

THE LEGISLATIVE ASSEMBLY OF MANITOBA  
10:00 o'clock, Friday, April 25, 1975

Opening prayer by Mr. Speaker.

INTRODUCTION OF GUESTS

MR. SPEAKER: Before we proceed I should like to direct that attention of the honourable members to the gallery where we have 35 students, Grade 6 standing, of the Governor Semple School. These students are under the direction of Mr. Carriere. This school is located in the constituency of the Honourable Member for Seven Oaks, the Minister of Urban Affairs.

We also have 9 students, Grade 12 standing, of the Luverne High School from North Dakota under the direction of Mrs. Johnson as our guests.

And we have 37 students of the Warren Collegiate of Grade 11 standing under the direction of Mr. Wiebe. This school is located in the constituency of the Honourable Member for Lakeside.

On behalf of all the honourable members I welcome you here this morning.

Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees; Ministerial Statements and Tabling of Reports. The Honourable Minister of Urban Affairs.

TABLING OF REPORTS

HON. SAUL A. MILLER (Minister for Urban Affairs) (Seven Oaks): Mr. Speaker, I wish to table the Annual Report of the Manitoba Housing and Renewal Corporation.

MINISTERIAL STATEMENT - LAKE WINNIPEG LEVEL

MR. SPEAKER: The Honourable Minister of Mines.

HON. SIDNEY GREEN, Q.C. (Minister of Mines, Resources and Environmental Management) (Inkster): Mr. Speaker, I have a Spring Run-off Outlook which is a fairly detailed . . . and I'm not going to read it. I'll distribute it to honourable members.

I can also indicate, Mr. Speaker, that the expected peak level of Lake Winnipeg which I previously announced at 717 will be less than 716.5, or is predicted as less than 716.5, a foot and 9/10ths of a foot less than last year's highest level. So I expect that the Members of the Opposition will be giving me credit for lower water on Lake Winnipeg just as they blame me for higher water.

MR. SPEAKER: Any other Ministerial Statements? The Honourable Member for Riel wish to reply on that Ministerial Statement.

MR. DONALD W. CRAIK (Riel): Well, Mr. Speaker, I just say that I assume that it's because they got that big barge out of the lake that was causing the water to raise.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? Notices of Motion; Introduction of Bills; Questions; The Honourable Member for Brandon West.

ORAL QUESTIONS

MR. EDWARD MCGILL (Brandon West): Mr. Speaker, my question is for the Honourable the Minister in charge of Transportation, and with reference to his remarks yesterday about the commuter service which is to be inaugurated between Winnipeg and Brandon and Winnipeg-Dauphin-Yorkton. Can the Minister now say what the target date is for the commencement of that service?

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

HON. LEONARD S. EVANS (Minister of Industry and Commerce) (Brandon East): Well, Mr. Speaker, I would hesitate to give a specific date of commencement. One could set up a target date but we're dealing with two other governments, the Government of Canada of course and the Saskatchewan Government, and there are certain negotiations and discussions that are taking place, so we are proceeding as fast as we possibly can. That's about all I can say at this point.

MR. MCGILL: Mr. Speaker, I would ask the Minister. Have the necessary aircraft, the two aircraft, that have been sold to the service been delivered so that the service can now begin when other technical problems are overcome?

MR. EVANS: Well I don't know exactly where the legal paperwork stands on this but I believe the aircraft if they haven't been completely prepared for the service they are nearly completely prepared for the service. But there is some legal work and financial transactions that has to take place between the Government of Canada and the other parties.

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MR. MCGILL: Mr. Speaker, during the Minister's discussions in Ottawa in connection with this service, did he at that time make any further representations to Ottawa in connection with the rejection of the application of TransAir to provide direct service from Brandon to Toronto?

MR. EVANS: Not on that occasion, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Riel.

MR. CRAIK: Mr. Speaker, I wonder if I could direct a question to the First Minister regarding the 74-75 Financial position. Could he indicate what the total of the Special Warrants came to for that fiscal year?

MR. SPEAKER: The Honourable First Minister.

HON. EDWARD SCHREYER (Premier)(Rossmere): Mr. Speaker, that would be a case simply of taking a mini-calculator and adding up the Orders in Council that authorizes Special Warrants. But if my honourable friend would be satisfied with an approximation just off the cuff, so to speak, it would be something in the order of \$50 million, in that order of magnitude.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY (Fort Rouge): Mr. Speaker, I have a question for the Minister of Mines and Natural Resources. Can the Minister indicate whether the government intends to fulfill its commitment to the Fishermen's Association and build fish ladders at the Fairford Dam.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Chairman, I believe that would now be in the bailiwick of the Minister of Renewable Resources but I was involved in that, and the last that I was involved in it was that we succeeded in getting the Federal Government to make a contribution which they had long refused to give for the construction of this fish ladder. And therefore I believe that it would be in some working drawings and in process, because we did succeed in getting 50 percent contribution from the Federal Government for the building of that fish ladder. I suppose to find out the present state or the schedule for when it goes in would require notice, and we'll take it as notice.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I don't know if it meets your approval, sir, but my honourable friend the Member for Riel has asked a question with respect to Special Warrants. I thought I would pass on to him the additional information that Special Warrants, sir, in 1974-75 fiscal year in the order of \$50 million, and by increments of about \$50 million for each province as you proceed west of the Pacific.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Mr. Speaker, I have another question for the Minister of Mines and Natural Resources. Can the Minister indicate whether any members of his department were in attendance, or made any representation, at the Clean Environment Commission hearings on spraying in the City of Winnipeg, the application to the City of Winnipeg for spraying.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: That is the general practice, Mr. Speaker, for our department to appear there. I am not acquainted with their appearance, nor do I tell them other than to be professional what representations they are to make.

MR. AXWORTHY: Mr. Speaker, a supplementary. Can the Minister indicate whether officials of his department made any representations, or have presented any briefs, or position papers, to that Clean Environment Commission on the question of spraying . . .

MR. SPEAKER: Order please. I'm sure that could be pursued under the Estimates much more equitably. It's not urgent. The Honourable Member for Fort Rouge.

MR. AXWORTHY: On a point of order. There is a degree of urgency because the Clean Environment Commission has heard the hearings and will be making a decision I expect before the Minister's Estimates are considered, and therefore we need some answers on this question.

MR. GREEN: Well, Mr. Speaker, I believed that I did answer the question. That it is the normal practice for our departmental people to appear before Clean Environment Commission and present evidence, or present representations, concerning the department's position with regard to the particular application. I do not know which ones were there or what they said. I indicate to the honourable member that they are told to make representations and they are told to be professional. They are not told to take one position or another. They give

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(MR. GREEN cont'd) . . . . their professional opinion, and the Clean Environment Commission makes then a decision based on the evidence before it. I certainly don't tell them to take one position or another.

MR. AXWORTHY: A supplementary, Mr. Speaker. Can the Minister indicate whether within his department there has been any research or investigation into alternative forms of insect control for the City of Winnipeg, or alternatives to the use of methoxychlor as a deterrent?

MR. GREEN: Mr. Speaker, I am aware that they have had independent studies as well as studies in conjunction with the City, as well as experimental programs, on the use of such an insecticide.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN (Rhineland): Thank you, Mr. Speaker. My question is to the Minister of Health and Social Development. Can the Minister tell this House if any progress is being made in the negotiations with the doctors.

MR. SPEAKER: The Honourable Minister of Health.

HON. LAURENT L. DESJARDINS (Minister of Health and Social Development) (St. Boniface): Mr. Speaker, during the last three days there have been discussions between the negotiators. They met till 2 o'clock this morning. They're in my office now and after the question period I intend to go back. I'm talking about our negotiators now.

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

ORDERS OF THE DAY - GOVERNMENT BILLS

MR. GREEN: Yes, Mr. Speaker. Would you now proceed to the priority material on the Order Paper in accordance with the rules, and then the bills.

MR. SPEAKER: Adjourned debate in respect to the motion by the Honourable First Minister. The Honourable Leader of the Opposition. (Stand)

Bill No. 16, the proposed motion of the Honourable Minister of Mines. The Honourable Member for Riel. (Stand)

Bill No. 17, proposed motion of the Honourable Minister of Mines. The Honourable Member for Portage la Prairie.

Oh, I'm sorry, I missed 15 . . . Very little choice.

No. 17. The Honourable Member for Portage la Prairie.

BILL NO. 17 - THE DEVELOPMENT CORPORATION ACT AMENDMENT

MR. GORDON E. JOHNSTON (Portage la Prairie): Mr. Speaker, on speaking to Bill 17, I believe my leader, Mr. Huband made fairly clear our position, that the MDF should be wound up and a new start should be made. When we look back on the past performance of the MDC, now called the MDF, we note that history tells us that under the Conservative administration there was less openness, and in fact there was a very, almost secretive operation. The members of the House by legislation were denied information on the loans, and were denied information on performance of companies who had the loans, let alone knowing who they were.

When the NDP Government took office and made changes, while there was more openness and more public knowledge of the affairs of MDC, there was still a degree of Cabinet interference in the affairs, in my opinion, of that corporation. We note that under the Conservative regime it was a Cabinet directed decision that was the startings, the beginnings of the CFI fiasco. I presume that had the MDC of that day been left alone they would not have made such an arrangement with the principals of CFI.

Coming now to the days of the New Democratic Party Cabinet and their relationships with the Board of Directors of MDC, we note that there obviously is more Cabinet influence exerted upon the Board of Directors. We only have to look at some of the loans that have been made and extended beyond any reasonable standard, and the only excuse being given is that they were made mainly for social purposes - and I'm talking now about Saunders Aircraft, where this company has steadily . . .

MR. SPEAKER: The Honourable Minister of Mines state his matter of privilege?

MR. GREEN: Yes, Mr. Speaker, on a matter of privilege, I indicated to the House and to the honourable member, that since the publication of the Guidelines where Cabinet is involved in any decision of the MDC, that is stated, and the Saunders loan is now under Part II, which is provided for in the legislation.

## BILL 17

MR. G. JOHNSTON: Mr. Speaker, well the Minister is confirming really what I am saying, that while it's being done legally, the Cabinet is entering into a part of the function of the Board of Directors of MDF, and I use Saunders as an example. In the opinion of many inside this House and out, the Saunders' operations can never be viable, they're going so far into debt - the profit that can be made on the sale of one airplane is quite modest in comparison to the complete capital outlay that they owe - that it's not an economic thing. So now we are told that it's for the social reasons of keeping the industrial park at Gimli viable; it must remain that way. So what I'm saying is that with the two different approaches of the former administrations we're arriving at the same conclusion, that is, from what I've heard, the morale among the officers and workers at MDF is quite low, their staff is reduced in the 60's down to around 40, and they're not operating with the vigour and the direction that they should be operating. It's because of the years of bad publicity, much of which really can't be blamed on them, because if the Board of Directors is to be a lender of last resort then they're obviously going to make decisions, they're not going to be right all the time, and in fact they're going to have a high percentage of losses, and we understand that.

So we think, Mr. Speaker, that the MDF should be wound up as it exists. We think that another agency should be established that concentrates only on lending to Manitobans and Manitoba businesses. The idea of lending money to the William Clare operation to me is the most ridiculous thing I've ever heard of. Here we have a gentleman living in Vancouver; he had a one person staff in Winnipeg - now I understand there's no staff at all in Winnipeg; there are a few authors working but they won't receive any money until the company itself has made something out of its contractual arrangement with Rand McNally. So I'm sure that the Board of Directors of MDF never intended to make that loan. I'm sure that the Minister of Industry and Commerce had a lot to do with that loan. And that is not the purpose of MDF to supply capital to some venturesome person who lives in another part of Canada, has no idea whatsoever of establishing jobs in this province. So I think that the Guidelines for MDF should be strict, the loans should be for Manitobans, should be for Manitoba businesses or individuals, and leave it at that. Let the big corporations find their capital elsewhere; after all we have a large federal agency that does much the same - the Development Bank - and let the large corporations go there for their money and let us with our limited resources concentrate on loans and encouragement of Manitobans and Manitoba business.

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

MR. GEORGE MINAKER (St. James): Mr. Speaker, I beg to move, seconded by the Honourable Member from Minnedosa, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable Minister of Mines.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable Minister for Co-operatives, that Mr. Speaker do now leave the Chair and the House resolve itself into a committee to consider of the supply to be granted to Her Majesty.

MOTION presented and carried, and the House resolved itself into a Committee of Supply, with the Honourable Member for Logan in the Chair.

#### COMMITTEE OF SUPPLY - CO-OPERATIVE DEVELOPMENT

MR. CHAIRMAN: On page 5. Other operating costs, 9,100--passed. Citizens and other employee assistance and services, \$300.00--passed. Planning and Research (Economic Analysis), Salaries, wages and fringe benefits, 25,400. The Honourable Member for Birtle-Russell.

MR. HARRY E. GRAHAM (Birtle-Russell): Thank you, Mr. Chairman. At this particular point in the examination of the Estimates of the Department of Co-ops, I would like to ask the Minister what planning and what type of analysis has been made of the costs of transportation from the northern fishing co-ops and what are the plans of government to alleviate some of the excessive transportation costs for the northern fishermen in Manitoba?

MR. CHAIRMAN: Would that item be better dealt with in view of the discussion that arose yesterday under the Co-operative Program on Page 7, where we have a section here, Co-operative (Northern) Development?

MR. GRAHAM: Mr. Chairman, in all due respect, I want to know what planning and research has been done in transportation studies on this particular thing.

MR. CHAIRMAN: The Honourable Minister of Co-ops.

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HON. HARVEY BOSTROM (Minister of Co-operative Development) (Rupertsland): Well, Mr. Chairman, this gets back to some of the difficulty we have in such a detailed breakdown in the departmental estimates, in that there is natural overlapping in the sort of jurisdictions, and we come to these problems of whether or not something should be discussed under Research and Planning or whether it should be discussed under the Northern Co-operative section of the department. So that in this case, Mr. Chairman, I can indicate to the Honourable Member - if I can be allowed to continue - that in fact this section of the Department, Planning and Research, have in fact at my instruction been working on an analysis of the problems associated with the northern fishing co-operatives. And of course this ties in, Mr. Chairman, with the problems of the fishery as a whole, and not necessarily just as relates to the co-operatives as agents of the Freshwater Fish Marketing Corporation. So that I could be discussing this more fully possibly, under the estimates of the other section that I am responsible for and that is, Lands, Forests and Wildlife Resources in which there is the fishery section of Mines and Resources.

Now, Mr. Chairman, I've instructed both sections that I'm responsible for, and that is the Co-operatives Branch of the Department of Co-operative Development, the Research and Planning Branch of this same department, to work with the fisheries people in the Department of Mines and Resources that answer to me. And, Mr. Chairman, they have been working on an analysis, a complete analysis of the problems associated with the northern fishery, and we've been having discussions with the federal people on this - as my honourable friend knows, the prices that are paid to fishermen in the North are determined by the Freshwater Fish Marketing Corporation, and the Freshwater Fish Marketing Corporation, as my honourable friend also knows, answers to the Federal Minister in charge of Fisheries. At this time, Mr. Chairman, that is the Honourable Romeo LeBlanc. And since I've been appointed to the responsibility for fisheries in this province I've already had a meeting with the Federal Fisheries Minister to discuss the problems associated with the fishery in Manitoba.

I have been in communication with the Minister from Saskatchewan who is in charge of Fisheries in that province, because they are facing very similar kinds of problems in connection with their Northern Fisheries, and Mr. Chairman, they have a co-operative set up of the agents in Saskatchewan called Co-operative Federation, or Co-operative Fisheries Limited, sorry, and they are facing similar kinds of problems because, as I indicated in my opening statements, the fisheries in Manitoba are in a cost-price squeeze and the only ones at the present time, from the analysis that we have done, that are really viable are the ones that are fairly accessible to the Freshwater Fish Marketing Corporation plant in Transcona. And what I mean by accessible, is that they have fairly reasonable transportation costs, because the transportation costs as you go further north in the province past the 53rd parallel, and particularly as you get past 54, 55, 56, are prohibitive. The costs of transportation are the single biggest factor in the problems associated with the fishery in Northern Manitoba.

Mr. Chairman, the analysis that we have done in both sections that I am responsible for, indicate that approximately half of the final price of the fish is eaten up in transportation costs; and this is in comparison, Mr. Chairman, with a co-operative like the Matheson Island Co-operative on Lake Winnipeg, which has a transportation cost of approximately one and a half cents per pound. Now, when you compare that situation with the Kee-Noe-Zae Co-operative or the Ilford Co-operative, where they have not only one station to worry about, they have a multi plant, multi lake situation, where there's extensive flying, not only to bring the fish from the outlying small lakes where there is individual plants in each lake, back to a main plant, and then to transfer it again to the rail, where the costs have also escalated seriously in the last three or four years; air costs have gone up, rail costs have gone up, and Mr. Chairman, the costs of operating these multi plants, multi-lake fishing operations is really prohibitive. Mr. Chairman, the analysis that we have done so far indicate that there would be a need for very extensive subsidies, very extensive subsidies to enable these fisheries to operate. And Mr. Chairman, it would not matter who operated them, whether it was a private agency or private person that accepted the agency in these places on behalf of the Freshwater Fish Marketing Corporation or if it was a group of fishermen organized as a co-operative, who are operating the agency, it would not matter, Mr. Chairman, it would still require a subsidy, and that is simply the fact of the matter.

In that connection, Mr. Chairman, I've been in discussion with two Federal Ministers to

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(MR. BOSTROM cont'd) . . . . try to work out a solution to these problems, and one, as I indicated, was the Federal Minister in charge of Fisheries, because, Mr. Chairman, the Federal Government has a Fisheries Prices Support Board which they utilize to subsidize and to assist the fisheries on both the east and the west coasts. In fact, Mr. Chairman, they used the Fisheries Prices Support Board in Manitoba to support the fishery in the 50s and 60s - they bought fish from fishermen right off the lake when the private fish companies could not afford to buy them, their prices were so low - the Fisheries Prices Support Board of the Federal Government was called into play. And they also bought fish, Mr. Chairman, and in that way supported the price on the east coast in similar kinds of situations.

And, Mr. Chairman, I've, in discussions with the Federal Minister of Fisheries, demanded that they use their Fisheries Prices Support Board to assist the fishermen of Manitoba, that we deserve no less than those on the east and west coast of this country, that the inland fisheries at this time were in very serious straits and require assistance on the price, require some subsidy on the price in order to operate, and in particular those in Northern Manitoba.

And also, Mr. Chairman, I've had discussions with the Federal Minister of Indian Affairs, the Honourable Judd Buchanan, in connection with the fisheries that are operating in the native communities of Northern Manitoba. I've described the problems to him. I've requested of him his assistance in working with us in trying to solve the problems of these fisheries, and if necessary to subsidize the agencies that are operated by the fishermen organized as co-operative groups, to subsidize those agencies so that they will be able to operate, they will be able to receive fish, and the fishermen in those communities, Mr. Chairman, would be allowed to fish and be gainfully employed rather than just receiving welfare, which, as I indicated in my opening remarks, Mr. Chairman, in many of these communities is the only alternative to fishing, the only alternative.

And, Mr. Chairman, I say to his credit, he seemed to be receptive to that kind of a suggestion. Although I have not had a definite commitment from him at this time on the overall subsidy of these fisheries, the negotiations are still under way, and we hope to have further word from both the Federal Minister in charge of Fisheries with respect to the Fisheries Price and Support Board, and also the Federal Minister of Indian Affairs with respect to assisting on possibly a 50/50 cost-sharing basis, things like transportation costs and operating costs of agencies operating in these northern lakes.

MR. GRAHAM: Thank you, Mr. Chairman. I want to thank the Minister for the information he has provided. Quite obviously they have done a lot of planning and research in this field of transportation. The thing that does concern me a little bit, sir, is that we note that while there was considerably more money last year, this is being cut back this year. Now does that indicate that most of the studies are now finished and the Minister will have the results of those studies in his possession at the present time? Is that correct?

MR. BOSTROM: Mr. Chairman, as I understand it there could be some confusion in comparing last year's estimates to this year's in that particular section because some of the moneys that were in the research section of the Budget last year are now in the Administration Budget, the administration section. And as you could see from the comparison there has been a significant increase in the administration section there and therefore there is really no cut-back in moneys associated with research. Although in answer to the second part of the honourable member's question a number of these studies with respect to the northern fisheries are either well under way or completed. In fact I have a draft copy here of a fairly intensive analysis of all of the locations in northern Manitoba and the transportation costs of each place, and a comparison to other locations in more accessible locations, and an estimate of the costs of subsidy required to bring the northern locations into line with those that are operating successfully in the more southerly locations.

MR. GRAHAM: Thank you, Mr. Chairman. Mr. Chairman, I don't know whether I heard the Minister quite correctly or not. I sincerely hope that I misunderstood him, but did the Minister say that the figures we had here didn't really cover the planning, that much of it was hidden in the administration? Is that what the Minister said to us?

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

MR. SAUL CHERNIACK, Q. C. (St. Johns): During the interruption I'm sorry but I lost track of the line that we're on. Could you bring it to my attention please?

MR. CHAIRMAN: We're in Research, Economic Analysis (salaries, wages and fringe

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(MR. CHAIRMAN cont'd) . . . . benefits) \$25,400, on Page 5. The Honourable Minister of Co-operative Development.

MR. BOSTROM: The research that's done within the department and on a more specific basis with respect to, in that section, last year was \$28,000, this year is 32. So that that perhaps would answer the honourable member's question in that there has not really been a reduction. As I was trying to point out there's not been a reduction in the research moneys available.

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: No, that wasn't what I was getting at at all. It was the statement the Minister made that much of the costs of planning were not included in this but were included in administration. Now surely the Minister doesn't mean that that is what is going on.

MR. BOSTROM: Well, Mr. Chairman, perhaps I did not make it clear but that in looking at the first line of the department on Page 3 you will note a significant increase for administration. And in fact, Mr. Chairman, under this section here, although it's broken down to indicate that this is Planning and Research, it is in fact under the administration program of the department and therefore when you get to the Planning and Research (Economic Analysis) further down on the page here in Education Research Project, Manitoba Northlands Research Projects, and so on, so that all of those are in fact associated with research and they're all under the general heading of Administration.

MR. GRAHAM: Well, Mr. Chairman, then I have to ask some serious questions about the format that we are operating under with this supposedly greater detail that is given to us in the new form of estimates. I thought I heard the Minister say that the Planning while it was down a little here, he said most of the cost of it was under the Administration where there was \$148,000. I hope that that is not the case. Could the Minister then give us the details of the planning that is going on within this department, so that we can find out for sure whether the figures we have in front of us are meaningful or not?

MR. BOSTROM: Mr. Chairman, the total for Planning could be determined, and this is going off of the first line under discussion here right now, but in order to clarify this if you add up the lines that are indicated Planning and Research, Economic Research, Manitoba Northlands, Rural Areas Agreement, then you would come to a total for the kinds of research activities that are being conducted by the department. But, Mr. Chairman, this section of research - perhaps, as I say, I didn't make it clear - is under the Administration Branch of the department and Administration Program of the department, and that is what I meant but I may not have made it clear.

MR. GRAHAM: Well then I can assume from that that the Economic Analysis, which we have been talking about, does not appear under this section at all but appears under the \$148,700 that was under the Administration wing. Is this what the Minister is trying to tell us?

MR. BOSTROM: If you're getting specific to Economic Analysis, well then we are on the Salaries, wages, fringe benefits, \$25,400, which consists of a director, one research planning analyst and one statistician. So that those are the staff complement in that section.

MR. GRAHAM: Now then, Mr. Chairman, let's go back to what we started with, and this is the studies that have been carried on, and I hope are going to continue to be carried on, on the Economic Analysis of the Co-operatives in Northern Manitoba and the transportation, and I would like to zero in particularly on the transportation aspect. The Minister has indicated that studies have been done. On the basis of those studies he has gone to Ottawa and made representations to Ottawa requesting assistance or subsidies in that nature. I'm going to ask the Minister again, are those studies now completed or are they still ongoing?

MR. BOSTROM: Mr. Chairman, as I indicated I have one study right here which provides an analysis of the situation in Northern Manitoba which is completed. But that does not mean that we have necessarily been satisfied that everything has been investigated, and we are continuing investigation, continuing the research, and will continue to do the research.

MR. GRAHAM: The Minister has indicated he has one study completed. Can the Minister indicate on the basis of that one study what the amount of subsidy would be with provincial and federal input, to make the Northern Fishing Co-ops a viable operation? How much subsidy would be required in the transportation of fish from the northern lakes to the Freshwater Fish Marketing Corporation?

MR. BOSTROM: Mr. Chairman, I would have to look through the study very thoroughly

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(MR. BOSTROM cont'd) . . . . to break out the specifics that are associated with transportation because as I indicated we have looked at, not only transportation but operating costs of the agencies, and so on. And if you're interested in a ballpark figure I can give you that, and I would say that we're looking at possibly anywhere from half a million dollars plus per year in the way of subsidies for these northern operations. And that is a total, Mr. Chairman.

MR. GRAHAM: While the Minister was doing this study, at the same time did they do any study at all of the total amount of money that was paid out in welfare benefits in those same areas to see whether the offsetting costs of the transportation subsidies would more than offset the payments that are made in welfare in those particular areas. Has this type of study been done at all, or is it indicated in the study that he has before him?

MR. BOSTROM: Mr. Chairman, the welfare figures are not in this particular study, although estimates are made in the analysis in the sense that if fishing was not under way there would be a certain figure per person that could be estimated as a welfare cost. Now the specifics are something - they're difficult to come up with because in many of these communities there's a certain proportion that are treaty, a certain proportion are non-treaty. The treaty of course come under the jurisdiction of the Federal Government, and the non-treaty come under the jurisdiction responsibility of the province. And this is one of the reasons that I've approached the Federal Minister of Indian Affairs because it is their responsibility to assist the Treaty Indian people of Manitoba, and I've indicated to him by way of argument and debate that if in fact he were to assist us in subsidizing these fisheries and getting them operating, and getting people gainfully employed, that in fact it would represent a significant saving to the Federal Government in the welfare costs that they are presently paying out - although I don't have the specific figures here.

MR. GRAHAM: Mr. Chairman, I raise these matters at this time because I think the Minister is well aware that in the last session of the Legislature I believe I was successful in having an emergency debate in this Chamber on the very principle of subsidization of transportation costs to the northern fishing co-ops, and I believe at that time the Minister was very receptive to that particular suggestion that was put forward. I know there were other members on the government side who indicated their agreement, and I would hope that out of that, the study that he has indicated he has at this time, would have directed quite a bit of their attention to those particular concerns that were expressed in the Legislature at that time. Now, Mr. Chairman, we know that - I think every member in this House is just as concerned as the Minister is to see what can be done to facilitate a viable fishing operation in Northern Manitoba. And so at this time I am going to ask the Minister - even though it may be an in-house study that has been conducted - would the Minister be prepared to table that study for the perusal of other members of the Chamber?

MR. BOSTROM: I only have the one copy here, Mr. Chairman, but I would be happy to table this if copies could be made.

MR. CHAIRMAN: The Honourable Member from Morris.

MR. WARNER H. JORGENSEN (Morris): The Minister's comments has prompted me to perhaps lead him off into another direction on this whole question of Planning and Research. And I wonder since he indicated that the subsidy for transportation alone amounts to about \$500,000, and there's no mention made of the amount of subsidy that is involved in the operation, or the losses as a matter of fact that have been sustained in the operation of the co-ops, the combination of the two has probably resulted in a considerable - or will if pursued, result in a considerable drain on the taxpayers. And he also mentioned that the alternative to subsidizing viable commercial fishing operation in the north is welfare. I would now like to know if the Minister's Planning and Research are going to be directed towards finding perhaps even a third alternative. It seems to me neither of the two that he is looking at are going to produce any answers or solutions to the particular problem that exists in the north. And I wonder if the Minister's research has indicated to any extent what the comparative returns from the operation of fishing in the lakes are between commercial and game fishing. What is the return for example to the province on game fishing as opposed to commercial fishing? If I remember correctly, those figures were given to me a number of years ago, and the advantages and the returns to the province were so much in excess from game fish than from commercial fishing, I wonder if provisions would not be made to develop a healthier game fishing operation in the north, if that would not produce greater returns to not only the province but to the fishermen

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(MR. JORGENSEN cont'd) . . . . as well. I wonder if he would like to have some comments on that particular aspect.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, just before the Minister perhaps rises on the very same subject matter introduced in the House by the Honourable Member for Morris, I recall, and perhaps - I can't recall to what extent it was followed up - a fairly definitive study, or at least research undertaken in the God's Lake area on the very subject matter that was raised by the Honourable Member for Morris, comparisons between commercial fishing and game fishing, and the kind of returns available from either approach. Is the Minister aware of that specific study that I allude to, having to do in the God's Lake area? Have there been decisions made by the department following up some of the recommendations of that report which, if I recall, essentially talked about the curtailing of a certain amount of the commercial fishing in favour of game fishing in that area? But in general I just rise to support the remarks made by the Honourable Member for Morris, but specifically if he has any information on this question in the God's Lake area.

MR. SPEAKER: The Honourable Member for Thompson.

MR. KEN DILLEN (Thompson): Mr. Chairman, the Honourable Member for Morris raises some interesting questions. I just want to point out to him that, if he doesn't already know, that many of the communities that are assisted through the Co-operative Development Branch with their fishing industry in Northern Manitoba, are mainly reserve communities where there are treaty Indians. Now it's my understanding, and I'm sure that he knows, that the Federal Government in the case of treaty Indians is entirely responsible for providing the social assistance. But in the case of those non treaty residents of the same community, the province has the responsibility of providing the social assistance to the individuals there.

Now under the cost-sharing arrangement, as I understand it, the Federal Government provides 75 percent of the social assistance to non treaty people in remote communities and throughout the province under the cost-sharing arrangement, and the province provides 25 percent. Now let's try and compare those two figures. But when the . . . --(Interjection)-- It is 50-50 now? Okay. Well then it's 50-50, so it's 50 percent for the province and 50 percent for the Federal Government. But when the province becomes involved in those forms of economic development that is going to attempt to improve the standard of living or place more income into the pockets of the people in the fishing industry, in the woodcutting industry, or house building, or whatever the case may be, the province in the main is required to pay 100 percent of the cost of that kind of development. So in effect, if we continue to provide social assistance, it would be cheaper for the province to say we will continue to pay social assistance, because it's only 50 percent.

But what are the costs that can't be measured in continuing to provide social assistance to people when there is a different way? There's a better way than constant dependency upon social assistance, and I think it's incumbent upon us in this Legislature to assist and to make every effort possible to do whatever is necessary to bring about economic development in the North, and I don't know exactly what state that's going to be . . .

But, you know that we've had over the past few years a form of development that has taken place in Northern Manitoba that I am particularly proud of because I was involved in it, going back to 1968 in my involvement with the unions, and resolutions that were put forward to the government, and so on, and also my involvement with the Manitoba Metis Federation.

But I see the development of the North in a sense that the Federal and Provincial Governments became involved some years ago, and I think that the members opposite recall the introduction of the New Start Program. You know, what did that do? The New Start Program provided a community awareness or an attempt at identifying factions and groups, and it was a self-identification. That process has been established and it continues to function under the Department of Northern Affairs; it is a constant ongoing program.

So what is the next step? The next step is what the reserves are presently requesting from the Federal Government, and that is local autonomy, local self-government, the ability to determine their own affairs through the elected representatives at the local level. But we are years ahead of the Federal Government in providing that kind of local autonomy. The northern remote communities who are not reserves, who are Community Councils, now have their own elected representatives, their own mayors, their own council, and so on. Now that

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(MR. DILLEN cont'd) . . . . has been a process of development that has been neglected for some time. You know, the ideas may have been there - and I don't fault the members opposite for not pursuing it - but, you know they were constrained maybe through a lack of knowledge or a lack of finances, but nevertheless we have proceeded, so we have the community development and the political development at the local level. And now the next obvious step, although those same two programs that I've previously mentioned are ongoing, that the next step is to provide some form of economic development coupled with the ability of self-determination, the ability to decide.

But I think in retrospect that what has happened in the case of the co-ops in the North is that economic development was started and pursued prior to these other forms of development of the social development of the community. It would be like taking myself into a Jumbo Jet or, you know, the 747, and saying, "Take me to Paris." Well you know that would be the . . .

A MEMBER: I will go with you.

MR. DILLEN: Thank you. That would be the same thing, that I would not be able to get it off the ground, and unless the process of development takes place, and that is the community awareness, what can we do with what we've got, and the self-determination, and then next the economic development. I believe in my own mind now that perhaps we moved too fast, we moved too fast to try to bring about economic development at a time when there was absolutely nothing, and the alternative to that economic development was a dependency upon social assistance. I don't know if anybody has discussed this with somebody who has lived on social assistance, but social assistance is the most degrading way of life, the most degrading. And the only person who feels good about social assistance is the person who is handing out the cheque, he feels great; but the guy that's receiving it, it's the only thing he's got, he doesn't feel that good about it.

So anyway we have this process of development. There are other factors, and I'm only throwing out as a suggestion, but you know we're into a stage and as a result of the land policy hearings that were held throughout the . . .

MR. JORGENSEN: Mr. Chairman, on a point of order . . . I don't want to interrupt the honourable member, but if he gets started - and he already has deviated considerably from the particular item that we have before us - the particular item is Planning and Research, Economic Analysis - and he is now going to go into land use, and I find it very difficult to determine how that can be related to the subject matter that is before us. And if he starts on this subject, then we're back where we started again, and I suggest, sir, that the honourable member should be told to keep to the item. We have posed some questions on the question of Research, and we would like to have those answers. The member's speech can be delivered - there's a budget debate coming up, if he must unburden himself of that speech it can be done there. But I suggest, sir, that we keep to the items that are before us in order to keep the debate in order.

MR. CHAIRMAN: The Honourable Member for Thompson.

MR. DILLEN: Well, Mr. Chairman, I apologize for deviating, but when I was referring to the land policy hearings and the process of economic development, I foresee that we are going to be under a tremendous amount of pressure to curtail industrial development in the prime agricultural areas of Manitoba. It is the owners of that land who are going to rise up and oppose any massive industrial development. But there are areas of the province where no economic development is presently taking place and the land is hardly suitable for a massive agricultural productivity, and there has to be some method devised with which we can hope to relocate industry from the prime agricultural areas to northern areas where no economic development presently exists.

And I suppose you could say, how will we do that? Because I'm sure that the people of the country would prefer to remain, and the businesses would prefer to remain in the access, the transportation east-west access, because of accessibility to their products, and so on, and the accessibility to markets. But whatever form that may take, I think that a tremendous amount of effort has to be made in encouraging the relocation of industry to Northern Manitoba.

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Mr. Chairman, on the subject matter raised by the Honourable Member for Morris, and seconded by the Honourable Member for Lakeside, with respect to the analysis of whether or not some of these northern lakes could be utilized for sports' fishing

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(MR. BOSTROM cont'd) . . . . as opposed to commercial fishing, there's really two points, two major points of concern that will be reflected in future policy decisions. The first of course is that of the traditional occupation of the local residents, and I believe honourable members are aware of a study that was done with respect to Lake Winnipeg Fishery, where after considerable discussion with fishermen and analysis of responses that they made, it was determined pretty clearly that fishermen were not prepared to change their occupation. They were not interested in becoming involved in some other occupation, whatever it may be. The problem is, Mr. Chairman, with respect to this one question of whether sports fishing or commercial fishing - in the sports fishery the individuals would be employed as guides presumably, and that requires a certain amount of readjustment on their part, and Mr. Chairman, the policy problem is, although the analyses that have been done, I must admit, point out that in some cases the sports fishery would, if properly organized, bring a greater economic return from the resource than the commercial fishery, and in fact, Mr. Chairman, perhaps it could be worked so that there would be an optimum kind of mix, if you will, between the two, perhaps a sports fishery in the summer and a commercial fishery in the winter, that kind of thing. But as I say, the occupational traditions of the community are the important considerations, whether or not people want to make that readjustment. I guess one of the concerns also for a government is whether - at least one of the concerns should be the distribution of the economic return, in other words where the money ends up.

A rather amusing incident or discussion came about in my office just recently when staff from the department were in and we were discussing the fishery in the Dauphin Bay area, Anama Bay. I'm sure honourable members opposite are familiar with that area, and they know that there is considerable sports fishery there, and there's quite an active commercial fishery. Mr. Chairman, one of the staff in my department was philosophizing a bit and he said that, you know, if we could re-arrange the fishery there so that we would have a straight sport fishery rather than a commercial fishery, if the fish in that area could be caught through organized guiding, sport fishing, that kind of thing, we would have a greater economic return from the resource. And he said, the only problem is that if it were done immediately, that there are two or three individuals in the area that would reap the greater return, the greatest return, or most of the return from the resource, which is in comparison with the existing situation where much of that return from the resource is distributed among 20 or 30 fishermen. And he said, if we could only figure out some way of those same individuals that are now getting a return from the fishery as a commercial fisherman, if we could only figure out some way of them getting the returns from the sports fishery. And I said, you know, you're talking about socialism. And that is the sort of policy consideration that has to be made when considering the economic return from that resource. It was rather amusing, Mr. Chairman, because I don't believe that the staff member in my department really understood at the time what sort of philosophy he was discussing, but when it boils down, that is the basic policy question as to whether or not there should be a Sports Fishery or a Commercial Fishery, is who the returns from the resource will go to, whether it be one individual or 30 or 40 or 50 individuals that are involved in a commercial fishery at the present time. If it can be so reorganized and the adjustments of the local people can be achieved such that the returns from the resource can be distributed in equitable fashion, then by all means that is the direction we should move.

MR. CHAIRMAN: The Honourable Member for Lakeside.

MR. ENNS: Mr. Chairman, the Minister prompts me to say a few things, and it's unfortunate that even as we're having a reasonably mild debate on this question, it's an important question, research, something like that. And you know, the socialism just can't keep from coming out. His biggest concern is that somebody's going to make a buck. You know, somebody may make a dollar instead of the tax moneys dollars just going down the drain, so that will prevent him from looking at a program harder than he wants to look at it.

Now, really, Mr. Minister, I plead with you, on behalf of the taxpayers of Manitoba - and we're talking about, just a little while ago he talked about the \$500,000 subsidy that it takes to move some of the fish from the co-operatives down, and I think that's part of the problem, and under this item of Planning and Research, you know, we're five, six years, seven years down the road since the last time I had the responsibility of the Honourable Minister in this particular area, and I think part of the problem is that you have moved into areas where obviously the economics of commercial fishing just simply didn't exist. You might have done so,

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(MR. ENNS cont'd) . . . . . or felt that you had a specific obligation to do so for that community and that's admirable. But the fact of the matter is, you now face the policy decision, do you continue unending the kind of subsidies that you've indicated are necessary this morning, to keep a very shaky commercial fishing enterprise afloat, or do you abandon them and let them go back on social assistance programs? And the money that we're talking about in this area I would think that that's the kind of research and planning that you and your staff should be doing.

You know, the economics of things surely have to enter into it.

I fly over some of that north country and I see some open meadows and open pastures of pretty good grass country and I think, my what a wonderful place that might be to raise cattle from time to time. And certainly we could. But you know, if I've got to transport my feed 400 miles up north; if I've got to pay the freight bill for bringing those cattle into the St. Boniface Stockyards, somewhere close to where they get slaughtered, to the complex here in Winnipeg, and fly a Veterinarian in, even though I may appeal to the Minister of Agriculture to build me a clinic up there, somewhere north of Norway House - but surely the fact that I may be socially adjusted to raising cattle doesn't make economic sense for anybody to raise cattle up there. It may well be, and I appreciate the fact that we're talking about the necessity of a social adjustment maybe on the part of some communities that are located in fishing areas and would prefer to commercially fish, but I think there is some responsibility on the government, on the Minister to be reasonably honest with the people, and tell them, "Look, a commercial fishing industry isn't viable up here." And in fact, for many reasons, many of those lakes of course haven't been fished commercially for that very same reason.

It seems to me that, you know, it was all fine and good for the Honourable Minister of Agriculture yesterday, I understand, to take some pretty broad axe swings at the former administration's policy with respect to co-op development in the North. The fact of the matter is, certainly we didn't get into it to the extent that you have gotten into it. I can also say that we haven't lost the kind of money, both for the taxpayers of Manitoba and the individual co-ops involved, that you have lost for them. I can recall standing up and being concerned about the 18 or 19 fishing co-ops that existed during my time and having to write off 5 or 6 or 7 thousand dollars every year, or \$18,000, on one particular year --(Interjection)-- Well, now, Mr. Chairman, I would have to say, if \$80,000 is all that you had to write off, that pales into significance about the kind of amounts of money that you're writing off right now on individual co-ops. So, you obviously have done much better than I have in terms of losing taxpayers money in this province, Mr. Chairman. I think that's something that the Honourable Minister of Agriculture can be complimented on.

Mr. Chairman, I'm being diverted from the subject matter under discussion, Planning and Research, and I would like the Honourable Minister - I think he has expressed at least a willingness, an interest and a knowledge of what the Member for Morris and I are saying, I think he's expressed some of the accepted difficulties that one can't simply change over, you know, the tradition and the accepted modes of life of any group of people anywhere, but I would ask him to do so and accept his responsibilities to understand that there are situations where this may well have to be done and that's the direction that the department should be moving in. You know, for him to suggest and to lay out for us the situation or the discussion that took place on this matter on Lake Winnipeg fisheries, now, that's a different ball game entirely. Lake Winnipeg Fisheries happens to be, you know, one of the best fisheries that we have in the province, close to markets, where you're talking freight rates as you said, a cent, cent and a half a pound as compared to the freight rates that you have to pay for fishing in some of the isolated northern lakes which just makes the whole question of commercial fishing unfeasible.

And it's in those specific areas I think, that I was referring to, I think the Member for Morris was specifically interested in, where, you know, maybe we should just put your blinkers on your eyes for a minute and forget about the fact that maybe somebody's going to make a buck. You know, I know anybody that makes a profit just upsets you all night and you can't sleep. But some people, you know, in this province, still are motivated by that motive. I'm a cattleman and I'd like to make a buck right now too, although I haven't seen that in the last little while. But surely, surely the moneys that we're talking about, properly planned and properly researched, if we're prepared to put in \$500,000 every year for freighting fish out, if we're prepared to cover losses, high losses in this area right now, well then maybe the

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(MR. ENNS cont'd) . . . . government, and maybe your planning and research should be telling you that, you know, more air strips into some of these areas; maybe they support subsidization of some kind of a lodge; maybe they support the training programs that would help bring about the readjustment that the Minister referred to that was necessary on the part of the people within the community; surely some of that money and direct subsidization in that form, particularly if your research indicates that a thriving, you know, game fisheries can make better economic returns in that area, then address yourself to the problem of distributing the increased wealth so accrued, but get on with the job.

I just hate, Mr. Chairman, for the Honourable Minister to kind of give a half-hearted or a warm effort, you know, show a lukewarm desire in this area to do something because, you know, the danger lurks that somebody's going to make a buck. That's a sad reflection, Mr. Chairman. Certainly, Mr. Chairman, in our society anyway, one that doesn't augur for sound and viable economic development, because at the root of all that development, any development, co-operative or otherwise, somebody has to make a buck. The problem with this branch is that people that you have organized and worked diligently with, you haven't put them in a position to make a buck, in all too many instances you put them in a position where they're losing many dollars, not just their own year's efforts has gone down the drain, but a good bit of taxpayer's money's gone down the drain with it.

You know, we're prepared, Mr. Minister, we're prepared to offer the kind of constructive advice from this side of the House, to offer the kind of scrutiny to this kind of a program, to vote for the kind of money that you need to introduce these kinds of programs. But I'd like to see the Minister show a little bit more enthusiasm for innovation in this field, you know, rather than digging in his heels at the outset because his main concern is that somebody may make a dollar that he doesn't control. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: Mr. Chairman, the Minister has indicated, as the Member for Lakeside has said, a peculiar - it's peculiar to us because our philosophy over here is that if you're to avoid the excesses of inflation, if you're to avoid the difficulties that our economy is facing right now, then a great deal more initiative and responsibility must be placed in the hands of the individual rather than on the shoulders of the government and consequently the taxpayers.

I raise the question of the possibility of encouraging the development of Sports Fishing as opposed to Commercial Fishing in those areas where it's practical and feasible; I don't suggest for a minute that I believe it's possible in all of the lakes up north. But you know, different people have different ways of getting their kicks and mine just happens to be to fly into a remote lodge some place and be waited on hand and foot by a guide where I don't have to even take the fish off the hook, that's my idea of fishing, and have them prepared for me on my way out. I've always found in all of the lakes that I've gone into, there is a recurring problem in each one of those lakes on the part of those operators, and this is finding people to act as guides, finding people who will work in those lodges. I can't think of an occupation that would please me more than to be able to be out enjoying the loneliness and the beauty of our northern lakes. It seems to me if there is an occupation that would give joy to anyone it would be doing that, and I can't understand the difficulty in finding people to act as guides. As near as I can make out the pay is reasonably good, and the opportunities for gainful employment are there.

And the Minister talks about co-ops. If he's afraid that somebody's going to make a buck, then what's wrong with setting up these lodges on a co-op basis. Mind you there is a certain amount of training that is necessary. It's not the kind of an operation that anyone can start and maintain and make money at. And if you're not going to make money at it don't start them, because that's the whole basis of the operation of those lodges, that they do provide an income for somebody. But what is wrong with looking at the possibility and investigating the feasibility of setting up lodges where the people who have their money invested in them would enjoy the profits that some, and don't worry, Mr. Minister, if there are some profits . . .

A MEMBER: They'll pay taxes on the profits.

MR. JORGENSEN: Yes, they will pay taxes on those profits, and they will be given the kind of initiative that will enable them to continue in operation. --(Interjection)-- If the Minister will just wait, I'll be through in a minute.

MR. CHAIRMAN: The Honourable Minister on a point of privilege.

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MR. JORGENSON: I'll be through in a minute and the Minister then can go on and comment on whatever he feels that I have said that is so erring and so wrong.

It does seem to me that there is an opportunity there, and as the Member for Lakeside has said, studies have been made which prove, or seemed to indicate at least at the outset that there is a practical possibility here and I wonder if the Minister would only remove the blinker from his eyes and not worry if somebody makes a buck and look at it in a way that would encourage that kind of a development in some of our northern communities.

And while I'm on my feet I wonder if I could ask the Minister one more question . . .

MR. BOSTROM: Go ahead.

MR. JORGENSON: . . . in relation to this. I wonder if he could tell us what lakes are set aside and reserved for commercial fishing and commercial fishing only. I won't ask him to name the lakes that are set aside for sports fishing, because with 100,000 of them up there it would take a little long. But there must be certain lakes that are set aside for commercial fishing only, and I wonder if he would indicate which ones they are.

MR. CHAIRMAN: The Minister of Co-operative Development.

MR. BOSTROM: Mr. Chairman, I must admit a certain amount of amusement at being so misinterpreted and my remarks being so misconstrued. I don't know whether it's deliberate or just accidental, but when I discussed, in reply to remarks earlier that the sports fishery in northern Manitoba as opposed to commercial fishing was certainly something we were looking at, and in fact, I mentioned the two problems associated with that being, (1) that of traditional attitudes on the part of northern people. And I believe the Member for Morris clearly pointed out some of the problems when he said that the existing fishing lodges in northern Manitoba are having a difficult time attracting the northern people to work as guides. I think that's indicative of their preference for employment. The commercial fisheries has not had problems attracting people to work in the commercial fisheries. In fact, Mr. Chairman, when you look at the research that I will be tabling, some of these people worked for as little as \$5.00 a day and less in a commercial fishery. And, you know, the alternative being possibly to work in a lodge. But maybe the reason that someone would rather be a commercial fisherman, at least from my understanding of the situation, the reason an individual, a native person in the north would rather be a commercial fisherman is because by the very nature --(Interjection)-- yes, by the very nature of the job. The commercial fisherman is his own boss. He gets up when he wants to. He goes and he lifts his nets when he wants to. He brings his fish in and he cleans them when he wants to and it's a completely independent existence, and it's, Mr. Chairman, very similar by way of traditional occupation to the traditional way of life to the native people in northern Manitoba, in that the native people traditionally have not worked for anyone. They have been their own bosses, whether they be trappers, hunters or whatever.

That does not transfer easily to being the kind of person that the Honourable Member for Morris indicated he would like to have employed as a guide, somebody who would take his fish off the hook and prepare it for him and all this kind of thing. I mean that represents a significant change in a person's work activity where he's answering to this fellow from down south who comes up there and tells him, "Take my fish off the hook and put it in a frying pan and make a fire, make some tea," all this kind of stuff you know, and although it may be fairly good money involved it represents a significant change in the individual native person's impression of himself - his identification of himself. And Mr. Chairman, that is a very important consideration.

The second thing is that both the Honourable Member for Lakeside and the Honourable Member for Morris completely misinterpreted my comments on the distribution of the economic returns from the fishery. I did not say that I was concerned about profits, in fact I indicated that there would possibly be an optimum mix of commercial fishing and sports fishing possible where you could have commercial fishing in the wintertime when there is no lodges operating, and take out a certain quota from the lake for certain species of fish that would not be a sports fish in any case, whitefish for example. And in the summertime you could have a lodge operating with possibly the native people operating and controlling the lodge themselves. Maybe in that way, Mr. Chairman, they would be more agreeable to work at that occupation if they knew for sure that they were the bosses and not the lackeys, and I think that that is a direction that we should be moving. I'm certainly not concerned about profits and

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(MR. BOSTROM cont'd) . . . . having blinkers on as the honourable members would try to imply.

In fact, Mr. Chairman, I was concerned about how their profits would be distributed. If they're only going to go to one person rather than 50 I think that's a very important consideration, that as a government we should not be establishing operations which will contribute to the pockets of only one individual. We should be trying to establish operations that will have the greatest, most maximum benefit to the local people in the area. And, Mr. Chairman, that will have the best possible distribution of the economic returns from the resource. I would say it's our responsibility as a government to insure that there is a maximum return from that resource. But, Mr. Chairman, that has to be, it just has to be done in such a way that it's acceptable to the people in the area. It can't be something that's imposed.

So with those few comments, Mr. Chairman - I could answer the Honourable Member from Morris's question more specifically if I had the information here. I don't have the breakdown of all the lakes in northern Manitoba that are commercially fishable, although as I indicated in my opening remarks, I would say if you're looking at the straight economics of the situation almost all of those North of 53 at the present time are simply not economically viable for commercial fishing and in fact if commercial fishing is to take place then they will require some subsidy in order to operate. Now at the same time, Mr. Chairman, as the honourable members has already pointed out, we have 100,000-plus lakes in northern Manitoba and we should endeavour with all possible promotion to open those areas up for the benefit of southern people to fish as the Honourable Member from Morris indicated he personally likes to do, and at the same time relate that to the employment potentials at the local level of accomplishing that very thing.

MR. JORGENSON: If the Minister would - he indicated that he did not have those figures in front of him concerning the number of lakes that had been set aside specifically for commercial fishing. I wonder if it's possible to have that done at some time. I wouldn't ask him to do it now, it may involve some research and some compiling, but I wonder if he would undertake to have that done. I would be interested in knowing where the division is.

MR. BOSTROM: I will take that question as notice, Mr. Chairman.

. . . . continued next page.

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

MR. A. R. (PETE) ADAM (Ste. Rose): Thank you very much, Mr. Chairman, I just wanted to make a few comments on the particular section that we're dealing with. I'll be very very brief.

I couldn't help but get the impression from the remarks made by the Member for Morris that in his analyzing of the alternatives available to the fisheries of the north, and of course that may be the Tory philosophy to perhaps turn the northern population into coolies working for tourist operators and so on. But be that as it may, there's another aspect that I would like to comment on and that is when you speak of sports fishing, in any given area, I don't think that enough study has been made in relation to sports fishing as it affects fish population. I would like to suggest, sir, that in my opinion it is still desirable if you wish to keep the production up in your lakes, that the commercial fishing is still the best way of controlling and preventing excessive depletion of the fish production. And I say this because with a commercial fishing you can regulate by and large the size of the fish that will be caught by the size of the mesh that is used on that particular lake. If you use a 4 inch mesh you will get fish that will weigh up to, around 2 - 2 1/2 pounds or thereabouts. If you use a 4 1/2 inch mesh you will have fish being caught that are larger than 2, 2 1/2 pounds, perhaps 3 pounds. But when you have a sports fishing along with a commercial fishing then you have complete distortion.

Under a commercial fishery you can control quotas, you can control the total production on a given lake and the biologists are able to make a rational assessment of what's happening as far as the fishery of that particular lake goes. But when you have uncontrolled sports fishing as well, you no longer have control of the size of fish that is caught, because you catch fish that have never spawned, you catch fish that are too large, that will not normally be caught in the size of the mesh that's applied to that lake. And in some instances you catch the large spawners that weigh 6, 7 pounds where you should only be catching 4 pounds or 2 pounds whatever the case may be, and on the other hand you may be catching fish who are undersize and who have never spawned. And this puts excessive pressure on any lake.

I recall very well that in our larger lakes, Lake Manitoba, Lake Dauphin, Lake Winnipeg, that a few years ago there was a very high level of production - and in Lake Winnipegosis as well - there was a high level of production, and I sincerely believe that the reason that we had high production is because there was some control on the size of fish that was being caught and how much fish was being caught. And it's only when the interest in sports fishing developed where thousands of people are now going out fishing on these lakes, that you have seen a tremendous drop in the production of most of these lakes. I'm fully convinced of this. And I would like to suggest that some lakes should be set aside, maybe as an experiment where only sports fishing will be available. And then you'd be able to analyze what is happening in those lakes, how the biologists would be able to see what's happening in a lake which is only fished by sports, and also they would be able to see the difference of what happens in a lake where you have intensive sports fishing as well as commercial fishing. So I think I'd like to advise my colleague the Minister to look at this area because I think it's very very important.

INTRODUCTION OF GUESTS

MR. CHAIRMAN: Before we proceed I should like to direct the attention of the honourable members to the gallery where we have 20 students of Grade 12 standing from the Lancaster High School in Lancaster, Minnesota, under the direction of Mr. Clow. This group is here as guests of Mr. Speaker. On behalf of all honourable members of the Assembly I bid you welcome.

SUPPLY - CO-OP DEVELOPMENT Cont'd

MR. CHAIRMAN: The Honourable Member for Birtle-Russell.

MR. GRAHAM: Thank you, Mr. Speaker. I've endeavoured to stay very close to the economic analysis of Planning and Research but the Minister made one comment that prompts me to ask him another question. He said that should the efforts be directed towards one individual when 50 may all receive the same benefits. Does this mean that only those fishermen in the co-ops are going to receive the attention of the Minister, or will the individual fisherman who chooses of his own not to stay within the confines of a co-op but to operate

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(MR. GRAHAM cont'd) . . . . independently, is he also going to be considered or is he going to be ignored?

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Mr. Chairman, in my comments I want to make it clear that I was referring to all able-bodied individuals in these communities that wanted to participate in any kind of gainful employment. I guess it should be pointed out that I find it possibly difficult in referring to the fishery to divorce the responsibilities I have as Minister for Co-operative Development from that of Minister responsible for Fisheries in the province, and when I talk about the fishery I'm talking about it in both capacities really. And to that extent I'm talking about all people in those communities not just those who are members of co-operatives.

MR. CHAIRMAN (Mr. Walding): The Honourable Member for Birtle-Russell.

MR. GRAHAM: So then the independent fishermen who choose not to operate will be given the same treatment as those that operate within the co-op?

MR. BOSTROM: Mr. Chairman, all people, fishermen or otherwise, will be given equal treatment.

MR. GRAHAM: Well then, Mr. Chairman, I want to move on to another aspect and this deals with the economic analysis that must have taken place either by Hydro or through the Minister's department. And I understand, Mr. Minister that there are going to be four lakes in northern Manitoba that are going to be fished out this year under a Hydro program where the water level I understand is going to be reduced and the lakes will be fished out. Do your economic analysis concur with this decision or have you done any studies in this respect? Whether those lakes should be reduced or maybe they should be maintained by dams or weirs. I just want to know if there's been any economic analysis done on that?

MR. CHAIRMAN: The Honourable Mines Minister.

MR. GREEN: Mr. Chairman, I wasn't going to speak to what the honourable member just said, but there's just been a question by the Member for Assiniboia and the Member for Morris will want to hear my comments on this.

The Minister of Co-operative Development is dealing with a new Estimate Book with regard to the Department of Co-operative Development. When he comes to those issues of his department that fall under Mines and Resources he will have to follow the regular estimate book because that is not translated to a new form of Estimates. So I just want it understood that he will carry on after he's finished with Co-op Development to those aspects of his responsibilities that fall within the regular department, in which case it will be on the other book of estimates.

MR. CHAIRMAN: The Honourable Minister.

MR. BOSTROM: I can just simply give the member an answer to the question but I concur with the Honourable House Leader that you know many of the questions that are coming out today and many of the comments on the fisheries are general questions which could be answered by myself in consideration of the estimates of the other department that I'm responsible for, and which estimates will be considered completely separate from these at another time. I know honourable members will have many questions and comments to make on the other estimates and perhaps they could hold those until that time.

On the question the honourable member has posed with respect to a number of lakes that will be fished out, I believe there's four or five lakes that are being fished out. The Department of Co-op Development is not involved with that. The fisheries officers in the other section I'm responsible for have been involved in it and in fact do concur with that process.

MR. CHAIRMAN: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY (Radisson): I was very interested in listening to the Minister's remarks with regards to the fishing opportunities for sports fishermen in northern lakes and that it is his desire to open up a lot of these lakes so that the people from the south can go fishing. I was just wondering if under his Department of Co-operatives and his research to try to promote the earning capacity of the people in the communities if he has given any consideration to establish a training program for guides within those communities so that the people would be better equipped to handle the situation rather than be dependent upon the resort operators as it is at the present, people who operate various fishing camps and then bring in guides who collect money only on the basis of what the sports fishermen who come out pay. I

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(MR. SHAFRANSKY cont'd) . . . . think that if there was a training program under the Department of Co-operatives where the people could be given some definite ideas as to the type of operation that they could develop that it would certainly improve the earning capacity of those people, rather than depend on others to try to provide it that they could actually go into the operation on their own.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. DAVID BLAKE (Minnedosa): Mr. Chairman, I think that question probably should have been directed to the Minister of Tourism and Recreation. I think that program was set up under the Conservative administration many years ago where they provided training assistance for guides and people involved in the tourist industry in the north.

MR. CHAIRMAN: The Honourable Minister.

MR. BOSTROM: Mr. Chairman, again this is a question that could more properly be addressed to me when the other Estimates come up. There is nothing in the Department of Co-op Development that relates to this. There are programs - just by way of answer - that are being undertaken by the staff in the other department with respect to training and guides. In fact a course is being established in connection with a community college in Manitoba.

MR. CHAIRMAN: (Planning and Research Section was read line by line and passed - \$32,200)

Education Research Project. Line 1, Salaries, wages and fringe benefits, \$6,500.00. The Honourable Member for Morris.

MR. JORGENSEN: I just wonder if the Minister would give us an idea of just what this item implies, what it means in terms of reserach, and just what is it that they are researching

MR. CHAIRMAN (Mr. Jenkins): The Honourable Minister.

MR. BOSTROM: The Education Research Project, Mr. Chairman, is a joint project of the Deparment of Co-operative Development and the Department of Education. It's administered by the Department of Co-operative Development.

In 1972 a review of texts approved for use in Manitoba schools was undertaken to determine whether the material contained adequate information on co-operatives. The study concluded that there was very little coverage of co-operatives. To redress this imbalance the Co-operatives Education Project was initiated to develop supplementary material about co-operatives, which would be used by teachers as an additional resource in teaching different subjects. In this regard the following materials are being developed:

1. The Social Studies Kit, an extensive classroom resource package containing pupil handouts, a sound slide production, several books, a classroom game and files of documents and articles for use in high school Social Studies' courses.
2. A business kit, which is an extensive classroom resource package containing student project materials, a sound slide production, several books, a classroom game and files of documents and articles for use in business, marketing and economics courses in the high schools.
3. The "Birth of Co-operation", a booklet that traced the development of the co-operative movement in 19th century Britz.in for use in the British History Course in Grade 9.
4. Co-operative Native Communities, six booklets discussing native communities in the role of co-operatives and their development for use in conjunction with social studies and native studies' courses at the high school level. Another one is "Altona, a Co-operative Community", a small book that examines Altona as an example of a rural town, where co-operative efforts have produced a prospering self-help community, for use in the Grade 5 Social Studies' course.

The above material are in various stages of completion. In all cases art and design, photography and layout work remains to be done, as well as composing and printing. Before the material is made available to the schools generally, it will undergo an extensive review process and piloting will be undertaken to ensure that it is factually correct and suitable for classroom use. The department has relied very heavily on use of teachers as authors and advisors in the preparation of this material. It is anticipated that this early and continued involvement of teachers will result in the production of material which is relevant and useful in a classroom situation. When the material has been completed it will be available to teachers and school divisions upon request. Should a school division or school wish to undertake a pilot project in the area of co-operative studies, resource personnel may also be made available to them. Teachers will be supplied with a list of resource people from co-operatives, that is existing co-operatives, and credit unions in their immediate communities, to assist

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(MR. BOSTROM cont'd) . . . . them through talks in the schools, organizing field trips, etc. And the existing co-operatives and credit unions are being contacted with respect to this particular section, to give some indication of what individuals would be interested in participating in a public way in this kind of discussion in high schools and elementary schools in the province.

Mr. Chairman, I might just say by way of addition to this information that if in fact this kind of information has been made available to northern communities and been a part of the curriculum in the high schools in those northern communities, many of the people that are just now becoming part of the co-operatives in those northern communities would have a very solid knowledge of what a co-operative is, how it operates and how it should operate. And, Mr. Chairman, I think it's important that this kind of material be introduced into the schools, particularly in those communities where there are co-operatives operating, because it's both relevant and useful. It's relevant because it relates to something that's existing in the community, it makes it interesting for students; and it's useful because those same students, Mr. Chairman, will be the future co-operators in that community.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, the Minister - and I do not criticize him for this - continues to emphasize the role of the co-operative movement in our society, and I happen to be one who supports that role, with one essential difference.

The Minister in his rather inflammatory introductory remarks, went on to point out how much his government had taken grasp of the co-operative movement and pushed it into existence, and how much they were prepared to sacrifice and to give in order to make co-ops a success, and I at that time had come to the conclusion that the enthusiasm with which the Minister embraced the co-op movement, might be the very thing that is making it difficult to survive. Because I want to read some passages from a book that I read many years ago, and I recovered a copy of it. In that book were contained some passages that were imprinted on my mind at the time that I read it, and I want to bring it to his attention now because it might be of use to him. It's a book simply called "The Co-operative Challenge" by Bertram Fowler. He deals with many aspects of the co-op movement, and one of them is a chapter which he titles, "The Question Mark on the Prairies." And this is what he says:

"As soon as the consumer co-operatives got started on the Canadian scene, there appeared on the political horizon a new Party called the Co-operative Commonwealth Federation. This Federation was partly socialistic, partly something nebulously co-operative and partly heaven knows what. Its leaders were for the most part intellectuals in revolt. They were undoubtedly honest men moved by honest convictions about the emergence of the ideal state." And we now in retrospect have seen that ideal state and have now recognized it's something less than ideal. "Their great weakness lay in the fact that they were trying to weld divergent principles and ideas of the various liberal segments of the people into one group, sincerely believing in consumer co-operation, although obviously ignorant of its philosophy. They were trying to ride into political power on the wave of its great popularity. If there had been a clear conception of the philosophy of consumer co-operation within the movement, this political group would not have found its members such a receptive audience when preaching their somewhat fuzzy doctrine of the Co-operative Commonwealth Federation. The doctrine that was being preached called for the socialization of all basic resources and utilities, but ultimately it called for all business being absorbed by the co-operatives." And now we have had in the unexpurgated version of the Guidelines for Seventies a new version which suggests that the co-operatives now are becoming redundant and must now be absorbed by the state. So Mr. Fowler's projections as early as 1947 weren't that far off the mark.

He goes on to say, "In that election the CCF appealed to both farmers and organized labourers. To the farmer it promised unlimited assistance in the formation of its co-operatives; it promised full consumer and producer marketing co-operative legislation. To labour it promised a compulsory law making it obligatory for every employer to bargain with existing labour unions and employ only union labour. It promised further, to abolish the company union. To members of consumer co-operation well educated in the philosophy and principle of the movement, it would have been only too evident that in keeping such promises the CCF would really be killing them with kindness as they ushered in their concept of the ideal socialistic state." And I suggest, Mr. . . .

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

MR. A. R. (PETE) ADAM (Ste. Rose): On a point of order, Mr. Chairman. I'm just wondering, in all due respect, that what has that got to do with the estimates that we're looking at at the present time.

MR. JORGENSON: Mr. Chairman, the Minister introduced his Estimates or introduced this particular section, by saying that the whole question of educational research was contained in this section, and then he went on to point out that there was a need to educate people into the co-operative movement. And the point that I'm attempting to make right now, is that I hope that what is being taught is the real, basic and fundamental philosophy of the co-operative movement, rather than the kinds of version of co-operation that honourable gentlemen opposite seem to have; that instead of the true co-operative movement, that it involves something as described by Mr. Fowler, something removed from what co-operatives really are meant to be, or their role in society.

Then he goes on to point out: "Just at first the Consumer Co-operative leaders were full of rejoicing, especially when the Prime Minister declared" - and I presume that they mean here, the Premier - Mr. Fowler, incidentally is an American - "When the Prime Minister declared that it was a duty of the government to help the co-ops get started in new lines. The government it was declared would buy such industrial plants as the co-ops could not yet afford. Under the government supervision of these plants would be made efficient, then turned over to the co-ops for operation. All of which sounded swell to the members of the co-ops, that is until the government began to show exactly what they meant by buying a few plants." Then he goes on to describe just what that meant. I refer the book to the Minister for his further edification, because I think that if he hasn't read it he should read it. It perhaps should be, if . . . I'm going to make a suggestion to the Minister, perhaps this should be compelled reading in his education program, it will give him a better idea of what the co-operative movement is all about.

But then he goes on to point out: "By now the government was taking over that responsibility. It was saying, though obliquely, 'don't worry about starting things, just sit back and let us do it for you', and this was being done by a political group which by virtue of its state nature, was merely handling the funds put up by the taxpayers, with no sense of responsibility towards those taxpayers beyond their reaction at the next election." And I submit, Mr. Chairman, that is precisely what we're seeing now. And I again draw to the Minister's attention that this book was written in 1947, and that was long before this government came to power, and yet he has accurately predicted precisely the nature of the kind of government that we have in the Co-operative Commonwealth Federation and now the NDP, there isn't a great deal of difference.

"While the Co-operative Commonwealth Federation was a Liberal Party on the surface, it actually represented a political thesis that diametrically opposed the democratic philosophy of consumer co-operation." And that's the main point that Mr. Fowler makes in this book, that there is no way that any consumer co-operative is going to be successful if it is initiated and paternally guided by a government, that is the one recipe doomed to create a failure in any consumer co-operative movement. He said, "to clarify the issue it is only necessary to study the Rochdale principles to see that inherent in those principles is the fact that members of the consumer co-operatives want less and less government in business. The long range aim of the co-ops is to eventually remove all economic affairs from the hands of government and put them on a strictly economic basis. Yet the Co-operative Commonwealth Federation aims at the exact opposite, more and more government participation in business. Therefore, according to the Rochdale principles, the CCF is definitely not a real Liberal Party."

Then he goes on to point out one thing further: "The questions they ask are not academic ones. It is in Saskatchewan today a potent threat to the future of consumer co-operatives in that province. For however beneficial the paternalism of the government starts out to be, it inevitably grips people more and more rigidly until the citizens become automatums who move only in the direction and the speed dictated by its political leaders. The consumer co-operative leaders of Saskatchewan are now aware of that fact and if government absorbs the business enterprises of the co-ops they will lose all value as an economic yardstick and cease to function except as a bad example, to which the free consumer co-operative enterprises in neighboring provinces and states will point accusingly."

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(MR. JORGENSEN cont'd)

Well, Mr. Chairman, this is one man's opinion on the consumer co-operative movement. I happen to share that view to the extent that unless the consumer co-operative movement is based on a sound understanding of the fundamental principles of consumer co-operation, it is not going to succeed, and for that reason I do not oppose the government's program in this educational research project in order to acquaint more people with the fundamental principles of the consumer co-operative movement. But my only caveat and only reservation is that I wonder what kind of textbooks are being used. I wonder what kind of educational project it really is. Is it based on the sound principles of consumer co-operation, or is it some version of that movement that is being interpreted by those who believe more in socialism than they do in consumer co-operation.

. . . . . continued on next page

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MR. CHAIRMAN: The Minister of Co-operative Development.

MR. BOSTROM: Mr. Chairman, again I must confess to considerable amusement at my honourable friend's remarks. In fact the idea I just introduced with respect to introducing education in the schools would immediately make redundant most of the comments that my honourable friend made. He's obviously quoted from one book which happens to be one man's opinion about the CCF and is somehow trying to relate that to government control of co-operatives, and then in turn trying to relate that to a perfectly legitimate attempt by our department to introduce co-operative education into the schools.

In fact, Mr. Chairman, if he is interested in less, not more, paternalism and assistance by government towards co-operatives, then he should be very keenly interested in this project. Because, Mr. Chairman, education of this nature is a key to more and better knowledge about co-operatives. And, Mr. Chairman, as my honourable friend should well know, knowledge is certainly a key to democracy, because informed people can't be so easily fooled, not in the way in which he would obviously like to fool people.

Mr. Chairman, if education regarding co-operatives is introduced into the schools as we are recommending, as we are proposing to do, then it will mean that there will be a requirement for less, not more, government assistance to future co-operatives. Less, not more. And, Mr. Chairman, students in the school system who will be the future co-operators, as I mentioned, can freely choose whether they want to go the co-operative route or not. And, Mr. Chairman, as I indicated on my opening statements on this section, this is being created in a completely open fashion, and it is being introduced, and it's being put together with the co-operation of the teachers in the schools. In fact, Mr. Chairman, in discussing this project with the staff in my department, I insisted that they work closely with the Department of Education and the teachers, because, Mr. Speaker, I know full well that before anything like this can be introduced into the schools, it has to have the acceptance and the acceptability of the teachers. They simply will not be including it in their courses if it's not something which they feel is useful and relevant. So, Mr. Chairman, I would reject completely the implication the honourable member is making that somehow this is a plot to introduce some kind of propaganda into the system.

Mr. Chairman, this is open and complete information on co-operatives in Manitoba. And, Mr. Chairman, one of the items of the project here "Altona, a Co-operative Community," a small book that examines Altona as an example of a rural town where co-operative efforts have produced a prospering self-help community. I heard a bit of encouragement from the other side, from the Honourable Member for Rhineland, when I mentioned this part of the project. And if this, Mr. Chairman, is an example of socialism being introduced into the schools, I'm sure my honourable friend will agree with it, that it will be a useful and relevant educational project.

MR. CHAIRMAN: The Honourable Member for Morris.

MR. JORGENSEN: The Minister of course, has completely either misunderstood or innocently misinterpreted my remarks. I started out by suggesting approval for this particular item, and then in order to establish my case I went on to point out that the necessity of anybody becoming involved in the co-operative movement, having a fundamental and a basic understanding of what the movement is all about, and I read some excerpts from a book which illustrated that very point. I do not quarrel at all with the Minister's intention and desire - in fact, I applaud it - to continue to encourage the education of people who may be interested in co-ops, so that they understand where they fit into the economic picture, and what they can do. And what I finished up by saying, was recommending that this particular book by Bertram Fowler, including the chapter on the prairies, be recommended at least if not a recommended textbook, at least a recommended library addition in schools for those students who want to further their education on the co-op movement.

One other interesting thing that he pointed out was the history of Altona and its co-op development. That's a fact. Altona has had the long history and the reputation as a co-op town, and I happen to be very familiar with the community, I represented it for eleven years in the House of Commons.

But I also represented another town, and it's interesting to follow the development of those two communities. The other one was Steinbach, and there isn't a co-op in Steinbach outside, of course, of the credit union which is a very strong movement. But no other co-ops - and I defy the Minister to tell me that the people of Altona are any better off, any wealthier,

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(MR. JORGENSEN cont'd) . . . . that there is any greater degree of prosperity in Altona than there is in Steinbach, which is so completely unalterably free enterprise that you wouldn't believe it. It's an interesting study to see two communities of peoples that came from the same part of the old world, settled in this country, one in what they call the east reserve, which is at Steinbach, the other the west reserve, which was in Altona, one developing along co-operative lines and the other developing along free enterprise lines. If you're to really make an honest comparison of those two communities I think I would have to give the edge to Steinbach for evidence of prosperity, for an attitude and the framework of mind and outlook on life. It is an interesting study. But I want to remind my honourable friend that the history of Altona, although it's a good example of the co-operative movement, is not the ultimate in social development. Steinbach will disprove that theory if that's the one he's trying to sell.

So, you know, there's only one measure of failure, and that would be the third one, that would be socialism. I don't regard the co-op movement as a socialistic movement in any way, shape or form. It is as free enterprise as it could possibly be. It has a different concept and a different structure, but it is free enterprise all the way down the line. It is only when the socialists move in and try to pervert that kind of thinking that you run into difficulties. And that's when the failures will begin.

MR. CHAIRMAN: The Honourable Member for Rhineland.

MR. BROWN: Thank you, Mr. Chairman. Since Altona has been mentioned a number of times, and I would also like to agree with what Warner has said, if you're going to start a --(Interjection)-- Honourable Member for Morris, pardon me, that if he's going to study co-ops then there is no better place than to study them in Altona because you have some very successful co-ops in Altona, and for that matter in any of the towns in southern Manitoba. But if you're going to do a study on this then I think that we should possibly go back a number of years and also do a study when there were only co-ops in Altona. There was absolutely no growth rate in this city or in the town at that time, and things seemed to be pretty well stagnant. And they introduced private business to compete with co-ops and this has been the answer to all the towns in southern Manitoba; they're working side by side. If you introduce competition then you're going to have a very successful community, and the co-ops and private business are working very well together. So I hope that this is the type of community that you would be advocating.

MR. BOSTROM: Mr. Chairman, just a very brief response. I guess one of the main reasons for introducing this kind of a project is that at the present time there is an imbalance, as I indicated in my introduction to this, imbalance in the curriculum of the schools, as there possibly was an imbalance in Altona, if there was only one type of enterprise.

Now I would submit that in order to correct the imbalance in the curriculum that we should introduce an education project with respect to co-operatives, because there is lots of information at the present time in the school curriculum on other types of enterprises, and this is merely a way of correcting an imbalance. And, Mr. Chairman, I have no quarrel with the kind of proposal that there should be a balance, and I would hope that honourable members opposite would support this department when we are promoting the development of consumer co-operatives in the City of Winnipeg. Because, Mr. Chairman, if you want to have a good balance - I would suggest to you at the present time there is not a good balance in the City of Winnipeg, because only one percent, one percent, Mr. Chairman, of the total retail consumer sales, that is the sales of consumer co-operatives, only represent one percent of the total in Winnipeg today. And, Mr. Chairman, that is an imbalance that is a serious one in my opinion, that we should be attempting to correct. We should be assisting the development of consumer co-operatives in Winnipeg to create the kind of balance that is evident in Altona. In fact if all of Manitoba were to have the kind of balance that my honourable friend has indicated is in his community, then it would be a much improved, possibly, place to live.

MR. CHAIRMAN: The Honourable Member for Pembina.

MR. GEORGE HENDERSON (Pembina): Well, Mr. Chairman, this discussion is very interesting and I believe, myself, that I believe in the introduction of the two systems, the free enterprise system and the co-operative system. But really what concerns a lot of people in Manitoba is when we see the government doing like what they did in bringing in Treasury Branches, because we did see the need of credit unions which were run by local people and doing a lot of local good. They helped out where banks didn't - and whether my Honourable

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(MR. HENDERSON cont'd) . . . . Member from Minnedosa agrees with this or not, I know they did, and I know they helped out where governments wouldn't. I know that, in particular, in the Town of Winkler at one time the credit unions would help where the government wouldn't and where the banks wouldn't, and this was local people working together doing this. But when we see the government bringing in Treasury Branches, and we read the Guidelines for the Seventies as how they feel these are going to be developed, where they end up by stating that because the government will be doing this they see no need of this other sort of a service which had been provided by the co-operatives or the credit unions. And this is what the Guidelines for the Seventies more or less set out as I understood it. And these are the things that people are worrying about, is really whether the government is using the credit unions and the co-ops to become a tool of the government so that government has control.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Thank you, Mr. Speaker. I won't indicate whether I agree or disagree with the remarks from my colleague from Pembina with regard to the chartered banking system. But I certainly find no fault with the education program that the Minister has announced of the co-operative movement, but I would suggest, and hopefully, that he will allow equal time and equal funds for the both systems to be introduced in the school curriculum, so that people really and truly have the perspective and the opportunity to decide which system they think is best and which route they may choose to go. --(Interjection)-- I didn't catch the Minister's remarks.

I think it's important that they be well informed on both sides, and the logics of it all, in order that they can make a proper and intelligent decision. And I happen to be a member of a co-op and I have no objections to this being promoted. But I have one question I would like to ask the Minister - there is a program in promoting the formation of co-ops and there is a department and a staff, and I wonder if he could tell me how many staff and what their actual function is. --(Interjection)-- Which section would I question that under?

MR. BOSTROM: Co-op Development on Page 4.

MR. BLAKE: Co-op Development, Page 4, which we've passed.

MR. BOSTROM: Under the Co-op Program on Page 6, which is further down the list.

MR. BLAKE: Page 6? Thank you very much.

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

MR. CHERNIACK: I don't want to prolong this debate very much, but I am faced with what appears to me to be a contradiction, where some members opposite were saying that the co-operatives should live side by side with private enterprise functions, both the Member from Rhineland and the Member from Pembina, but the Member for Minnedosa got up and talked about two systems and he said, if you're going to show one side then you should show the other, and now I'm beginning to see in his mind a competition or conflict of two different systems. Does he envision therefore that the co-operative system is in conflict or contradiction to the free enterprise system, and therefore each needs to have proper exposure in an educational system? That's the conclusion I drew from what he said when he said if you're going to give one side then give the other.

MR. CHAIRMAN: The Honourable Member for Minnedosa.

MR. BLAKE: Mr. Chairman, that's not what I intended at all, but if a youngster grows up in an environment where they only hear one story, obviously they are going to believe that story totally, and I think they should have the opportunity to see the other side as well. That was the --(Interjection)--

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Mr. Chairman, the Honourable Member for Minnedosa just gave the best possible argument for this project, because as I indicated at the beginning, there is an imbalance in the school system right now according to a survey that was done, so that given that there is an imbalance, and the Honourable Member has stated that he believes there should not be an imbalance, that both sides of the story should be told, and that is precisely what we are proposing here.

At the present time the other enterprises' stories are being told, and what we're proposing is that the co-operative story also be told, so that there is, indeed, that balance that he is concerned about.

MR. CHAIRMAN: The Honourable Member for Rock Lake.

## SUPPLY - CO-OPERATIVE DEVELOPMENT

MR. HENRY J. EINARSON (Rock Lake): Well, Mr. Chairman, I find the debate very interesting and a comment was made about teaching, or the children in that part of the Province of Manitoba, as to the philosophy of a co-operative movement and what it all pertains to as opposed to a free enterprise system.

Now I overheard the Minister from his seat say, "We have no problem." And it prompted me to wonder that in the educational system that he is now trying to explain to us - and if I understand him correctly - that if I were a parent in an area where there is a fishing co-op under his department that is being controlled and run by his department, and an educational system that they are taught what this co-op movement is all about, taught how that they are going to derive a living from this system, I'm wondering also if there is a system of economics that's being taught to them, as to how that operates. Because from what I gather, the economic system and the way this government is operating for these people, because in the initial stages the Minister said, "You know, you cannot compare the co-op movement in that part of the Province of Manitoba as opposed to the central and southern parts of Manitoba, where people have established co-ops on their own, developed a charter, and so on." He says there's a difference here. Well, I suggest, Mr. Chairman, if there's a difference then and the government says, well, because those people were not qualified, and because of lack of education, to establish their own co-ops in that part of the country as opposed to what they're doing in this part, I want to say to the Minister that I'm concerned, and not knowing all the details about this whole department, and from the debate and from the information that I'm getting, if I'm understanding correctly, and the way the government is administering this whole thing, I'm not sure that the young people who are being educated are being given the proper kind of education insofar as for a future establishment of being able to make a living for themselves within the co-op movement.

As one of those who believes in live and let live - and I've been a part, as a member, of a co-op movement in this part of the province, and there's nothing wrong with this, it succeeded very well - and I agree with some of my colleagues when they say, "What is the motive behind this educational system? Will the Minister come out clear-cut and say that they are not espousing their own philosophy or any other philosophy." I'm going to be fair in this comment, that in the educational curriculum they're not going to create a system of propaganda, they're going to say, "Well, this is, you know, part of NDP," and they're associating it and saying that's why we agree with the co-op movement. It could be any other party and so I'm not going to single out the party that he belongs to. I would hope that that's not part of the curriculum in the educational system.

MR. CHAIRMAN: The Honourable Minister of Co-operative Development.

MR. BOSTROM: Mr. Chairman, I thought I had made that very clear in introducing this particular section in my estimates, and I indicated that this was being developed in co-operation with the Department of Education Curriculum Branch and the teachers that are teaching in the communities at the present time. Now the teachers that are involved in this project were not involved because they belong to one particular political party or another; their political affiliations are not in question. They're involved because we want to see the teachers being involved in establishing a genuine course on co-operative information.

Now, Mr. Chairman, if the honourable member has been a member of a co-operative he full well knows that when you read the information about co-operatives, the membership requirements and the principles of co-operatives, that no reference is made to any particular political party or political affiliations. And certainly as I indicated, when I pointed out the different parts of the project, the Birth of Co-operation, the Business Kit, the Altona Book, these are all part of the course. This is all part of the project that's being developed. And, Mr. Chairman, the comment that I made about the co-operatives that are operating in Native communities relate to my own personal experience with these co-operatives. Mr. Chairman, there was a co-operative that was started in the neighbouring community to mine in the early 60's, a fishing co-operative, and, Mr. Chairman, as I tried to point out in introducing my Estimates, there was a simple matter of a Co-op Development Officer coming out and assisting them in incorporation, and that same Development Officer would come out once or twice a year and check over the books and audit the books, and that was the extent of the attention they got from the Department.

Now, Mr. Chairman, I've talked to the fishermen that are involved in that co-operative

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(MR. BOSTROM cont'd) . . . . and they were not informed about what a co-operative is all about. They were not . . .

A MEMBER: Which one was that?

MR. BOSTROM: Wanipigow. Wanipigow Co-operative, Mr. Speaker. They were not taught and introduced to what a co-operative is all about. In fact, Mr. Chairman, when I talked to them in the middle 60's about what they were doing, they thought that this co-op was Mr. Co-op from Winnipeg. There was no real attempt made to provide education to the membership, to provide training to the members so that they would know what the co-operative was all about.

Now, Mr. Speaker, that was in the early 60's that that co-operative was begun. Now if, as I indicated earlier, if education had been introduced into the school system in that community at the same time as the co-operative was started, the students in the school because of their better command of the English language and in the process of their education, they would pass on some of the knowledge about co-operatives that they gained through the education system to their parents, who are the co-operators. And these same students, Mr. Chairman, that were students in the early 60's and through the 60's, are now members of that co-operative. They're fishermen working in that co-operative, and if they were introduced to co-operatives and were informed and made knowledgeable about co-operatives in the early 60's, those same students now would be very knowledgeable co-operators. They would know what a co-operative is, they would know what their responsibilities are as a member, they would know what their responsibilities are as a director, if they achieved that position in their community, they would know what their responsibilities would be as a manager, and they would know what their responsibilities are if they were appointed to be a bookkeeper.

Now, Mr. Chairman, those are all of the kinds of skills that are important for co-operation. It's not whether or not a particular political philosophy happens to like co-operatives better than another. That is not in the question here. The question is whether or not we should have the proper knowledge, the proper information about co-operatives made available to the students in the schools so that we don't have this problem in the future in developing co-operatives in remote areas, that in fact those future adults that are now in the school system will be very knowledgeable about what a co-operative is all about.

MR. CHAIRMAN: Education - Salaries, wages and fringe benefits - Passed. Fees \$70,700 - Passed. The Honourable Member for Morris.

MR. JORGENSON: Mr. Chairman, when I compared these two items in the Education Research Project with the one further down, the Rural Areas Agreement Project, I find that the salary in this particular one, \$6,500, is a pretty small salary - there isn't a great staff there; but the fees are \$70,700. I wonder if the Minister could give us a breakdown on just what that involves, those fees and . . . Well, I'd better wait till we get to the next item before I ask a question on that \$69,000.

MR. BOSTROM: Mr. Chairman, in the Estimates process there was only one staff person approved for this. There are people brought in on an interim basis for particular parts of the project, such as design work, art work and so on, and those people have to be brought in on contract and there are fees paid, and, Mr. Chairman, this section here would cover that part of the project.

MR. CHAIRMAN: The hour being approximately 12:30, we call it 12:30. I'm leaving the Chair to return at 2:30 this afternoon.