR. CHAIRMAN:** The Honourable Member for Brandon East.

**MR. EVANS:** Thank you, Mr. Chairman. I think the comments made by the Minister of Industry and, latterly, by the Minister of Finance should point out very clearly that this company was prepared to come to the Province of Manitoba, and had been considering coming to the Province of Manitoba for indeed some period of time. And I know my friend, the Minister of Industry, has never attempted to make out that because the government has changed all of a sudden Tupperware is coming here. I know he has indicated clearly in the past that this has been a project that the department has worked on for some time.

The only point I would like to make is that I'd like to reiterate the fact that the department worked on it, while I was Minister, for some time because some of his colleagues, I don't believe heard his statements or were aware that this company was prepared to locate in the Province of Manitoba and did compare us with the Province of Alberta, and maybe some other area, but for various reasons decided to come here. I don't think this small amount of money, which is a very small amount in comparison to the total investment involved, you know, is going to make or break a decision in this particular matter. However, I think we can all be pleased that at least there is some industrial activity taking place in the province and in this area.

At any rate, Mr. Chairman, I'd like to take the opportunity to comment briefly on this rather gloomy report that was issued today by the Task Force designated to study the future growth of Winnipeg, the Task Force having made mention also to the growth prospects for the Province of Manitoba. —(Interjection)— I beg your pardon? Well, in principle, Mr. Chairman, my understanding is when we're on Supply, we deal with an item, a particular department, and we're dealing with industrial development and I'm talking about industrial development and I believe it is relevant and I'm very concerned that the prognostication of this tri-level Task Force, tri-government or intergovernmental Task Force which was studying the possibilities for Greater Winnipeg and which commented on the future for Manitoba comes out with a statement that real growth in Manitoba is predicted to slow considerably during the same period, that is within the next nine or ten years. The only exception being the agricultural industry and generally we'll probably lag behind the national average.

They also go on to make some other rather negative comments on prospects for future manufacturing development specifically and they discuss problems of rising energy costs. You talk about low productivity existing in the province and in the City of Winnipeg and generally they paint a very gloomy picture. I don't know whether anyone has told them that we have a new government with new economic policies or not but they apparently are not moved by the fact that this government has reduced some of its taxes on incomes and has done some other things presumably with the objective of stimulating the economy.

I'd like to ask the Minister therefore at this time whether, not just in view of this report but in view of other statistics that are being made available to us and other forecasts that are being made available to us by research institutes and the like and comments that are almost read daily in the business papers or in the business pages of the daily papers, that we're going to look toward a very bleak winter and that economic growth is slowing down, whether the government is prepared to introduce any new economic or industrial development policies. What are they going to do to offset this rather bleak picture that we are seeing being painted now, very lately, very recently, by this intergovernmental task force? Does the government have any intention of devising a plan? I know some of us were critical of the TED Report, the Targets for Economic Development, but for all of its faults and so on, at least it was an effort made by the government to place some targets

before it to achieve. It didn't really indicate how the targets were going to be achieved necessarily but nevertheless it was some attempt.

Our government brought in Guidelines for the Seventies. I'm wondering whether the Minister of Finance can advise whether, in view of the rather gloomy statistics and reports that are coming out, whether the government is considering bringing in a new plan for industrial development for this province or is it going to rely totally and solely upon *laissez-faire*, on the market system, allow the hidden hand to operate and not to in any way concern itself with some type of planning and some type of initiative. I think new initiatives are called for and while we welcome the investment of Tupperware at Morden, which was being planned while the New Democratic Party was in office and has now come to fruition, and while I can support this particular expenditure, I say, Mr. Chairman, to the Minister of Finance, that it seems to me that it is incumbent upon the government at this time to tell us whether they are prepared to embark upon some type of economic forecasting of its own and possibly a plan of action where some new initiatives, where some outline of how the government is going to offset the rather sad growth picture that appears to be slated for us. TF250

I appreciate that we have some very particular problems to overcome and that we are, to a large extent, experience in the economy because of the particular resource base that we have, because of our particular market situation, and governments are limited, they can only do so much. But nevertheless, I think it's incumbent upon government not to sit still but to take a positive approach. My friends opposite, I suppose, differ with us on that although we've had evidence in the last few weeks that more and more is this government involving itself in industry whether it's guaranteeing advances to farm implement companies or whether it is engaged in job creation programs, watered down as they have been from those that we engaged in, but nevertheless, there they are. Direct government employment, as the Minister of Finance told us of yesterday, I think he said 1,200 people, they are gradually accepting, the government in this province has to do something, that we can't just sit back. We can't afford *laissez-faire* approach in this province.

So I would ask whether it is the intention of the government to engage in some type of industrial development planning. If he doesn't like that word, in some type of forecasting and setting out some targets that it may wish to achieve. As I reminded the Honourable Minister, the previous government of which he was a member, did indeed do that, the TED Reports, the Targets for Economic Development.

**MR. CHAIRMAN:** 2. — the Honourable Minister.

**MR. CRAIK:** Well, Mr. Chairman, I agree with the member when he refers to today's headlines as being rather gloomy looking. Anybody that reads them would have to conclude that and there's no doubt about it. There's going to be an uphill battle, but I recall the Premier of Manitoba, during the 1960s, the former Premier Duff Roblin putting it in a capsule form one time, when he said, "Manitoba has to run in order to even stand still." And that's about the size of it, in terms of promoting industry for Manitoba.

Today's headline report may be worse than the actual report, glancing through it. They are not suggesting a trend any different than it has been for 21 years, I think they said that the Winnipeg area has not kept up with the National average of size of city, that size of city, since 1957, or so. Whether or not that's true, I don't know. It's a consultant's report, and we will have to have a look at it. I would remind the Member for Brandon East that if he happened to pick up yesterday's *Globe and Mail* — day before yesterday, the *Globe and Mail* had a rather positive outlook for Manitoba's potential, in fact, I think the headline there was "rosey," and suggested that, despite the disclaimers otherwise, that Manitoba's economic position was looking rather good, and they looked forward to some substantial growth in Manitoba. And we've discussed the various aspects of it from time to time, and indicated where the problem areas lie, which I repeat for the member are principally in the north — but that doesn't mean that it isn't a battle in the south — so from all sectors point of view, to try and develop our economic base in the south as well.

So I don't know that a general discussion would further the question that we're speaking about here at this point in time, Mr. Chairman, but I think that our economic picture is not satisfactory from the point of view of our absolute position, but relative to the rest of Canada, Manitoba's economic picture is not out of context at all with what's been happening, in fact, is I think like the *Globe and Mail* report said, it's more rosey than the general picture in Canada. As far as the added growth of the GMP is concerned, the Conference Board is predicting a continuing sluggishness into 1979 — their report came out this week as well — they are predicting a National-wide unemployment rate of 9.1 percent, which is high — higher than it is now, Mr. Chairman, so there's no doubt we have a major challenge facing us, and that's going to have to be watched very closely. Whether or not it invites other programs, or warrants further programs, by the government, will remain to be seen. We've moved where we felt it was judicious to move.

He's made reference to the Youth Employment Program. There was a question actually yesterday

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on these statistics, and the total jobs this year in the youth area have resulted from either government direct jobs or through the Youth Employment Program — private sector Youth Employment Program — total about 6,800 jobs. That's what it adds up to this year, and that's through budgeted positions in the departments and the STEP Program, and the private sector Youth Employment Program. And then there's a \$300,000 amount in here, northern, for which is youth employment, as well, but the total in job creation comes to just about the \$7,000 mark, in terms of government involvement, either directly or indirectly, which is higher, Mr. Chairman, than last year, and at less cost.

Mr. Chairman, the other question, I've forgotten exactly what it was, but the item we're dealing with is the \$60,000 matter of the plant at Morden, which is an undertaking that is being fulfilled in relation to the grant that was committed by the former government to this plant.

**MR. CHAIRMAN:** Order please. I would ask the honourable meers if we can stick to the subjects that are under discussion or under debate, and it is Other Expenditures \$60,000.00.

The Honourable Member for Brandon East.

**MR. EVANS:** Yes, I'm talking about the item Other Expenditures — Industrial Development, and I really asked the Minister only one question which he didn't answer, and the question was, Is the government at all considering the preparation of an Industrial Development Plan? Maybe I should address it to the Minister of Industry and Commerce, but his comments, Mr. Chairman, cause me to make some reply. He did say that there is now a total of 6,800 jobs being created through various job creation programs. I repeat, well, that's fine, if that is the case, and I repeat that the government of Manitoba, July 1978, has accepted in principle the whole concept of job creation, and even though we've heard criticisms from the Premier and his colleagues over the past few months — very critical of the efforts of the NDP last year in job creation — nevertheless, they have accepted it, and I still say it's a watered-down version. The Minister said, 'it's more jobs than we got for less money. I dispute that, I haven't got the figures in front of me, but I do recall that we had 5,000 jobs in various sectors as of the mid-July count, and then on top of that we had 3,500 jobs in STEP alone, for 8,500, and there were others as well. But I don't want to get into an argument about the actual details. I simply say that we did put a lot more people to work because we spent more money, and there's no other way of doing it than by the expenditure of money, for this type of program.

Mr. Chairman, the Honourable Minister referred to the Globe and Mail painting a rosey picture. Well, that article he referred to was written by Roger Newman, who is, I think, a fairly good reporter. I don't know who he interviewed, whether it was meers of the Department of Industry and Commerce — I know he interviewed one or two Winnipeg businessmen, and so on. I read the article as well, and I think I would, although I respect Roger Newman, I think I would put a little more credence in a study that has taken some many many months, by an intergovernmental Task Force, going into a great deal of detail in forecasting in this case than I would an article written by Roger Newman, or indeed, if I sat down like many reporters do and write an article in a day or two.

So I would simply ask the Minister — I'm repeating my question which he didn't answer — and that is, is it the intention of the government to formulate some sort of industrial development policy guidelines or some industrial development strategy? I repeat, you did have the TED Report for all its faults and drawbacks, nevertheless, it was an effort, in that respect. And so it's not something that hasn't been done before that, and before that there was the COMEF Report, which I believe was also a committee on Manitoba's economic future, that was also prepared by the Conservative Government, I believe under the Conservative Government, so I'm not suggesting that you'd want to engage in detailed economic planning. In fact I think it's very difficult, if not impossible, for a province to do that, because we are indeed just that — a province — we're not an island unto ourselves.

So that was my essential question, and that is the question I'm asking.

**MR. CHAIRMAN:** Order please. I would again remind the honourable meers that the subject under discussion is Other Expenditures — \$60,000.00. I have allowed great latitude hoping that we would be able to discuss the items under discussion, and I would rule the Honourable Member for Brandon East out of order, particularly on the discussion on Other Expenditures \$60,000.00.

2.—pass.

Resolution 7: Resolved that there be granted to Her Majesty a further sum not exceeding \$60,000 for Industry and Commerce. Operations (g), Industrial Development (2), Other Expenditures — \$60,000—pass.

Resolution 8: Northern Affairs and Renewable Resources and Transportation Services. 6. Northern Field Services Division (f), Grants and Purchase Services — \$130,800 — the Honourable Member for The Pas.



**MR. McBRYDE:** Mr. Chairman, I wonder if the Minister of Finance could just explain this item to us?

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

**MR. CRAIK:** Mr. Chairman, it's for grants and purchase services, and it's primarily to the Manitoba Metis Federation for planning, development, and extension work.

**MR. McBRYDE:** Mr. Chairman, I wonder if the Minister then could give us some more detail on that because it doesn't sound like any item that we touched on at all in the Estimates and it is not for the purposes I assumed it was for. So maybe the Minister could fill us in more fully on that item.

**MR. CRAIK:** Mr. Chairman, the Minister of Northern Affairs is not here this afternoon, he has gone to Thompson, and I can't perhaps give you the detail that he might provide. All I can tell you is that the \$130,800 is entirely in that category, Grants and Purchase Services, and most if not all of it is through the Manitoba Metis Federation, and all I can tell you is it is for planning, development and extension work carried out by that body.

**MR. McBRYDE:** Mr. Chairman, I have considerable trouble then approving this item, which I assumed was a way by which the shortcomings of the community and band council grants from last year could be made up, a difference that arose out of the lateness of the federal statistics figures and therefore additional funds had to be paid out. This figure seems to be close to that amount that the Minister said was going to have to be paid out in addition to the amount paid out last year. If that were the case, it would have certainly no relationship to the Metis Federation as such. It would be directly paid to community councils and to band councils. If it is for the Metis Federation, then I would need more explanation of that item before I would be prepared to have it passed, Mr. Chairman.

**MR. CRAIK:** If the question is, is any part of it related to the grants to the band councils, the answer is no, it has nothing to do with the grants to the . . . That's that \$3.00 per capita grant to status Indians who are registered Treaty Indians that was undertaken in 1972 or 1973 and grants are made to the band councils on a basis of \$3.00 per capita, which I gather, Mr. Chairman, is also whether they live on the reserves or not. It amounts to \$138,000.00. This is not that figure. I recognize the figure in the other case because I have seen it and I know what he is referring to, but this is not related to it.

**MR. McBRYDE:** Mr. Chairman, then would this grants and purchase services, which the Minister isn't able to define very well for us, does it relate to funds previously granted through the Department of Agriculture to the Manitoba Metis Federation, which may not have appeared in the Department of Agriculture Estimates this year, which would have been an oversight or a bungling on the part of the administration for overlooking that item?

My other question, Mr. Chairman, to the Minister, would be, the amount that I was referring to, that I originally assumed this was, related to the unconditional grant and the special grants paid out last year, at which time the 1971 census figures were used as opposed to the 1976, and as Minister responsible at that time, I sent a letter out to community councils saying that the difference would be made up probably in November when the final statistics came in from Statistics Canada for the new population figures. When I questioned the Minister of Northern Affairs during his Estimates process, he said that amount would have to be made up either by this method we have in front of us, by the Supplementary Estimates, or it would have to be made up by Special Warrant.

So maybe the Minister could tell us where that amount is being made up from that did not appear in his government's Estimates, that was a complete oversight on the part of his government and the reason for the oversight, Mr. Chairman, was the Minister of Northern Affairs replacing all the senior staff in the department. With that process taking place, a number of things were overlooked, were not done. Mr. Chairman, as far as the communities are concerned that were waiting for those funds, this is certainly one of the horror stories of the Conservative Government, that they completely forgot about this additional payment to make up to the proper population figures. They completely forgot about it apparently, Mr. Chairman, until I raised the item during the Minister's Estimates review, at which time his administrative staff was quite surprised that there was this amount still owing to the communities.

So maybe the Minister could tell us where that amount owing to the communities, how it is going to be paid, because it was not in the Estimates and the Minister said it would either have to be made up by this method, Supplementary Estimates, or by way of a Special Warrant. He also said

that the money would be paid out within a month and it's been a month since the Estimates have been dealt with so I assume that the Minister of Finance has figured out how those funds are going to be paid. I wonder if he could tell this House how that item that was ignored in their Estimates has now been paid out.

**MR. CRAIK:** Mr. Chairman, I can tell you that it is not this item anyway.

**MR. CHAIRMAN, Mr. Arnold Brown:** The Member for The Pas.

**MR. McBRYDE:** Well, Mr. Chairman, in the past there was a core grant made to the Metis Federation. My recollection was that the Department of Agriculture budgeted \$100,000 related to that particular item and I'm not positive. I wonder if the Minister of Finance then could tell us whether that basic or core funding still goes to the Manitoba Metis Federation, through what appropriation it goes, or whether this particular item relates to that core funding grant to the Metis Federation?

**MR. CRAIK:** Mr. Chairman, perhaps it would be more appropriate if I undertook to give the member a statement of the total amounts going to the Manitoba Metis Federation, this and anything other, so that he will have the complete picture, and I will undertake to . . . if that is satisfactory with him, so that he will then know in total what the grants are to the MMF.

**MR. McBRYDE:** Mr. Chairman, I wonder if the Minister could tell us how come this item got left out, for what reasons it was left out and has to come in at this time in the form of Supplementary? Does the Minister know what prevented them from being aware of this particular item when the Estimates were approved?

**MR. CRAIK:** No, I can't, Mr. Chairman. It is like any number of other items, probably the same as the last item we dealt with here, although I'm not sure the agreement in that case, whether it was at what time it was signed, but the agreement on the Tupperware Grant, certainly we were aware of the obligation well back many months ago. Whether or not the timing was such that it would have been possible to get into the first Estimates or not, I don't know. It may have been one of those things that gets picked up. This may be in the same category. But I repeat that if the objective of the member is to get a total picture of the grants under this category for the MMF, I will certainly undertake to make sure that he does get that.

**MR. McBRYDE:** Mr. Chairman, I think one of the objectives on this side is certainly to fully understand the detail of the Supplementary Estimates and what they are being used for. The other is to understand fully the expenditures of the government which have been underestimated, underexplained, and whereas last year's Estimates, the amount was higher than was actually expended and there are many areas where we found that either funds are being moved from last year, funds last year in Capital are being spent this year and makes the Estimates appear to be lower.

Mr. Chairman, since we are on the Northern Affairs, Renewable Resources and Transportation Services, I wonder if the Minister can answer the question I asked previously or whether he is refusing to answer that question, and that is, the amount to make up the difference in the per capita grants, where will we find that? Where is the government going to get the money from for that item?

**MR. CRAIK:** Well, to repeat again, Mr. Chairman, it is not this item. With regard to the other assertion that moneys were carried forward because they provided too much last year and carried it forward into this year, that is not the case. The member, if he is not aware, he ought to be aware as a Member of Cabinet, that moneys are not carried forward. Moneys lapse at the end of each fiscal year. Some of these moneys here that you are voting are for obligations that existed as of last year. The Air Canada settlement, for instance, on the disallowance of the tax collection from Air Canada are moneys that are being taken out of this year's budget for court decisions that go back into last year, although it is being appealed. You will find that probably about half of the moneys voted here are for decisions that carry forward from 1977-78 into the current year and current moneys do not and have not generally been carried forward from one year to the next.

So, Mr. Chairman, I again indicate here that of the \$130,800, this is not to cover the amount the member has indicated for the per capita grants to the band councils. I'm not even sure that would come under Northern Field Services because it covers the Indian bands in the southern part of the province as well. Although it may well come under that title, I'm not sure it is even under this title.

**MR. McBRYDE:** Mr. Chairman, the Minister of Finance, then, should probably talk to the Minister of Northern Affairs and Renewable Resources and explain to him how things work, although in this case I suspect the Minister of Northern Affairs was correct and the Minister of Finance is incorrect because in the Estimates process of the Department of Northern Affairs, when we dealt with the item on Acquisition/Construction of Physical Assets, which is the Current Estimates, there is an item that showed \$7,474,000 for last year and showed \$4,424,000 for this year in Current. The reason for the reduction, though, as explained by the Minister of Northern Affairs, was the spending of Capital Authority that was granted last year to make up the difference, so that there was no reduction in this item even though a reduction shows in the Current Estimates.

So, Mr. Chairman, maybe the Minister of Finance would like to discuss that with the Minister of Northern Affairs, but I'm sure that the Minister of Finance understands about the carryover of Capital because he has become quite adept at dealing with that subject matter and making it appear the way he wants it to appear.

Mr. Chairman, I wonder if the Minister knows where he is going to get the money for the per capita grants from, because he has twice refused to answer the question and maybe it's that he doesn't know and maybe he could find out for me and let me know, or does he think that it is not any of our business to find out where the government will get those funds from that were not in any Estimates thus far? I wonder if the Minister could tell us where he will be getting the funds from for the per capita difference?

**MR. CRAIK:** Mr. Chairman, I think the member knows it will come from the Consolidated Fund. If it has been provided for, it will come out of the appropriations that have been contained in the Estimates. If it is not — and if it's made — if it is not provided for, it will come out of Special Warrant if that is the case. I don't suggest that that is the case but the answer, I think, to the member is one that he knows.

**MR. CHAIRMAN:** Resolution 8: Resolved that there be granted to Her Majesty a further sum not exceeding \$130,800 for Northern Affairs and Renewable Resources and Transportation Services — the Member for The Pas.

**MR. McBRYDE:** Mr. Chairman, I just want the Minister to confirm that I have his undertaking that he will get the detailed breakdown of this amount that he doesn't have with him at this time, of the amount we are talking about. You said you couldn't give us any more detail and I wanted to just make sure for the record that you said you would give me that in a written form at a later date. Is that what you intend to do?

**MR. CRAIK:** I said it once and repeated it once so . . .

**MR. McBRYDE:** Mr. Chairman, maybe the Minister would like to just repeat it again because there are many questions that have been taken as notice by his side of the House that I have not yet received answers to.

**MR. CRAIK:** Yes, Mr. Chairman.

**MR. CHAIRMAN:** Resolution 8: Resolved that there be granted to Her Majesty a further sum not exceeding \$130,800 for Northern Affairs and Renewable Resources and Transportation Services, Northern Field Services Division, (f) Grants and Purchase Services, \$130,800—pass.

Resolution 9, Development and Resources Division \$1,963,300.00. (b) Development Services, Northern Flood Agreements, \$1,663,300.00 — the Member for The Pas.

**MR. McBRYDE:** Well, Mr. Chairman, I wonder if the Minister could summarize this expenditure for us.

**MR. CRAIK:** Mr. Chairman, provision wasn't made in the printed Estimates for 1978-79 commitments in the Northern Flood Agreement between the province, Hydro, the Northern Flood Committee and Canada. The reason that it wasn't included was that the vote on this question by the bands involved, the Indian bands involved, did not occur until about the time the session went in and the information wasn't available. The agreement wasn't executed until such time as was required to bring in Supplementary Supply for it.

It covers the funding of the Development Corporation, which is the surveys and mapping and geotechnical work, arbitrator costs, Wildlife Advisory Planning Board, and the Community Liaison Committee, and the Employment Task Force and the co-ordination of the agreement and the land exchange and the travel regarding the land exchange. The total comes to the amount indicated,

\$1,663,332.00.\$

**MR. McBRYDE:** Yes, Mr. Chairman, I wonder if the Minister could clarify it a little further. What amount of this \$1.6 million will go directly to the community or to the flood committee and what amount is for administrative purposes for the province to deliver its part of the agreement?

**MR. CRAIK:** The co-ordination of the agreement was \$70,500 and the funding of the Development Corporation is \$400,000.00. The other large item is surveys and mapping which is \$417,632.00. The arbitrator costs are estimated at \$298,900.00. The rest are all under \$100,000 per item.

**MR. McBRYDE:** Mr. Chairman, just to make sure I've got this clear. The surveys and mapping, those funds would be expended directly by the province to deliver certain commitments it made in the agreement and would not be funds that went to an external organization but would be provincial expenditures to meet its commitments under the Agreement. I assume that would apply to the other aspects, so that of the \$1.6 million, the Development Corporation amount of \$400,000 would be one amount that went straight to the Development Corporation or straight for the community's use. The majority of the other items would be provincial expenditures to look after provincial obligations under the Agreement but not funds that would go directly to the northern community.

**MR. CRAIK:** Well, for instance, Mr. Chairman, the Community Liaison Committee, that would be an amount, it's \$86,840, would be towards the cost of that committee which is a joint committee. The arbitrator costs, of course, are again not direct provincial but are to the arbitrator's work. The other is to the Wildlife Advisory and Planning Board which is \$99,600.00. Again, it's not a provincial committee, so there's very little of it actually is . . . Well, I shouldn't say very little. The surveys and mapping work is significant in that it involves direct government but all the other items are pretty well into joint funds for the operation of the various responsibilities.

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

**MR. GREEN:** Mr. Chairman, are we on 7 (b)?

**MR. CHAIRMAN:** Yes.

**MR. GREEN:** Mr. Chairman, we made it quite clear and I think that the Minister will be able to verify that by the correspondence, that we would not pay any costs of the Northern Flood Committee which we considered to be the agent of the Federal Government. I imagine that there are no costs in this for the Northern Flood Committee.

I would also like to indicate to the Honourable Minister of Finance that he can expect to receive from me 100 percent support if he will not let this type of encroachment take place in the future, whether as a member of the Opposition or as a member of the government, that I will resist such attempts by the Federal Government to create a parallel racial representation in Northern Manitoba other than the Federal Government. I would urge the Minister — I'm not going to go through the whole argument about why he signed that agreement or why that agreement was signed again — but I urge the Minister that he not permit this type of development to take place in the Province of Manitoba, that what did take place up until now was under duress and entirely unacceptable as a concept.

The Federal Government has now done two things: They have said that they will no longer finance the Northern Flood Committee which is asking for hundreds of thousands of dollars per year for implementation of this Agreement, which is totally unwarranted, totally unnecessary. The people in the area are represented by their government at the federal and provincial levels and should be able to do this. They certainly should be able to do it in consultation with the communities concerned, but I submit that they do not need an intermediary, that the Federal Government has now seen the validity of this proposition and is now trying to shake the monster that they have created. They are trying to get loose of them and the Northern Flood Committee is now attacking the Federal Government for not giving it the support it believes that it deserves as a continuing agency for Indian people in the northern part of our province.

The other point that I will make, hopefully briefly — my friend, the Member for St. Boniface isn't here to check me. Mr. Chairman, I find it inconceivable that the government lawyer, who represented the government for some three years on this issue and had that three years of background on the various clauses and the effects of the clauses, was not consulted in any way with respect to the Agreement as finally signed, and in particular with respect to the new clause that was inserted in the Agreement. I've indicated that I do not believe that that new clause adequately protects the government but I want to assure the honourable member that Steward Martin, Q.C.

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was not a New Democratic Party lawyer, that there is no politics attached to him whatsoever. He presently continues to serve Manitoba Hydro. He presently is a member of the Manitoba Development Corporation Board. He has performed services of both a volunteer nature and a professional nature for the Province of Manitoba and I wish to, I guess, chastize the government for having that Agreement concluded without the solicitor in charge of the negotiations having had anything to say about the final clause.

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

**MR. CRAIK:** Going back to the first question, Manitoba has not funded the Northern Flood Committee and has indicated its unwillingness to do so and we have no intention of changing that.

On the other items, we're now at the position of trying to turn this Agreement into a positive vehicle for development in the communities and we look forward to it with a great deal of positive attitude. After a few years go at it we'll find out whether or not it has been a good experiment. I look forward to the Member for Inkster's support on other matters involving perhaps the same people at the federal level and some at the local level with regard to the social service settlements we're going to have to try to hammer out over the next few years which I think he probably would admit or acknowledge are probably more significant in terms of dollars than what's involved here. But at any rate, we'll cross that bridge when we come to the river, as somebody has said.

But on the last point, Mr. Chairman, on whether Mr. Martin was utilized or not, whether or not he was utilized wasn't a question of whether he had a New Democratic Party affiliation. I would remind the Member for Inkster that he was not at the negotiations the government had in the important hours of the working out of the Agreement, with the exception of the amendment, that we did sign and that he was not at those negotiations either because he was in Scotland or some place getting fitted for a kilt, I gather, and was unavailable for the 11th hour negotiations which I would question why the former government went ahead if it has that sort of reliance on his position and attitude, why they would have gone into that 11th hour without their prime consultant for what I gather was both Hydro and the government. So we did consult with the legal people here, primarily the Attorney-General's Department, but that was our prime source of legal information with regard to the final changes that were made in the Agreement and, of course, with the counsel, the built-in counsel of Hydro, their secretary who is also a lawyer and sat through all the negotiations including the negotiations in the final signing, Mr. Chairman.

So I don't think there's any point in saying any more about it. We've argued it out before. Everything we have to say, I think, is pretty well on the record and time will tell who is right and who is wrong.

**MR. GREEN:** Mr. Chairman, I can't be as optimistic as the Honourable Minister of Finance that time will tell who is right and who is wrong. Time will tell something, but it won't tell who was right and who was wrong. That is something that is so fleeting that nobody has yet been able to do it up until now and I don't expect that it will happen now.

The Honourable Minister is incorrect when he says that Mr. Martin wasn't there at the final negotiations. As a matter of fact, Mr. Chairman, Mr. Martin flew back from Scotland and participated — I believe the first three days or first two days I can't be entirely accurate about that — left on the understanding that he had clearly indicated that the question of policy decisions in Northern Manitoba, as defined in the material that was before the mediator, would not be the subject of arbitration. Even then his office remained, Mr. Parkinson was there from the beginning of those negotiations and Mr. Parkinson was with Mr. Martin to the very end.

The disagreement that resulted was a question of interpretation of a clause which was to be dealt with, and Mr. McCaffrey clearly indicated the matter had to go back to Cabinet and had to be ratified by the Federal Cabinet, and when it came to Cabinet we asked what their understanding was. They said that their understanding was that it wouldn't do the things that were feared. On that basis we said, "Let's make it perfectly clear and put in a clause." When we put in the clause the Federal Government and the Northern Flood Committee said, "No, that is not what was agreed to." So there obviously, Mr. Chairman, as often happens, was a difference of opinion as to interpretation which we wanted cleared up. As soon as we were told that it meant the opposite of what was intended, we wanted those words put in.

I don't want to open the discussion again, I merely wish to correct the Minister of Finance's observation that Mr. Martin wasn't involved. His office was there. He personally was not there but Mr. Parkinson was there throughout those negotiations. I gather Mr. Martin's office, which includes Mr. Parkinson, weren't consulted about the final wording and I say that that is a rather unusual procedure because they had three years of background on that Agreement.

**MR. CHAIRMAN:** (b)(5)—pass — the Honourable Member for Inkster.

**MR. GREEN:** Mr. Speaker, I had one more observation to make to the Minister with regard to the question that - I asked him yesterday, in which I said, "Would the Minister propose to the Federal Government that the Province of Manitoba act as agent of the Federal Government for all services to Indian people?" So that at that stage there would be no difference to treatment of Indian people in the Province of Manitoba as from other people, and on that basis, Mr. Chairman, we could make some fiscal arrangements which would see to it that not only existing services, but some of the erosion that has taken place, and provision for future problems, would be something where we would have one level of administration for all of the people in the Province of Manitoba.

Now I want to say, Mr. Chairman, that I believe that the Manitoba Indian Brotherhood would not agree to such an arrangement, and if the Province of Manitoba is going to say that its position can be subject to a veto power by the MIB, then we can't reach this result, because the Indian Brotherhood will quite rightly, Mr. Chairman, and I don't criticize the Brotherhood, like to be in the best bargaining position. The Indian Brotherhood would like to be in the bargaining position of saying that they are going to get all of the money that the Federal Government has as a responsibility to Indians and they are also going to demand full treatment as citizens of the Province of Manitoba by the province, and that if the province has any savings with regard to Federal moneys paid in, those also have to go to Treaty Indians.

Now, Mr. Chairman, I don't fault anybody for taking that as a bargaining position, but I am suggesting to the Minister that he has to look at it from the point of view of all of the people of the Province of Manitoba, and I am asking, and I will support him, that he not tie himself to a position which has a veto power within it of the Manitoba Indian Brotherhood; that he certainly try to be reasonable, that he try to be fair, that he try to be generous, but that he not be under the power of a particular group. It may be that the Federal Government will say we won't do anything that is objected to by the Manitoba Indian Brotherhood. If they take that position I will criticize them at that level, but I don't think you should be taking that position.

I believe that the province, I believed before, I believe now that the province could make a reasonable deal, whereby the amount of money that the Federal Government is spending on Indian Affairs in the Province of Manitoba could become a fiscal equivalent to the province, and that all people in the Province of Manitoba be treated equally for services and that no longer should the Indian people have to be concerned with federal civil servants and provincial civil servants, and that the province says and has said, "We won't do this because they are treaty Indians and they are not under our jurisdiction, and some frightful circumstances have arisen in that respect, when we talk about child neglect or something, we are going to find out whether a person is a treaty Indian before we deal with a terrible problem. There shouldn't be that question. Citizens of Manitoba should be treated equally, and the only way that the Minister can effect that is to act — constitutionally they have the responsibility.

Therefore, there would have to be, and there have been such agreements in the past, an agreement that we will accept their responsibility and then from that point on you will not have to find out if it is a treaty Indian or anybody else, you will deal with them as human beings. That might not be to the liking of some groups of people who say that they want to establish different status for Indian people on the basis that this is for the further protection of Indian people. Well, people who feel that way I sincerely let them make their views, Mr. Chairman, but I have a right to my views, and I am suggesting that that is not in the long-term advantage of the province or of the Indian people within the province, and that the Minister look to what is in the long-term advantage and adopt that kind of position.

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

**MR. CRAIK:** Mr. Chairman, I appreciate the comments of the Member for Inkster and I gather from his comments that he has spent some hours on it in the past and has some experience. His comments are valuable and with many of his remarks I have no dispute. I expect that it is going to be a fairly long period of negotiation on some of these matters. The general objectives that he is indicating here are ones that I think eventually have to come to pass in Canada at some point in time. So I have no real dispute with his comments.

**MG. CHAIRMAN:** (d)(5)—pass; (d)(2) Other Expenditures, \$300,000—pass — The Honourable Member for The Pas.

**MR. McBRYDE:** Mr. Chairman, could the Minister explain this item, please.

**MR. CRAIK:** Mr. Chairman, it is actually for the extension of the Private Sector Youth Employment

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Program in northern Manitoba. The same people were utilized for delivering this service in northern Manitoba, but the money is voted through this particular appropriation.

**MR. McBRYDE:** Mr. Chairman, I wonder if the Minister could reconfirm that this is for the Private Sector Youth Employment Program?

**MR. CRAIK:** It came through that category, but it was in fact utilized for the Youth Employment Program, partly through the people in the Youth Secretariat and in part through the Northern Affairs people for delivery of it to the northern communities, but it is related and initiated from a request by the Private Sector Youth Employment Program for use in northern Manitoba, although the jobs created have not all been in the private sector as a result of this.

**MR. McBRYDE:** Mr. Chairman, this particular item I don't believe, I am not aware of it actually applying to any private sector employment, it is community employment for young people in northern Manitoba. It is a continuation of a program that has gone for many years. As a matter of fact, there is always discussion between the provincial authorities and the federal authorities and the Federal Indian Affairs Branch provides youth employment in a number of communities and the province has provided in other communities. Of course, they concentrate most heavily on the treaty communities and ourselves on the non-treaty communities.

This amount in front of us, Mr. Chairman, is a reduction in the Youth Employment Program that has been going on in northern Manitoba for a number of years, and I wonder if the Minister could tell us why this item wasn't budgeted before since it is a program that has gone on for, I believe, five years in northern Manitoba? It is a program that has some agreement worked out with the Federal Government as to which communities which level of government will deal with, and the Minister of Northern Affairs cut his staff — some of the staff fired were the ones that carried out this program. So why was it that this program was not budgeted for, that the staff was not left in place? Instead of, at the last minute, running back in asking for these funds of a program that had gone on for four to five years, and then running around, scrambling around to find staff to deliver the program. I wonder if the Minister could explain that bungle of the Department of Northern Affairs?

**MR. CRAIK:** Well, Mr. Chairman, the member has a way of getting in his comments or his adjectives here that require a comment, if not an answer. It is not a question of a bungle, it is a case of identifying a requirement and moving on it, the same way the Youth Employment Program was initiated and announced after the Main Estimates were made up, and recognizing the fact that all the programs of the government were not ready by early March when the Estimates went to print, and this was one of them that it was felt necessary to move on.

I was mistaken here to the extent that there was any great involvement of the Private Sector Youth Employment Program staff. It was administered almost entirely by the Northern Affairs staff, and it was directed at youth employment though in northern communities.

**MR. McBRYDE:** Well, Mr. Chairman, maybe the Minister was talking to somebody else and wasn't listening when I made my initial comments on this. This is a continuation, as far as I can understand the identical program, at a reduced level, that has been going on for four to five years. and therefore why was it not included in the regular Estimates since it is the same program that has been in existence for that length of time. Why was it brought in at the last minute and not included in the regular Estimates?

**MR. CRAIK:** Well, Mr. Chairman, again it is a case of identifying the needs for a program after the Main Estimates have gone in and budgeting for it under Supplementary Supply. Governments are empowered to do this. If something comes up between now and the next sitting of the Legislature government has the power to make a decision and to move by way of special warrant for that purpose, so that is the long and the short of it.

**MR. McBRYDE:** I think that is a fair enough comment and what the Minister is saying in effect is that the Department examined the program, made a decision to eliminate the program, and then changed their mind. I think that is fairly simple.

**MR. CHAIRMAN:** (d)(2)—pass; 7.—pass.

Resolution 9, Resolved that there be granted to Her Majesty a further sum not exceeding \$1,963,300 for Northern Affairs and Renewable Resources and Transportation Services, Development Resources Division (b), Development Program (5), Northern Flood Agreement — \$1,663,300, (d) Employment Services (2) Other Expenditures — \$300,000—pass.

Resolution 10, Public Works, Operation and Maintenance of Provincial Buildings and Grounds, (b) Maintenance, (2) Other Expenditures — \$480,000—pass — The Honourable Minister.

**MR. CRAIK:** Mr. Chairman, I think that perhaps we should indicate here that the \$480,000 is for the nine-month interim grant towards the operation of the Churchill Town Centre Complex . . . Mr. Chairman, \$360,000, and \$120,000 of it is anticipated repairs.

**MR. CHAIRMAN:** —pass.

Resolution 10, Resolved that there be granted to Her Majesty a further sum not exceeding \$480,000 for Public Works, Operation and Maintenance of Provincial Buildings and Grounds, (b) Maintenance, (2) Other Expenditures — \$480,000—pass.

Resolution 11, Tourism, Recreation and Cultural Affairs, (1) General Administration Division, (h) Grant Assistant — \$239,900—pass — the Honourable Member for The Pas.

**MR. McBRYDE:** Mr. Speaker, maybe the Minister could explain in each of these sections why it was necessary to come for Supplementary Estimates on these items and they weren't included in the regular Estimates, and if the Minister could indicate which of these items is the funding necessary to have the necessary lifeguard staff at the parks.

**MR. CRAIK:** Mr. Chairman, \$239,900 is for the *pari mutuel* tax from the Race Track gate. As you recognize the tax was changed by one-half of one percent, but it is a pass-through type of operation. It comes into the government as revenue, goes back out again to the purse for it. So it is a case of a pass through.

\$86,400 is for park maintenance and operation and part of that goes for the additional lifeguards that were added to the program.

**MR. CHAIRMAN:** The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Chairman, I just wanted to take the opportunity of looking at the Supplementary Estimates under General Administration, to make some comment upon what I think is an unfortunate pattern that appears to be developing in the Department, particularly in relation to its administration of the cultural programs.

Members of the Committee would recognize that over the past several weeks a number of questions have been raised which demonstrate that the Department has embarked on what is a clearly different line of support for cultural and performing arts organizations in the Province of Manitoba. The direction itself, Mr. Chairman, raises some serious questions because it seems to be that there is a fairly deliberate intention to downgrade the role and position played by the professional companies in the City of Winnipeg, the Ballet, Symphony, theatre centres, and so on. But what is perhaps even more disturbing is, this direction seems to have taken place without the acquiescence or acknowledgment of the Minister responsible. And that the way in which this apparent change of policy has occurred has been one without any real prior consultation with the companies involved. It comes out of the blue. It has been announced, and they have received letters from the Deputy Minister well past their own budget years, well into the time in which they had already made commitments on staff, and resources on performers, and in the cases of two of the companies, their own annual operating budgets have been predicated upon the existence of certain supports from the Provincial Government, which they had not been given any foreknowledge that it would be cancelled. As a result, they are going to engage substantial losses; I think the Winnipeg Symphony estimates a \$54,000 direct loss attributed to that kind of change in stream by the Provincial Government, which was announced on June 30th. The Winnipeg Ballet will probably have a similar amount of losses.

So, Mr. Chairman, it really comes home to us that there has been a policy change that was undertaken without any consultation, without any prior discussion or announcement. It was a policy decision that appears to have been announced by the Deputy Minister, not by the political Minister involved, and that the implications and the consequences of this change, I think will have very serious repercussions upon the performing arts in this province, that could conceivably, having spoken to several of the general managers, could conceivably put them in a very perilous position, even raising questions about their ability to continue operating, if that kind of trend continues.

I'm not here to raise horror stories, I think that's the occupation of honourable gentlemen opposite, but I would say that there is, certainly from the representations I have received, a feeling on the part of those involved in these companies, that if this kind of action continues that their ability to maintain a relatively high quality of performing arts in the Province of Manitoba will no longer be possible, that they simply won't be able to afford it.3\$

Now, Mr. Chairman, there is no question that everybody has to deal with restraint, you know,



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and I guess if there's been any success on the part of the government, that's now become the touchstone of everyone's occupation in Manitoba. You walk around, and in your mind you are sort of constantly asking yourself how you can restrain, retrench. It has become sort of a hallmark of being a citizen of this province, and there may not be anything wrong with that. But I have understood, Mr. Chairman, restraint not to mean substantial reduction in existing quality of services. It means holding a line, it means maintaining one's self, it doesn't mean a substantial cutback. I think it also implies, Mr. Chairman, that according to the philosophy of the government, this would be done with some degree of partnership or co-operation, not done in a kind of arbitrary capricious manner, but trying to work with some degree of willingness to work these things out with the companies or the people involved, which has not happened in this case at all. There has been absolutely no forewarning of any kind, which does really, Mr. Chairman, relate to the administration of the department. It appears to me that the department may not know what it's doing, and that there are decisions being taken, and that they really are being taken without any rationality being provided to either members of this House or to the general public. They're not giving us any reason or explanation for what's taking place. I don't object, Mr. Chairman, to the support being given to a wide variety of amateur groups, and ethnic cultural organizations in the city. I think that it has always been a very important part of our heritage and our cultural mosaic. But what's important, Mr. Chairman, is that the foundation of many of these other groups operating is the existence of first quality professional companies, that are able to supply teachers, and resources, and backup, and inventory, and facilities, to enable many of these other groups to exist side by side. But there would be very few dance groups able to operate in the city if they weren't able to use much of the equipment, and lighting, and resources, of the Winnipeg Ballet Company; they just simply couldn't survive under those circumstances.

The same thing is true that many of the other arts organizations in the city absolutely depend upon the existence of the Winnipeg Symphony for its musicians. The fact that there is a corp of trained professional musicians in the city, who take some pride in their work, are available to all kinds of other organizations, both for teaching and for smaller scale proposals.

Now we have a situation where there really is a high degree of fright being expressed on the people in those organizations, not just on the cutbacks in the original grants to the Arts Council, but now upon these subsidiary programs, the supplementary programs, that were provided by the Department of Tourism, Recreation and Cultural Affairs. It was my understanding, Mr. Chairman, talking to the previous Ministers who were responsible, and they said that in previous years what they would do is that they would say that each of these organizations would get a base grant from the Manitoba Arts Council, and that it would be the intention of the government to find other forms of supplementary support to things like Festival of Manitoba through some sort of extension services. In other words, to use some of the other moneys coming through lottery funds and through other forms of support to supplement that in order to put together a proper package of support. They recognized that the Arts Council contribution itself was not enough, but that they attempted to package different items together into one basis of support.

Now we're faced with the fact that those bases are being eliminated, and they have been eliminated, whatever the Minister likes to say, and I partly sympathize with him. I think, Mr. Chairman, that he got caught short by his own department. I don't think he knew what was going on; I think these decisions were basically being taken without his knowledge as well, because if they were, it seemed to me that he was about as much surprised as everyone else was about the announcements on the occasions. I think it is certainly worthy of the Minister to defend his department, but not when they've made a bad decision. I would suggest to him that I think that he showed a fair degree of leadership when the question was raised to him about the cutback of lifeguards. I think he went back to his department, told them in no uncertain terms that they had made a stupid decision, and they should correct it, and it was corrected, and now the position is okay.

Well, Mr. Chairman, they've made an equally stupid decision in this instance. He should go back to them on the same grounds, and say, let's correct it, and come up with some better answers. It is not, Mr. Chairman, for lack of funds. I would say that if it was of a budget Estimate . . . But again doing some checking, I would determine that the kind of supplementary performing arts programs in the province are primarily supported by funds garnered through lottery funds, and at the present moment, there is a surplus of those funds, that they have received a higher degree of revenue this year than they did last, and a large part of it is unexpended. It seems to me, and we're not talking again about enormous sums of dollars. In some cases, you know, it seems to me that we're getting into a kind of a penny-wise and pound foolish situation, that for the sake of cutting back \$7,000 or \$8,000, the Minister or his department really meant that we were going to cut back \$20,000 to \$30,000 that were coming from other sources, that were going to piggybacked or be triggered by the expenditure of these kinds of funds.

So again we're in a case where a small sort of stipend resulted in a larger deficit and a larger loss, which doesn't make very good economics from my point of view, but if you can sort of multiply

your talents as the scripture says, that is a description of good stewardship. And in this case, the elimination of that stipend has resulted in a much larger loss.

But I'm not going to quibble over the small amounts, what does concern me more distinctly are the issues. First, that this decision has been taken, and I think that members opposite should realize that it is having very serious reverberations in the performing arts fields at the time when their own position is shaky enough as it is. Funding for culture and arts is never an easy thing, and it is more expensive in that they are subject to perhaps the most extreme of inflationary pressures because they rely mainly upon human services, which is the high cost factor in the inflationary push. But that the decision was therefore taken without any attempt to provide for their preparation or for their understanding as to why it is taking place, it simply came as a shot in the dark.

And so, Mr. Chairman, we really, at the end of the session, I think, after having looked at the Estimates of the Minister, and made some preliminary comments, find out that the situation is much more serious than we had originally been aware, because frankly he was not prepared or able at that time to tell us that these things were going to take place.

So, Mr. Chairman, I would use this opportunity to say that I think the Minister should take it upon himself to go back to his department, and to again rescind the communiques that were issued in the name of his Deputy Minister, and to at least rectify that the original problems related to the Festival of Manitoba, and the external programs, the programs outside of the province, and at least not, as he says, have an open door policy. I don't think having an open door policy is sufficient enough. I think as the Minister responsible in this province for these areas, he has the responsibility for initiative, not simply for response for a passivity, but the right to take initiatives in this area to recognize that there is serious problems arising, and that he has a responsibility to bring the groups together, to give them the rationale, to defend the actions of his department, and to see what can be worked out so that they will not be faced with substantial deficits caused specifically by the actions instituted by members of his department well after the budget seasons of all these arts groups were established and confirmed by their own boards. It means that we're now heading into a further season where their services are going to have to be drastically cut back because of those decisions being taken by provincial officials. Mr. Chairman, it seems to me that that's a fairly clear case of where the onus of responsibility lies and I would ask the Minister to recognize that onus and to do something to correct it immediately.

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

**MR. DOERN:** Mr. Chairman, I wanted to add a comment in regard to some of the difficulties facing the artistic and cultural organizations of this province. You know, it wasn't very long ago that the City of Winnipeg and the Province of Manitoba had some pretty pathetic facilities and institutions in our province. If you only go back, I guess some 10 to 20 years, you can recall that in the old Auditorium we had the Manitoba Museum and we had the Winnipeg Art Gallery. The Museum at that time consisted only of a few glass cases with a few stuffed animals in a never changing so-called exhibition, and the Winnipeg Art Gallery only consisted of a few small rooms with a couple of dozen or a couple of hundred paintings. Since that time, the Conservative Government of Duff Roblin built some very fine cultural facilities, the Centennial Concert Hall, etc., and our government undertook the construction of a new Theatre Centre, a new Winnipeg Art Gallery, and a new Manitoba Museum.

Mr. Chairman, the problem is that now that we have invested considerable moneys in facilities that are first rate to house our institutions and so on, these very same institutions are not able to function properly. I would cite for example, the Winnipeg Art Gallery, which, during the first years of our administration, was open in general until six o'clock every day and was open several nights until ten o'clock. However, there were some restraints put on them by our government, and in 1977, when we left office, they were open for a total of 47 hours a week, and they were then closed on Mondays, which was a new policy. They were only open until five o'clock most days, and on Thursdays, Fridays, and Saturdays, they were however open until nine o'clock.

Now if you're a working person, like the average adult in Manitoba and you want to go to the Art Gallery or to the Museum, etc., you are confronted with shorter hours. In the case of the Winnipeg Art Gallery, unless you're going to attend on the weekend, you cannot in fact see any of their exhibitions, because what happened since we left office is that under the present administration the Art Gallery is open from 11 to 5, and from 12 to 5 on Sundays. So there is no more evenings in which people can go and visit these facilities which cost millions of dollars to construct, it costs a great deal of money to operate, contain millions of dollars worth of art and equipment and books and other interesting things, and basically they are closed to the people of Manitoba.

We then tried in the House to raise this matter with the Minister of Cultural Affairs and questions were asked by the Member for Fort Rouge and myself, tried to find out what he was going to do about this and he simply continues to reiterate that there are restraint programs and his hands

are tied. At the very time he is undertaking extensive advertising campaigns in the United States, and I suppose throughout Canada as well, trying to draw people to our province, playing our strongest trump card which is the cultural facilities of this province, and then when tourists come here on the basis of advertising, on the basis of pamphlets and photographs and so on, these same facilities which have been trumpeted by the government and of which we are all very proud, they are closed. They work on restricted hours. This is very bad, I think, for tourists who are, to a certain extent, misled, and also worse for our own people who just cannot access these cultural facilities.

Mr. Chairman, when I asked the Minister what he was doing about cultural activities, he said, well, he was increasing campsites and he was increasing horse racing activity. Well, that may be tourism but that is not cultural affairs. My understanding of tourism is that most people are motivated by historical and cultural sites when they go to an area, more so than fishing and camping. I would admit that people are motivated by a variety of things, that some come for racing and some come for camping, but many come to visit the city to shop and to see the sights and a lot of people are interested in history, a great number of people, we know, come to this building, probably a couple of hundred thousand tourists per year and so on. So on one hand, the government is trying to promote tourism while at the same time they are cutting the budgets of our cultural institutions and closing some of them in terms of access to the public.

I am told, Mr. Chairman, that the Winnipeg Art Gallery will in effect run out of funds by September and then there will be a financial crisis in that particular organization. During the summer what cultural organizations are there in Manitoba and in Winnipeg that are basically open? Folklorama is something that is on now or starting and that is something that is extremely good. It was started by our government. But I'm talking about the Museum and the Art Gallery, the Ballet, etc., these are normally closed in the summer. I think some hard thinking should be done about that.

Mr. Chairman, I would simply conclude on this point. I found it very disturbing to read the papers today in terms of the projected population of Winnipeg and of the Province of Manitoba because it strikes me that we are entering a period of stagnation and I think that the government has a responsibility to try to do things to encourage people to come to Manitoba, to live in Manitoba and one of the ways they can do this is to provide excellent cultural and recreational facilities.

I recall the optimism of the Conservative Party in the days of the TED Report when they predicted at that time, Mr. Chairman, that the population of this city would reach 775,000, about this time, 775,000. We're a long way from that and now they're talking about adding maybe 30,000 to 66,000 in the next seven or eight years. Well, there's been a downward revision.

So I simply say to the Minister of Tourism and Cultural Affairs, he's going to have to go into his Cabinet and fight for his portfolio against the Minister of Highways who can find money for any purpose that he so desires because I think that it's important that he carry the fight on behalf of the cultural organizations and the cultural heritage of Manitoba.

**MR. CHAIRMAN:** (h)—pass.

Resolution 11: Resolved that there be granted to Her Majesty a further sum not exceeding \$239,900 for Tourism, Recreation and Cultural Affairs, General Administration Division, (h) Grant Assistance, \$239,900—pass.

Resolution 12: 2. Tourism and Park Resources Division. (a) Provincial Park System; 3. Park Maintenance and Operation, (a) Salaries and Wages — \$86,400—pass.

Resolution 12: Resolved that there be granted to Her Majesty a further sum not exceeding \$86,400 for Tourism, Recreation and Cultural Affairs, Tourism and Park Resources Division, (a) Provincial Park System; 3. Park Maintenance and Operation, (a) Salaries and Wages — \$86,400—pass.

That completes the Supplementary Estimates.\$

Resolved that there be granted to Her Majesty a sum not exceeding \$292,850,000 for various Capital Purposes. Schedule A. Self-Sustaining Programs: the Manitoba Hydro-Electric Board — \$205,600,000; the Manitoba Telephone System — \$47,000,000; the Manitoba Water Services Board — \$4,200,000—pass; the Manitoba School Capital Financing Authority — \$23,600,000—pass; the Manitoba Forestry Resources Limited — \$5,950,000—pass; Agricultural Service Centres Agreement — \$2,500,000—pass; Insulation Loan Program — \$4,000,000 —pass;

Total: \$292,850,000—pass — the Honourable Member for Inkster.

**MR. GREEN:** Mr. Chairman, I would like to say a few words with regard to Capital Authority in which there is no amount located for the Manitoba Development Corporation which, Mr. Chairman, I am not criticizing that. I believe that there was no amount in the Manitoba Development Corporation Capital Authority last year nor was there any amount that was given in Capital Authority the year before that was of any consequence. There may have been, Mr. Chairman, some amount to do with Saunders or something —(Interjection)— Yes, \$225,000 which was transferred over to a different area.

Mr. Chairman, the reason that I wish to speak to this is because there is no amount, Mr. Chairman,

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in the Development Corporation which would have given the Development Corporation the power to purchase the 50 percent interest in Tantalum which would have been a very good investment for the people of the Province of Manitoba and which was avoided by the government for what, I submit, are ideological grounds. I raise this, Mr. Chairman, not because I intend to make another emotional speech respecting the government's refusal to buy this but because, Mr. Chairman, I indicated at the time, I indicated at the time, that I was going to get in touch with the FIRA, the Federal Review Agency, and make whatever representations I could for the purpose of stopping this sale on the grounds, Mr. Chairman — several grounds. One, that the Hudson Bay Mining Company was coming in on an investment which was saved by the people of the province and which they would not have saved if we had not done it.

Well, Mr. Chairman, I have now had some information with regard to the Federal Review Agency which makes me want to indicate how difficult it is for a private person to deal with this agency. I had written, Mr. Chairman, the energy critic of the New Democratic Party, Mr. Tommy Douglas, indicating my opposition to what was occurring and indicating that I wanted information so that I could make representations to the Federal Review Agency. I received a letter from the Research Department of the New Democratic Party in Ottawa and I want to fill in members on the way in which this agency operates which makes it so difficult to do anything.

The Foreign Investment Review Act, specifically Section 14, — I'm sorry the Member for Fort Rouge is not here; he would be sort of grinning to me that there should be a Freedom of Information Act on this Section but I certainly don't do this to support his position. But listen to this. Honourable members I'm sure will find it interesting.

"The Foreign Investment Review Act, specifically Section 14, forbids the agency to give out any information about an application under the Act. The agency interprets this to mean that they cannot even divulge whether an application has been made, let alone when a decision is likely to be made or what that decision is likely to be."

Mr. Chairman, the Act says that they can't give out any information about the application. The agency says that they can't even tell you whether an application has been made because I wanted to know when an application is being made, when it will be considered and what I could do to make representations to the agency. They will not even tell you whether an application is made. There is no formal procedure for the general public or for anyone who is not a direct party to the investment to make representations to the agency about any particular case or to appear before the agency or the Minister of Industry, Trade and Commerce. So, Mr. Chairman, this agency is so structured that nobody can make representations to it except the parties involved.

There is an exception, which won't help me any, Mr. Chairman. "The only exception to this is the case of a province which is likely to be affected by the investment. In that case, FIRA notifies the province which has the right to make its views on the application known to the Minister." Well, Mr. Chairman, that's not going to do my position any good because the province will make its views on the application known to the Minister and the province will say that the province agrees with the application, unless my friend is telling me he has had misgivings and that he is going to oppose it, in which case he can do so on my behalf and the rest of the people in this province.

"Although there is no formal mechanism to register a protest, the agency is 'very receptive' — that's in quotation marks. I don't know whether they gave the quotation marks or those quotation marks are given to me by the department: — "to letters from people interested in a particular case." They won't make it easy for you since they won't tell you if a particular case is even under consideration. And they are under no obligation to take your views into account — that of course I accept — they will have to make the decision. I would hope that they would listen. But in this case, they won't even tell you if a particular case is under consideration. "The best thing to do is to assume an application has been made and write the Commissioner with a copy to the Minister Jack Horner."

I intend to do that, Mr. Chairman, I intend to write a letter telling them that I wish to appear, telling them that I wish to make representation but I want to indicate, Mr. Chairman, because I did make that statement in the House that I intended to do this, that it appears very difficult to do it. It appears that there is no formal method of making representations. I had offered to go at my own expense to Ottawa to make the representations and I will do so if this application has not already been granted. We don't know whether it has been made or whether it is under consideration and the Federal Review Agency won't tell us. I intend to pursue it, Mr. Chairman, but I also intend to indicate that the Federal Review Agency is so structured that the Member for Fort Rouge who is of that party and is a Liberal and apparently may have some federal obligations, that there is absolutely no way that at the present time that the public, or even a Member of the Legislative Assembly, or even a Member of Parliament, because this was submitted by the federal caucus, is able to make such representations. I intend to continue to make the efforts to do so, and hope that I am in time so that at least the representations are made before the decision has been made.

**MR. CHAIRMAN:** Pass.

That completes the Estimates. Committee rise. Call in the Speaker.

*The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.*

### IN SESSION

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

**MR. KOVNATS:** Mr. Speaker, I beg to move, seconded by the Honourable Member for Springfield, that report of committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** The Honourable Member for Rock Lake.

### BUSINESS OF THE HOUSE

**MR. HENRY J. EINARSON:** Mr. Speaker, I would like to make a change on the Agriculture Committee. I would like the name of Mr. Ferguson to be substituted for that of Mr. Galbraith on the list of the members to comprise the Standing Committee on Agriculture.

**MR. SPEAKER:** Does that change in the Agriculture Committee meet with the approval of the House? (Agreed)

The Honourable Government House Leader.

**MR. JORGENSEN:** I move, seconded by the Minister of Education, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Ways and Means for the raising of the Supply to be granted to Her Majesty.

**MOTION presented and carried** and the House resolved itself into a Committee of Ways and Means with the Honourable Member for Radisson in the Chair.

### COMMITTEE OF WAYS AND MEANS

**MR. CHAIRMAN, Mr. Abe Kovnats:** Supplementary Supply: Resolved that toward making good certain sums of money granted to Her Majesty for the Public Service of the Province for the fiscal year ending the 31st day of March, 1979, the sum of \$1,593,159,600 be granted out of the Consolidated Fund—pass.

Supplementary Supply (1): Resolved that toward making good certain further sums of money granted to Her Majesty for the Public Service of the Province for the fiscal year ending the 31st day of March, 1979, the sum of \$2,000,000 be granted out of the Consolidated Fund—pass.

Supplementary Supply (2): Resolved that toward making good certain further sums of money granted to Her Majesty for the Public Service of the Province for the fiscal year ending the 31st day of March, 1979, the sum of \$5,964,400 be granted out of the Consolidated Fund—pass.

Capital Supply: Resolved that toward making good certain sums of money for capital purposes the sum of \$292,850,000 be granted out of the Consolidated Fund—pass.

Committee rise. Call in the Speaker.

*The Chairman reported upon the Committee's deliberations to Mr. Speaker and requested leave to sit again.*

### IN SESSION

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

**MR. KOVNATS:** Mr. Speaker, I move, seconded by the Honourable Member for Springfield, that the report of the Committee be received.

**MOTION presented and carried.**

### INTRODUCTION OF BILLS

**MR. CRAIK,** by leave, introduced Bill No. 43, An Act to authorize the expenditure of moneys for

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Capital Purposes and authorize the borrowing of the same;

And Bill No. 45, An Act for granting to Her Majesty certain sums of money for the fiscal year ending the 31st day of March, 1979, and to authorize the commitment of additional moneys and expenditures in subsequent years and to authorize the borrowing of funds to offset the anticipated operating deficit;

And Bill No. 48, An Act for granting to Her Majesty certain further sums of money for the Public Service of the Province for the fiscal year ending the 31st day of March, 1979;

And Bill No. 72, An Act for granting to Her Majesty certain further sums of money for the Public Service of the Province for the fiscal year ending the 31st day of March, 1979 (2).

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

**MR. CRAIK:** Mr. Speaker, if we could have a moment to distribute the bills.

### **BUSINESS OF THE HOUSE**

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

**MR. JORGENSEN:** Mr. Speaker, I simply want to say again that the Committee on Agriculture will be meeting tonight in Room 254. The scene has changed. If they are completed then there will be no committee hearings tomorrow at all but if they have not completed then the hearings will continue tomorrow and the House will meet on Monday at 10:00 o'clock.

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

**MOTION presented and carried,** and the House adjourned until 10:00 o'clock Monday morning.