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PROCEEDINGS

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TIME: 2:30 p.m.

OPENING PRAYER by Mr. Speaker.

MR. SPEAKER, Honourable Peter Fox (Kildonan): Presenting Petitions; Reading and Receiving Petitions; Presenting Reports by Standing and Special Committees.

MINISTERIAL STATEMENTS

MR. SPEAKER: The Honourable Minister for Labour.

HONOURABLE RUSSELL PAULLEY (Transcona): Mr. Speaker, it has been the custom of the Minister of Labour and of the government that when we are in Session the Minister of Labour makes a statement regarding the situation pertaining to unemployment statistics, and it is my desire or intent, Mr. Speaker, to do so now.

We are all greatly concerned with the ever escalating incidence of unemployment in Canada, and in our sister provinces. As a matter of fact, Mr. Speaker, as the honourable members are aware, this has been the subject matter of many debates both here in this House and other jurisdictions in Canada including of course the House of Commons at Ottawa.

I'm sure that honourable members were keenly disappointed in the statistical information we received today which indicates that the unemployment figures in this great Dominion of ours have increased to the highest degree during the period of time that statistics have been available.

Of all of the provinces in our Dominion, Mr. Speaker, and colleagues of the Assembly, Manitoba stands alone in being the only province in which there has been a decline in both the actual and seasonally adjusted unemployment rates for the last month recorded over the months before. And may I indicate, Mr. Speaker, that in making this observation, that this is prior to the institution of those programs that have been announced in this House, of this government, to try and meet the challenge that we are confronted with in respect of unemployment.

I appreciate, Mr. Speaker, that the net decrease is only three-tenths of one percent over the rate that prevailed in the month of February, but nonetheless, Mr. Speaker, I think that it is only proper that the Assembly take note of this fact in face of rising unemployment in other jurisdictions.

On an actual basis, unemployment in Manitoba decreased in the last figures over the figures of February by about 1,000, so therefore, in terms of unemployment from February to March, Manitoba declined by 1,000 to 32,000. We recognize, Mr. Speaker, with regret, that this is an increase of about 7,000 over what it was a year ago. But accompanying that statistical figure, Mr. Speaker, I suggest that Manitoba's labour force increased by 3,000 in March 1977 to become 445,000 and this, in itself, was an increase of approximately 10,000 more that were employed in this province of ours than March 1976.

I also want to point out to my friends in the Assembly that the total employment as apart from the labour force increased by 3,000 and stands at 412,000 in March 1977 and this indicates an increase, Sir, of 2,000 more employed than were employed a year ago.

I do suggest, Mr. Speaker, that we are not satisfied with an unemployment rate as high as 7.25 percent but I do say in face of the trend of the economy in the Dominion of Canada again, that Manitoba, as the result of the policies of this government has not been affected to the same degree as other jurisdictions. I repeat, Mr. Speaker, despite the laughter on the other side, that it indicates that on a comparative basis the economy of the Province of Manitoba rests in good hands and that the figures that I am indicating to the House which, Mr. Speaker, are not our figures but the figures of the Dominion Bureau of Statistics, indicate that despite the purveyors of doom that we have in this Assembly, Manitoba comparatively is better off this month than it was last month and comparatively better off than any other jurisdiction in the Dominion of Canada.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. L. R. (Bud) SHERMAN: Mr. Speaker, the Honourable Minister of Labour sounds a little like a person, a gambler at the craps table who is down \$10,000 and who has had a fellow player come along side him and drop \$11,000 and as a result of that he feels that he's winning and ahead of the game. I don't think much satisfaction can be derived from that three-tenths of one percent improvement although I do want to say, Mr. Speaker, that I believe the Minister of Labour like any drowning man in a situation of this kind is apt and wont to clutch at straws and I don't fault him for clutching at straws and trying to find some consolation in the situation, but there is very little realistic consolation that anyone can find.

Mr. Speaker, the fact of the matter is that while Manitoba has experienced this slight decline in unemployment rates over the last month, both in seasonally adjusted and unadjusted terms, there has been, Sir, a drastic increase in the unemployment rate over the past year in this province. The rate is 5.7 percent for this March compared to 4.7 percent for last March — March 1976 — and that, Sir, represents a change of 21.3 percent on an annual basis. The unemployment situation has

deteriorated faster in Manitoba than it has for Canada during that year period and that includes Canada as a whole and all the Western Provinces with the sole exception of Saskatchewan, if the figures are judged on an adjusted basis. So our position, Sir, is a most disturbing and unattractive one, no matter how the Minister or his colleagues may want to attempt to console themselves with the slight reduction in unemployment for the past month.

One of the most disturbing aspects of the picture, Mr. Speaker, is available if one looks at the changes in the labour force for Canada and the Western Provinces for the past year, March 1976 to March 1977. In Manitoba, on the unadjusted scale, the labour force increased by 10,000, employment increased by only 2,000. That was an employment factor of only 20 percent in terms of the addition to the work force. On the adjusted scale, the figures were 8,000 for Manitoba in terms of the increase in the labour force 3,000 in terms of the increase in employment; so the employment factor was 37.5 percent for those who were coming into the labour force.

If you look at the Canadian figures as a whole, they don't represent any better kind of performance, Mr. Speaker, but the point I am trying to make is that our performance in Manitoba is unfortunately as disturbing and as poor as any across the country or the country as a whole and so there is no satisfaction or pride that we can derive from today's slight reduction.

The total number of unemployed in Manitoba, as the Minister has pointed out, has risen by 7,000 in that twelve-month period. It has gone up from 25,000 to 32,000. So these are the facts that we are confronted with and they are certainly critical ones, Mr. Speaker.

I would just want to say at this juncture that I think that it would be a miscarriage of justice to lay the blame for that and the responsibility for that solely, or even substantially, on the shoulders of the Minister of Labour. I don't believe that the Minister of Labour should be cited or identified as the person responsible. I think that the person responsible for Manitoba's sorry picture in economic terms and in employment terms is the First Minister of this Province who, for eight years, has driven industry out of this province and has discouraged business in this province by the anti-business posture of his government. Along with him sits the Minister of Industry and Commerce.

A MEMBER: The Minister of Mines, too.

MR. SHERMAN: Well, particularly the Minister of Industry and Commerce who has done precious little to encourage any kind of job creation or industrial activity or growth in this province, so I don't think we should lay all the coals of blame, in terms of the present fire, at the doorstep of the Minister of Labour. There are certain things he can do but unless he has a First Minister and Minister of Industry and Commerce attempting to get this province moving, there is not too much realistically that he can do.

MR. SPEAKER: Order please.

MR. SHERMAN: Finally, Sir, may I say that there is one person in this House, one member of the Treasury Bench who can take the First Minister and the Minister of Industry and Commerce off the hook and that is the Minister of Finance. The Minister of Finance in putting his budget together which is due within the next week or ten days, I believe, the Minister of Finance is prepared to provide some incentive to business in the private sector and to industry if he is prepared to stop the growth and the trend of discouragement for business, to put an end to the anti-business posture. If he is prepared to move in the taxation field, if he is prepared to move in the taxation field and the incentive field, Sir, he can do some things yet to take his First Minister and the Minister of Industry and Commerce off the hook. But it is up to him and he can do it with taxation changes and incentive changes, and we will be waiting to see whether this government is interested in improving the health of the economy of this province. The test will come when the Budget comes down, Sir.

MR. SPEAKER: Any other Ministerial Statements or Tabling of Reports? The Honourable Minister of Continuing Education.

RETURN TO ORDER NO. 16

HONOURABLE BEN HANUSCHAK (Burrows): Mr. Speaker, I wish to table the Return to an Order of the House No. 16 on motion of the Honourable Member for Wolseley.

MR. SPEAKER: Notices of Motion.

INTRODUCTION OF BILLS

MR. SPEAKER: The Honourable Attorney-General.

HONOURABLE HOWARD PAWLEY (Selkirk) introduced **Bill (No. 60) The Family Maintenance Act** and **Bill (No. 61) The Marital Property Act**.

MR. SPEAKER: The Honourable Minister of Finance.

HONOURABLE SAUL A. MILLER (Seven Oaks) introduced **Bill (No. 62) An Act to amend The City of Winnipeg Act**.

NON-POLITICAL STATEMENT

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. STERLING LYON (Souris-Killarney): Mr. Speaker, I wonder before I address the question if I would have leave of the House to make a non-political or non-partisan statement?

MR. SPEAKER: Does the honourable member have leave? The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, as the Member for Souris-Killarney, I'm sure the House would wish to join with me and with the residents particularly of the Town of Souris, and all of those who supported them in the restoration of the famous swinging bridge which was washed out last year during a flood of some note on the Souris River in this province.

I'm happy to be able to report to the House, Mr. Speaker, that a private fund-raising drive was undertaken. The citizens in the community collected sufficient funds to restore this project on their own, and it was just recently opened. I think pictures of it are in the newspaper today with the Mayor, Dr. Les Knight, standing at the foot of the bridge, and I know that all members of the House would want to congratulate the townspeople of the Town of Souris and all of the good residents of that area for restoring a famous, a well-known landmark in western Manitoba and a great tourist attraction for all of our visitors in the province.

MR. SPEAKER: The Honourable First Minister.

HONOURABLE EDWARD SCHREYER, Premier (Rossmere): Well, Mr. Speaker, I think it would be entirely appropriate if I were to join in that non-partisan statement in expressing delight that that famous landmark in that part of the province has been restored; a landmark which is as widely known in that area, perhaps even more so, than is the potato shed on the farm of the Minister of Agriculture in our part of the province. But seriously, Sir, the swinging bridge at Souris is indeed a landmark which youngsters in this province come to know about at a very young age 'in school' and I believe held, and still holds, the distinction of being the longest suspension swinging bridge certainly in Manitoba and, I believe, in western Canada. I am delighted, too, that it has been restored as an example of co-operation of three levels of government in that there has been contributions under the Federal-Provincial National Disaster Assistance Program for the restoration of some of the park grounds and the bridge and actually carried out by the local people.

MR. SPEAKER: The Honourable Minister of Consumer and Corporate Affairs.

HONOURABLE RENE TOUPIN (Springfield): Mr. Speaker, I would like to make a correction that appeared in the Tribune of today, the reporter being Ron Kustra who quoted the Estimates of the Department of Consumer, Corporate and Internal Services at \$35 million. They are more like \$3,551,000.00.

ORAL QUESTIONS

MR. SPEAKER: The Honourable Leader of the Opposition.

MR. LYON: Mr. Speaker, reverting back to the non-partisan position, I have a question for the Attorney-General wonder if the Attorney-General has obtained the information that I was seeking from him I believe last week with respect to whether or not any employees of his department have been charged with respect to incidents on the Griffin picket line.

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, I would like to point out two things. One is that the names of all those charged are already a matter of public record and I have no doubt that if any of the employees charged were members of my department and their being involved on the line during the time of the arrest had affected their employment in my department, that that would have been drawn to my personal attention. Such has not been done.

MR. LYON: Well, Mr. Speaker, my question is a very simple one. Will the Minister make the enquiry about the names which are public and report to the House?

MR. PAWLEY: Mr. Speaker, I have no intention of dealing with any subject or any individual in Manitoba on a different basis just because they are a member of this department than any other department or corporation in the Province of Manitoba. They are all citizens and as long as involvement . . . I have no reason, by the way, to think that anybody charged is a member of the staff in my department, no reason to so believe, so that I don't think there is any reasonable need for me to investigate nor do I think it would be right.

MR. LYON: Then I have a final enquiry for the Attorney-General. Is he responsible for the administration of his department any more or who is responsible?

MR. PAWLEY: Mr. Speaker, I repeat that I have no intention to be unreasonable or to be unfair or to conduct any witch-hunt when there is no reasonable facts brought to my attention to indicate that any one in my department has been involved in activity which has interfered with their employment and are now the subject of charges before the courts.

MR. SPEAKER: The Honourable Member for Radisson.

MR. HARRY SHAFRANSKY: Mr. Speaker, I have a question for the First Minister. Does the government have any information, as suggested by the Member for River Heights, as to why Polar Gas would prefer a route across Northern Manitoba and Ontario instead of through Manitoba only?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, as I tried to explain yesterday to the Member for River Heights that I appreciate his flurry of interest in the matter but it is quite wrong to suggest that we have no information and that there is no basis for Polar Gas filing an application for approval of a line of pipe that is to transverse northeastern Manitoba and northwestern Ontario. It has to do with terrain. We intend to ascertain further details in the course of the next few months, even before the application is formally submitted to the National Energy Board. So that statement is simply incorrect.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. ROBERT G. WILSON: Thank you, Mr. Speaker. I have a question for the Minister in charge of the Government Liquor Control Commission, I guess the Attorney-General. Could the Minister confirm or explain the government policy of only 100 percent mark-up for wines purchased with meals, 100 percent over the GLCC mark-up or price in the Liquor Commission? In other words, what is the policy of the government pertaining to the Liquor Control Commission prices *vis-a-vis* the prices that restaurants charge us?

MR. SPEAKER: The Honourable Attorney-General.

MR. PAWLEY: Mr. Speaker, first I think the honourable member means Manitoba Liquor Control Commission — MLCC — rather than GLCC. The reasons for the limitation at 100 percent mark-up in connection with wines served in restaurants has been, I think, quite clearly stated in the past. It is a policy now of some two years in duration and I am certainly prepared to enter into further discussion in connection with that policy during my Estimate review.

MR. WILSON: A supplementary. What could or is the penalty for those restaurants now charging consumers more than 100 percent mark-up? As you know, and the Member for St. Matthews knows, that I stick up for the consumers' rights.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, I wonder if I could indicate to the last questioner that if he were interested enough to make systematic enquiry, he would find, as indeed has been pointed out in newspapers in Toronto, that the pricing of wine, natural table wine in Manitoba, both at the commission outlets and in the restaurants, is just about the lowest in Canada. That indeed, as a matter of deliberate policy, the Liquor Control Commission of Manitoba has, as a matter of pricing policy, reduced the price of natural wine as opposed to fortified groups, which latter has been increased in price and that this is, if not unique in Canada, certainly among the lower natural wine cost provinces in Canada.

MR. SPEAKER: The Honourable Member for Morris.

MR. WARNER H. JORGENSEN: Mr. Speaker, I would like to direct my question to the Minister of Consumer and Corporate Affairs and ask him if his attention has been drawn to an advertisement which appeared in the Winnipeg Free Press of April 11th, that's Monday, in which an advertisement which suggests that a group of Texas auctioneers had been hired by the Public Utilities Commission to conduct an auction sale in the Province of Manitoba. They will, in all probability, walk out with commissions of anywhere from \$100,000 to \$200,000 and I wonder if the Minister could advise the House if that particular tender for auctioneering was tendered.

MR. SPEAKER: The Honourable Minister.

MR. TOUPIN: Well, first of all, Mr. Speaker, I didn't know. I will take the question as notice and get back to the House.

MR. JORGENSEN: I wonder if the Minister would also take as notice and enquire as to whether or not there is a reciprocal agreement or arrangement with the United States whereby Canadian auctioneers can take on similar jobs in the United States.

MR. TOUPIN: Well we are, Mr. Speaker, talking of two free countries so I guess the answer to the question is yes.

MR. JORGENSEN: I just wonder if the Minister would make the enquiry as to find out if that is, in fact, true. My understanding is that it is not, that Canadian auctioneers are not allowed to go to the United States.

MR. SPEAKER: The Honourable First Minister wish to reply?

MR. SCHREYER: Yes, Mr. Speaker, merely to indicate that inasmuch as the Minister responsible for the Public Utilities Board has taken the matter as notice so that will be done. But I would like to indicate to the Member for Morris that the premise of his question is not to be presumed to be accepted that some Texas-based auctioneers have, in fact, been retained, although if they have in fact, it would be perhaps somewhat analogous to the fact that years ago, like a decade or so, the Public Utilities Board did hire consulting firms such as Stone and Webster and one in particular from Texas with respect to consulting on rate base.

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

Wednesday, April 13, 1977

MR. D. JAMES WALDING: Mr. Speaker, my question is to the Honourable the First Minister and arises subsequent to statements made earlier in the House this afternoon. Can the First Minister advise the House as to the reason for Manitoba having the highest unemployment rate in the country?

MR. SCHREYER: Mr. Speaker, I don't know what prompts that question except perhaps that my friend and colleague, the Member for St. Vital, has made that assumption after listening to the Honourable the Member for Fort Garry. But, Mr. Speaker, the Member for St. Vital should be provided with a copy of the Statistics Canada actual data and the actual data show, contrary to what the Member for Fort Garry may like to imply, that Manitoba doesn't have the highest, indeed the third lowest, the third lowest rate of unemployment in Canada and that this is a full two points below the national average for Canada, a full point — indeed more than a point, Sir, on a seasonally adjusted basis — below that of the Province of Ontario which is an industrialized province, which has had a Tory administration for some thirty years or so and that therefore, I don't know what point my honourable friend is trying to make.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SHERMAN: On a point of privilege, Mr. Speaker.

MR. SPEAKER: The Honourable Member for Fort Garry state his matter of privilege.

MR. SHERMAN: My point of privilege, Mr. Speaker, is that my statement has been misrepresented by the Member for St. Vital and now by the First Minister. I never said Manitoba had the lowest rate of unemployment in the country.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, it's fairly obvious the Member for St. Vital should get his instructions correct.

MR. SPEAKER: Order please. The honourable member knows better than to debate during the question period.

MR. SPIVAK: I'm just making an observation, Mr. Speaker.

MR. SPEAKER: Order please. The honourable member have a question?

MR. SPIVAK: Mr. Speaker, to the First Minister. I wonder if he can indicate what department, what ministry, who is seized of the information with respect to Polar Gas, because on the basis of questioning in the last few days no one appears to be seized of anything.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, on the contrary. The problem is not that no one is seized of information but rather that the Ministry of Industry and Commerce, the Minister of Industry and Commerce and I both are seized of certain information, indeed all of my colleagues are seized of certain information with respect to this matter. All that is at issue, Sir, is the contention that there is no basis for Polar Gas filing for the particular route that they have filed for. My honourable friend may have a point if he argues that maybe the route should be something else, some other route but we're not disputing that fact. But for the moment, we were advised by Polar Gas at previous meetings that there is a substantial difference in cost as opposed to proceeding with a line of pipe across the Hudson Bay lowlands for a longer distance' as opposed to a shorter distance which more quickly brings the pipe into the crossgrain of the Canadian Shield rock outcrops.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Then the First Minister is acknowledging that the information is supplied by Polar Gas and that the conclusion is Polar Gas' conclusion and in effect he has information . . .

MR. SPEAKER: Question please.

MR. SPIVAK: . . . to support it one way or the other.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: I did not say that we are accepting those contentions but it is incorrect for the honourable member to allege that Polar Gas has not stated any reason. They have stated the reason. We have no basis for assuming just *ipso facto* that they are being deceitful. However, we intend to do the prudent thing and that is to ascertain and seek more refined information and we are quite confident we shall be able to do so even before the actual hearings commence later this year.

MR. SPEAKER: The Honourable Member for River Heights.

MR. SPIVAK: Mr. Speaker, my question is to the Minister of Industry and Commerce. I wonder if he can indicate whether the government has had consultation with the Canadian National Railway about its refusal to upgrade the rail lines from Gillam to Churchill?

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

HONOURABLE LEONARD S. EVANS (Brandon East): This matter was brought to my attention within the last couple of days and we have publicly expressed our dismay and concern in this matter and we will be notifying the same to the Canadian National Railways. I believe there has been communication, however, at the staff level.

MR. SPIVAK: Mr. Speaker, I wonder if the Minister can indicate whether his department has any information on the proposals with respect to Polar Gas and its direct effect on the requirement that

the line be upgraded?

MR. EVANS: I believe that the decision of the CNR not to upgrade the line has to do with a decision of the Railway Transport Committee. It has to do with the matter of subsidization of the line and the decision was not made in relation to any proposed other development in that area.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. LLOYD AXWORTHY: Thank you, Mr. Speaker. I direct my question to the First Minister responsible for Hydro. Can the First Minister indicate whether Manitoba Hydro has submitted its proposals for the 500 kV transmission line to the United States to the Environmental Assessment Protection Agency for determination of the environmental impact of that proposed transmission corridor?

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, certainly it is my distinct impression that Manitoba Hydro is forwarding all of the requested information. It poses no problem for Manitoba Hydro, given the fact that it has submitted much the same information already to the national authorities and also the Manitoba PLUC Committee, we call it PLUC, Provincial Land Use Committee, and that — I don't know, Sir, why the Member for Lakeside smiles, but it's happy to see him cheerful — and so therefore this, Sir, is being done. The information is forthcoming.

MR. AXWORTHY: A supplementary to the First Minister. I take it then that the Minister does confirm that, in fact, that proposal has not been submitted then to the Environmental Protection Assessment Agency for the development of guidelines for assessing environmental impact in all its ramifications for that transmission corridor, in fact has simply been given to the PLUC committee.

MR. SPEAKER: The Honourable Minister of Mines.

HONOURABLE SIDNEY GREEN (Inkster): Mr. Speaker, I think that the Honourable First Minister indicated that in addition to having submitted it elsewhere and submitted information to the PLUC committee, it will be responding to the Environment Protection Branch, if it has not already done so and I'm not sure that it has. But the material has been forwarded to Hydro and we are expecting a response.

MR. SPEAKER: The Honourable Member for Fort Rouge.

MR. AXWORTHY: Well, a supplementary, Mr. Speaker, to either one of the ministers in answering. Can they confirm that in fact Manitoba Hydro has refused to submit its proposals on nuclear development site energies for assessment by the Environmental Protection Assessment group?

MR. SPEAKER: The Honourable Minister for Mines.

MR. GREEN: Mr. Speaker, I'm not aware of a refusal by Manitoba Hydro to submit information, but I want to indicate to the honourable member that there may be, and I would not be surprised if there is not, legitimate differences of opinion between what information is requested by the Environmental Protection Branch, which I happen to be responsible for, and Manitoba Hydro which is responsible to a different minister and in such case, I will not say that we are actually right and they are actually wrong. We will deal with those questions if and when they arrive.

MR. SPEAKER: The Honourable Member for Fort Rouge. Final question.

MR. AXWORTHY: Thank you, Mr. Speaker. Then I would submit to the Minister whether he will ascertain whether in fact Manitoba Hydro has refused to submit its nuclear power sites for assessment by the Environmental Protection Agency and determine what the reasons for and provide those reasons to the House.

MR. SPEAKER: The Honourable First Minister.

MR. SCHREYER: Mr. Speaker, the matter is not simple but I will try to the extent of the rules, make it possible to elaborate somewhat, to the extent that aspects with respect to some possible potential future nuclear site is involved and that really has to do with a decade from now and more, to the extent that matters of an environmental nature are involved that are not directly relating to the nuclear aspect, there will be a review process to go through. With respect to the environmental impact more directly relating to the nuclear aspects, for that there is constituted under the laws of our country, an Atomic Energy Control Board. I say, without equivocation to my friend, the Member for Fort Rouge, whether he likes it or not, that we do not propose to spend extra money duplicating something that is being done in good faith and competently by the national jurisdiction. We are part of Canada, Sir.

MR. SPEAKER: The Honourable Member for Lakeside.

MR. HARRY J. ENNS: Mr. Speaker, I direct a question to the Minister of Agriculture. You know, Sir, and other members know that I've had a long standing concern about the price of pork that we sell to Japan, and the question arises out of the Report that's been tabled this afternoon. Can the Minister confirm from the Report that the 89,295 hogs that we sold to Japan for \$8 million does in fact represent that we sold bacon and ham to the Japanese consumer for the last year for 44 cents roughly while we were charging our own Manitoba consumers during the same period of time 62 cents for the same bacon and pork notwithstanding the shipping of some four thousands of miles, oceanic freight, and everything else. But my question to the Honourable Minister is, does the Japanese consumer

buy Manitoba pork for about 20 cents less a pound than the Manitoba consumer can buy it?

MR. SPEAKER: The Honourable Minister of Agriculture.

HONOURABLE SAMUEL USKIW(Lac du Bonnet): Well, Mr. Speaker, I have not read the Annual Report of the Hog Marketing Board, and whatever the statistics are, they are the statistics of that Board, and the honourable member may if you wish, consult that Board to determine whether or not his statement is correct or incorrect.

MR. ENNS: Mr. Speaker, does the Minister of Agriculture have the same compassionate concern about the consumer of Japan that he has about the consumer in Cuba with respect to black beans?

MR. USKIW: Mr. Speaker, we should remind the Member for Lakeside that regardless who the purchaser is of a primary agricultural product, that one does not have control as to the price that product is ultimately sold at, whether it is sold by a Marketing Board or Canada Packers or Burns or Swifts or anybody else. Till this very day, Mr. Speaker, the Member for Lakeside cannot tell me at what price Canada Packers sells pork to Japan either.

MR. ENNS: I direct the question to the Minister of Corporate and Consumer Affairs, is he really happy with the answers his colleague is giving in this House?

MR. SPEAKER: Order please. The question is irrelevant. The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON: Mr. Speaker, a question to the Minister of Agriculture, to ask him who is paying the subsidization of the pork being shipped and sold to Japan, the producers or the taxpayers of this province?

MR. SPEAKER: The Honourable Minister for Agriculture.

MR. USKIW: Well, Mr. Speaker, the Member for Rock Lake knows very well that Producer Marketing Boards are not subsidized by the province, and to the extent that they sell product at any given range of prices, that they tend to average those, and pay out a pool price to their membership.

MR. EINARSON: Mr. Speaker, I again ask the Minister of Agriculture, who is paying the subsidization of the pork sold to the people of Japan?

MR. USKIW: Well, Mr. Speaker, my understanding is that the policy of the Board is that it is not a subsidization whatever, that to the extent that they have market alternatives, that they improve their own marketing position here in Manitoba.

MR. SPEAKER: The Honourable Member for Morris.

MR. JORGENSON: I just wanted to ask the Minister of Agriculture if he intends to announce the next Japanese pork sale or is he going to leave that up to the Chairman of the Hog Producer's Marketing Board?

MR. USKIW: Well, Mr. Speaker, I think the Member for Morris should be reminded that there's been quite a transition with respect to the arrangements in the area of hog marketing in Manitoba. Pursuant to the policy of this government, all of the marketing boards who are government appointed, have become producer elected marketing boards.

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I have a question to the First Minister, in his position as the Minister reporting for Manitoba Hydro. In view of the fact that the engineer behind the scheme that the Conservatives claim would have saved Manitoba Hydro customers some \$605 million of Northern Development from 1978 . . . —(Interjection)—

MR. SPEAKER: Order please.

MR. SHAFRANSKY: . . . admitted Tuesday that his plan might have been impractical . . .

MR. SPEAKER: Order please. Question please.

MR. SHAFRANSKY: Yes, Mr. Speaker, I wish to ask the Minister responsible for Manitoba Hydro or reporting, whether he has received an apology from the Leader of the Official Opposition for the blatant lies he gave this House and to the people of Manitoba namely the waste of some \$605 million — whether he has sent an apology to the staff of Manitoba Hydro?

MR. SPEAKER: Order please. Order please. Citation 171 indicates that questions should be brief and to the point, there should be no small speeches included in it. The Honourable Member for St. Johns.

MR. SAUL CHERNIACK: Mr. Speaker, I would like to direct a question to the House Leader or to anyone else who could answer it. I would like to know whether the House Leader could ascertain whether the Member for Roblin has carried out his promise to bring his hydro bills into this House and table them to show an increase from \$10.00 to \$50.00 in his bills?

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I don't know what the procedure is, I haven't received any notification from the Clerk — perhaps I will indicate to the Clerk that when such material is tabled, he should just bring it to our attention or bring it to the Member for St. Johns attention.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. WILSON: I have a question for the First Minister, Mr. Speaker. I'd like to expand on the politically unrelated gouging statement by the First Minister — the Minister state the penalty for the restaurants now gouging the public — that is, charging more than 100 percent. . .

MR. SPEAKER: Order please. Order please. The honourable member is entitled to ask a question but when he expresses opinions which will create argument or debate, then they are clearly out of order. If he will rephrase his question, he may proceed.

MR. WILSON: I'd like to ask the First Minister, since he answered my first question, would the Minister state the penalty for the restaurants in Manitoba, in Winnipeg, now gouging the public — that is, charging more than 100 percent the Liquor Commission quoted prices; in other words, I want to put it in its right prospective. I'm not complaining but the legal prices. . .

MR. SPEAKER: Order please. The honourable member is again debating the question. The Honourable First Minister.

MR. SCHREYER: Well, Mr. Speaker, I'm not an expert on wine pricing, except that I repeat for my honourable friend's edification, there has been I believe, a very justifiable and liberal policy with respect to natural table wine pricing — the price of natural table wine has been reduced — the price of fortified wines has been increased, and hard spirits, and I believe that this is something which has gathered notice and attention indeed in parts of Canada far removed from here. With respect to the specific question as to what should be done with respect to those restaurants that are charging more than what is a tolerable markup, I'm rather surprised that the question was raised in the first place, since it is my distinct impression that honourable gentlemen opposite objected to that policy of restraint on markup in the first place. —(Interjection)— I seem to recall that, although I wouldn't vouch for it.

Mr. Speaker, the second point I make to my honourable friend is that if he can supply specific quantification, then I'm sure my colleague, the Attorney-General who reports to the Liquor Commission, would pursue it in detail.

The third point which I say in response to my honourable friend, is that I find it increasingly difficult to understand where he stands as a Conservative in seeming to be against aggressive entrepreneurship.

MR. WILSON: My supplementary would be to the Attorney-General. I wanted to know what the penalty was for those restaurants now not obeying that ruling or that policy of the government.

MR. SPEAKER: Asking for a legal opinion.

MATTER OF PRIVILEGE

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I rise on the Matter of Privileges of the House. I wish to first of all apologize on behalf of my colleague, the Honourable Member for St. Matthew for his statements which are on the front page of the Winnipeg Free Press, which state that the Member for Wolseley is a disgrace to the Conservative Party, a disgrace to this House — I wish it could be known that the Honourable Member for Wolseley is no worse nor better — he simply is a type of Conservative that is represented in this House.

MR. SPEAKER: Order please. Order please. The Chair fails to see. . . Order please. The Chair fails to see that there was a Matter of Privilege raised by the Member for Radisson. The Honourable Member for Morris.

BUSINESS OF THE HOUSE

MR. JORGENSON: Well, Mr. Speaker, you very properly recognized that question of privilege for what it is. I rise to ask leave of the House to make some changes in Committee on Public Utilities. I'd like to propose that the Member for Crescentwood replace the Member for River Heights, and the Member for Minnedosa replace the Member for St. James on the Committee on Public Utilities.

MR. SPEAKER: The Honourable Member for Wolseley.

MR. WILSON: I have a question to the Minister of Tourism. Would the Minister reconfirm that the total cost to date, despite the reports in the media of the Hecla Island development, is \$3,785,000.00.

MR. SPEAKER: The Honourable Minister of Tourism and Recreation.

MR. HANUSCHAK: Mr. Speaker, I believe that the Honourable Member for Wolseley was in the House when I tabled an Order for Return earlier today, which provided information referring specifically to construction costs, and other information which the honourable member requested re Gull Harbour Lodge and the Hecla Island Park. And I believe that the honourable member is well aware, too, that it was announced by the House Leader that the debates of the Estimates of my department will be coming up shortly, and I think that you would agree that if I were to attempt to answer that question now that I would be out of order and there will be a more appropriate time to deal with that matter in the very near future, dependent upon him. . .

ORDERS OF THE DAY

SECOND READINGS

MR. SPEAKER: The point is well taken. The Honourable House Leader.

MR. GREEN: Mr. Speaker, I would like to proceed with the Orders of the Day and to go firstly to the introduction of bills on second reading, Bills No. 28 and No. 57.

BILL (NO. 28) - AN ACT TO AMEND THE ELDERLY AND INFIRM PERSONS' HOUSING ACT AND THE HEALTH SERVICE ACT

HONOURABLE LAURENT L. DESJARDINS, Minister of Health and Social Development (St. Boniface) presented Bill No. 28 - an Act to amend The Elderly and Infirm Persons' Housing Act and The Health Services Act, for second reading.

MR. SPEAKER: The Honourable Minister.

MR. DESJARDINS: Mr. Speaker, this bill amends both the Health Services Act and The Elderly and Infirm Persons' Housing Act in exactly the same manner. The respective sections now, as currently worded, allow the province to provide capital assistance to the municipality on the basis that outstanding municipal capital debt is being retired with equal monthly repayments of principal and interest over the lifetime of the debt instrument. This method of calculation could result in annual payment being excessive or deficient where municipalities amortization schedule requires that other than equal monthly payments. Since the original intent of the legislation was to assist municipalities in retiring outstanding debt since April 1st, 1975, these amendments will ensure the annual provincial contribution equal exactly the total of principal and interest in each year according to each municipality's amortization schedule. Thank you.

MR. SPEAKER: The Honourable Member for Rhineland.

MR. ARNOLD BROWN: I beg to move, seconded by the Member from St. James, that debate be adjourned.

MOTION presented and carried.

BILL (NO. 57) - AN ACT TO AMEND THE MANITOBA TELEPHONE ACT

MR. TOUPIN presented Bill No. 57 - An Act to amend The Manitoba Telephone Act, for second reading.

MOTION presented.

MR. SPEAKER: The Honourable Minister.

MR. TOUPIN: In reference to Bill 57, An Act to amend The Manitoba Telephone Act, the Standing Committee on Public Utilities and Natural Resources considered the question of the attachment of telecommunication terminal equipment to the public switchboard network and recommended in a report received by the Legislature on March 22nd, 1977, that legislation be introduced to amend The Manitoba Telephone Act. The proposed legislation embodied essentially those principles reviewed by the standing committee.

I am pleased to note, Mr. Speaker, those making submissions to the Standing Committee on this subject were basically in agreement with the need for revisions and the concept considered by the committee.

In providing for orderly development of interconnection in Manitoba the legislation considers the wants and needs of consumers while at the same time protecting the technical and financial integrity of the Manitoba Telephone System and its customers.

The amendments will bring Manitoba's telecommunication legislation up-to-date with reference to emerging technology and policies adopted or under consideration in other jurisdictions. I should like to mention, with reference to the policies adopted in other jurisdictions, the certification program conducted by the Federal Department of Communications. The Federal Government has recognized the need for the orderly instruction of telecommunications equipment attachment within their sphere of regulations. This sphere of regulation includes those areas served by Bell Canada, and the British Columbia Telephone System, which I need not point out serve large numbers of subscribers.

The Federal Department of Communications, therefore, has instituted a program whereby the various manufacturers of telecommunication interconnection equipment may apply for certification from DOC. That certification is designed to guarantee the consumer operating telephone equipment and the manufacturer that the equipment certified meets the technical specifications set forth by the department. The specifications, themselves, are determined in consultation with the various common carriers and manufacturers.

The present legislation, Mr. Speaker, that we have in Manitoba is inflexible. Neither the Public Utilities Board nor the Manitoba Telephone System have, at present, the capability to deal effectively with the changing commercial environment resulting from rapidly advancing technology and changing consumer demands.

We have, however, several options available to us, and the Standing Committee on Public Utilities and Natural Resources have recognized the lack of flexibility in the present empowering legislation and have proposed changes. The alternatives expressed in the bill before you are not the only avenues available. I should like to explore some of them with you now.

One alternative available would be the total prohibition of all equipment not supplied to the

consumer by the telephone system. In many respects, this would seem by far the most logical course of action. It certainly goes furthest to safeguard the public investment in their telephone company. A wholesale ban on all types and forms of interconnection would protect the delicate electrical equipment necessary for the transmission of calls and would ensure the shareholder in the company — being the people of Manitoba — the maximum return on their investment; the best service at the lowest cost. The logical alternative just mentioned would be to allow the unlimited interconnection of equipment to the public switchboard network. This would not only cause untold havoc with the financial stability of the Crown corporation but would be of great concern to me, personally, as the Minister responsible. Many of the items being distributed as equipment which are interconnected with the telephone lines may be simply classified as shoddy. The terminals simply are not well engineered or assembled. Certainly applied to those products which have been certified by the Federal Department of Communication, nor does it by any means apply to every product manufactured.

Where, one may ask, would the consumer get satisfaction? Not from the Telephone System, surely. Would we ask MTS to serve the thousands of mail-order telephone sets, that they did not work? Mr. Speaker, the various products would have to be vetted for technical compatibility in any event, before they were attached to the public network through a process no doubt similar in many respects to the procedure developed by the Federal Department of Communications. The substandard sets would undoubtedly be discarded at the time if they were purchased in Manitoba or in those parts of the country under the jurisdiction of DOC.

If MTS or the Public Utilities Board had no control over the type of sets going into service who is to say that the consumer will not obtain his equipment from regions other than those just mentioned, and how is MTS to test equipment, so obtained, for technical compatibility if the telephone system does not even know it exists? Will we ask the public corporation to utilize shock troops to investigate the terminal equipment of subscribers? No, Mr. Speaker, this government could not let such a scenario develop. Nor, I think, would this assembly look favourably upon the prospect.

We propose an alternative. It will utilize the existing Public Utilities Board as an impartial interface between the Telephone System and the consumer. We envisage a flexible mechanism will be established whereby consumers desiring terminal equipment not offered at present by the Telephone System may obtain and use such equipment in conjunction with the public switched network, subject to the approval of the Public Utilities Board. Through the Public Utilities Board, the technical interest of the publicly-owned switched network will be protected against the only two obvious hazards of totally unregulated equipment interconnections.

This option, I believe, Mr. Speaker, satisfies members of the Assembly. Certainly when discussed by the members of the committee, the consumer and the Public Utilities Board will have an opportunity to examine the proposed terminal. Hence, the consumer will be protected against investing in substandard merchandise. I am satisfied that the tremendous investment the people of Manitoba have in the precision equipment operated by MTS will be safeguarded. This option satisfies me, Mr. Speaker, as a consumer. Should I feel that I require something other than the standard MTS offering, I know I can approach the PUB for approval and feel that my request is being examined impartially.

The proposed legislation also addresses the potential danger to both the inexperienced consumer and the public network of slipshod installation. It is envisaged that under the legislation proposed the Manitoba Telephone System would perform such work necessary for proper connections of an authorized device to the public switched network.

There are other dangers to the investment of the people of Manitoba in Manitoba Telephone System. The technical side of the argument is important, to my mind. The financial consideration must still be paramount. We in Manitoba enjoy, as I mentioned in my address to the Legislature on this subject just over one month ago, a very high standard of telephone service. To the credit of Manitoba Telephone we enjoy the exceedingly high standard of service at one of the lowest rates in North America. The public utility has been a credit to its owners — the people of Manitoba. Manitoba Telephone System did not, Mr. Speaker, set its rates at this low level by chance or by accident. To continue to provide, as it has in the past, excellent service at reasonable prices, MTS provides its customers with an option to utilize what are known as "vertical services."

Vertical services are products and services above and beyond basic telephone services. These products and services include the attractive Contempra phone, the familiar Touch-Tone, the wide selection of colors and other special features and offerings. To appreciate fully the profound importance of vertical services, one must comprehend the magnitude of our investment in the telephone system. When I say "our", I refer to the people of this province and not to this administration nor even this House in particular. The current average costs of providing telephone service is more than \$2,000 per telephone. It is readily apparent to me, as I am certain it is to the honourable members opposite, that it would take us, as individual subscribers, several lifetimes to repay that investment made on our behalf, especially when we consider the very low rates charged by

MTS for provision of basic telephone service. Indeed, the \$4.90 per month charge in Winnipeg and the somewhat lesser rates asked in the province for telephone service, hardly meets the interest charges on such a debt. Yet you may ask, how is it possible for our telephone system to remain solvent if the costs so exceed the revenues? It would be elementary business logic to suggest at least a two-fold increase in basic service rates simply to recoup a small part of the investment of more than \$2,000 per phone.

The policy has been followed for many years that the people of Manitoba are entitled to receive basic telephone service at the lowest possible cost. It is, Mr. Speaker, those vertical services' offering mentioned a moment ago that subsidize the expense of providing services. It is that 35 cents per month that we pay for color, the \$1.50 per month we pay for extensions, the 70 cents or so we pay for long distance calls to our relatives and friends — these are the vertical services, the services over and above the basic telephone services that pay for the large investment that Manitobans have in their telephone network. As I mentioned a moment ago, without these extra products, without the vertical services, our basic telephone rate necessarily would be closer to \$20 per month rather than the \$4.90 it is in Winnipeg or the \$3.50 paid by some of my constituents for non-urban service.

If subscribers were to purchase their telephone sets from retail stores and then utilize the publicly owned network, they would in fact be free-loading; they would not be shouldering their part of the burden. They would in fact, Mr. Speaker, be transferring that burden to the person with basic telephone service. At the same time, the supplier of the gadgets would be reaping the profits from the sale of equipment without shouldering any of the burden of service requirements and maintenance of the network which rests squarely on the publicly owned telephone system.

We do not wish to see the present low rates become a pleasant memory. This government believes that Manitobans are entitled to basic telephone service at the lowest possible rates and that the user of the more sophisticated vertical services which are discretionary and certainly not essential to our quality of life, should pay for them. I cannot emphasize this point enough. They must pay not only for the equipment but for the service we all enjoy.

As I mentioned a few minutes ago, Mr. Speaker, it would be a simple matter to enforce the existing ban on inter-connect devices and to follow the practice reflected at this time in the legislation of the Province of Alberta. We recognize that some subscribers may desire an additional choice of equipment; they may feel a need for devices not offered by the Manitoba Telephone System. It is our view that they should be allowed the freedom to choose such equipment as they feel they need. We also believe that they should be enabled to utilize their equipment if it is compatible with the public switch network. If, Mr. Speaker, — and only if — they are willing to shoulder their share of the burden, if they assume part of the responsibility for the equipment which enables them to utilize their inter-connected terminal.

The bill which I have placed before this Assembly for second reading has been drafted in order to accommodate individuals wanting terminal equipment other than that offered by the Manitoba Telephone System and which, because of limited demand, your Manitoba Telephone System cannot be expected and should not logically be expected to supply. It will amend the existing legislation when passed to provide for a degree of inter-connect freedom. The government proposes that persons who wish to purchase terminal equipment other than that supplied by the Manitoba Telephone System and have it connected to the public switch network may do so subject, however, to approval. Not approval of the Manitoba Telephone System which might be somewhat suspect in the eyes of the unsuccessful applicant, but approval of the Public Utilities Board, a body established by this House to safeguard the interests of both consumer and public utility, an independent mode of arbitration that will be both useful and necessary. In this matter, we propose that the treatment of the application will be fair and equitable to all concerned but will remain effective.

The Public Utilities Board will examine the various applications of retailers, of individuals, of technical and commercial groups on the merits of each presentation. Obviously, it would not be sensible to authorize equipment if it does not conform to the high technical standard of the system. As I had mentioned a few minutes ago we must endeavour to protect the public's investment in the existing equipment. It would also not be very wise to allow the inter-connection of terminal units which are similar to those offered presently by the Manitoba Telephone System. We must recall that those very vertical services lower the cost to the rest of us and that the people on fixed incomes would be forced to do without the resultant expensive telephone services. We do not wish to see the day when basic telephone service itself becomes a luxury that only the few can afford.

We further propose, Mr. Speaker, that the retailer should inform the Manitoba Telephone System of any purchase of terminal equipment and that the purchaser be identified so that the Manitoba Telephone System may provide the technicians to install the instrument if it is to be directly wired to the public network. In this way, the consumer will be protected from the hazards of improper attachment and the switching equipment owned by the public will be protected as well. MTS. will, through their reporting procedure, have the information necessary to effectively administer the

provisions of the Manitoba Telephone System Act and to continue to maintain the excellence of its service.

Several questions, Mr. Speaker, have been put to me that I intend to deal with when we get to committee stage. Thank you.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: I wonder if the Minister would entertain one question at this point for clarification. The Minister mentioned three other jurisdictions, among them the Federal Government, B.C. Telephones and Alberta. I would like to ask him whether the kind of legislation that he is proposing here is in force in those jurisdictions or just being considered in those?

MR. TOUPIN: Well, at least one of the jurisdictions that I have mentioned, Mr. Speaker, being Alberta is much more stringent than ours, than the one that we are contemplating here. That is something that we could bring forward to the committee stage, Mr. Speaker, in regards to all other jurisdictions, whether they be public utilities or not in Canada pertaining to what they allow or do not allow. But I know that Alberta is now imposing conditions that are what is considered by some to be worse than what we are allowing here.

MR. SPEAKER: The Honourable Member for Radisson.

MR. SHAFRANSKY: Mr. Speaker, I have a question for the Minister. I had an enquiry this morning whether the attachments which this legislation is going to deal with, the attachments to the telephone system, whether those attachments which have been approved by Federal license and are now known to the Manitoba Telephone System staff whether there is anything that is going to have a bearing on this, whether they will have to be re-applying to the staff of Manitoba Telephone System?

MR. TOUPIN: Well again, Mr. Speaker, it depends on the type of attachment that the honourable member is talking about. If it is an attachment without a wire, without being attached to the network itself, they will not have to be registered. If it is a coupling going — say a recorder taking the receiver and having it placed over a mechanism, this will not have to be reported but if the attachment has to be wired to the network, then they will have to be registered because it may cause damage to the lines of the Manitoba Telephone System.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, I move, seconded by the Honourable Member for Roblin, that debate be adjourned.

MOTION presented and carried.

ADJOURNED DEBATES - SECOND READING

MR. SPEAKER: Bill No. 5. The Honourable Member for Birtle-Russell. (Stand)

MR. SPEAKER: Second Reading Bill No. 22. The Honourable Member for Fort Rouge. (Stand)

MR. SPEAKER: Bill No. 27. The Honourable Member for Rhineland. (Stand)

BILL (NO.33) — AN ACT TO AMEND THE LICENSED PRACTICAL NURSES ACT

MR. SPEAKER: Bill No. 33. The Honourable Member for Minnedosa. The Honourable Member for Assiniboia.

MR. STEVE PATRICK: Yes, I'm ready to make a few comments on Bill No. 33

MR. SPEAKER: Bill No. 33? Very well.

MR. PATRICK: I would assume it will continue to stand in the Member for Minnedosa's name.

MR. SPEAKER: Correct.

MR. PATRICK: Mr. Speaker, I wish to make a few comments on Bill 33 — An Act to Amend the Licensed Practical Nurses Act. I understand that this is currently before a Ministerial task force to study the nursing education in Manitoba, and perhaps part of the task force was to study the LPN — the Practical Nursing Programs — that I understand was undertaken by the Commission, so I do have a few questions to the Minister. I understand this was done in April 1976, and the results and recommendations have not been made known, at least we have not the recommendations. Mr. Speaker, the Minister from his seat is saying that it's got nothing to do with this — well that's the reason I'm on my feet and asking the Minister the purpose of the bill; perhaps it would have been better to wait until he did have the recommendations of the task force. If it has nothing to do with the bill, perhaps the Minister in closing will explain.

I do feel that at least we should know the recommendations of the task force and if the task force has not yet completed its work, then perhaps maybe the bill is somewhat premature.

And the other thing is the introduction of this amendment to the LPN Act, will there be amendments to The Registered Nurses Act or will the Minister deal just with the LPNs? I have not the information, but I did have the concern expressed by the people from the Licensed Practical Nurses — is the Minister for some unknown reason bringing the amendments in ahead of the task force?

The other point I would like to ask the Minister, has the Minister consulted with the LPN Advisory Committee, and are they aware of this bill, because my information is that the LPNs were not aware of

the bill. Now the Minister has indicated, then perhaps my information is wrong — but that's the reason I'm asking the questions from the Minister.

There is a point I would like to raise with the Minister at the present time, and that is that one of the amendments in one of the sections is, we are extending the acceptable period of inactivity from say three years of inactivity to five years without requiring the nurses to take a retraining course or refresher course. I'm sure that we are all aware and recognize that there is certainly a great rapid, scientific and technological change in the medical field taking place, so I am concerned in this area because one of the principles in the bill is extending the time limit from three years to five years without taking a refresher course, and I understand this is very much inconsistent with the current trends in the health care field. The Manitoba Association of Registered Nurses are doing the opposite, in fact what they are saying is, that present limitations for the registered nurses is five years before they have to take a refresher course, and I understand they have made a recommendation and have requested the Minister that this be reduced to three years. Anyone that's been inactive for three years will have to take a refresher course. So this is completely inconsistent with what the RNs are asking and what is proposed in this bill.

So I do have these questions. I have no desire to say that I'm against the bill. I wish the bill to go to Committee, and perhaps we'll have representation from people it will affect. Again I say that perhaps my information has not been accurate, if the Minister says he had complete consultation with a LPN Advisory Committee to bring in the bill, because the information I received was just the opposite. So one of the concerns that I had on the bill was — and I think the Minister as well should recognize that there are rapid scientific changes and technological advances that are taking place in the medical field — and surely what we're having is counter proposals from two different groups, where the RNs are saying "reduce the five year inactivity to three years, and take a refresher course — anyone after three years inactivity," while this bill is proposing the opposite, extending from three years to five years. So I do wish to ask these questions of the Minister at this time.

MR. SPEAKER: The bill will remain adjourned in the name of the Honourable Member for Minnedosa. I understand the Honourable Member for Rhineland is prepared to go on Bill 27.

BILL (NO. 27) — AN ACT TO AMEND THE HEALTH SERVICES INSURANCE ACT

MR. SPEAKER: The Honourable Member for Rhineland.

MR. BROWN: Thank you, Mr. Speaker. I apologize for not being in the House when the bill was called. I would like to move the bill on to Committee stage — we see nothing controversial in the bill so we would just like to move it on to Committee stage.

QUESTION put, MOTION carried.

MR. SPEAKER: Bill No. 44, the Honourable Member for Minnedosa. (Stand)

BILL (NO. 45) — AN ACT TO AMEND THE VACATIONS WITH PAY ACT.

MR. SPEAKER: The Honourable Member for Fort Garry.

MR. SHERMAN: Mr. Speaker, my remarks will be brief on this bill. I appreciate the time afforded by the Minister to look it over, and I appreciate the fact that it is essentially a bill that's concerned with some technical requirements in order to bring the aspect of vacation pay in line with the aspect of vacation periods for those who qualify. I'm interested in just seeing how the priority or preferred position that the Minister suggested when he was introducing the bill for second reading will work where there are bankruptcy proceedings in process. The Minister has pointed out that he, in examining the situation, doesn't foresee any conflict with the bankruptcy legislation. I'm just wondering whether the kind of preferred position that is being afforded employees' vacation wages here would extend right to the top of the scale in terms of preferred creditors' claims, or whether they would take some sort of a secondary or a tertiary position. The reason for my question is, what is the situation in the case of a first mortgage or what is the situation in the case of a bank or a trust company or a finance company that has financed the corporation, the enterprise that's gone into bankruptcy? I assume that the Minister is not suggesting that we're going to be legislating that vacation pay would take a preferential position over the claims of those preferred creditors. I expect that I'll have to wait till we get to Committee to deal with that, or perhaps the Minister can deal with it when he is closing debate.

I do agree with the principle that he has thousands, and that the bill puts forward, that once you get into a reasonable area — once you get beyond the primary preferred creditors, such as those whom I've described, that certainly the employees who have vacation wages owing them should have a preferred position over any unsecured creditors. But I'm just wondering how far we can go, whether the Minister is suggesting that you can put that person right at the top of the preferred creditor list. So I'd be interested in the Minister expanding on that point just a little further. He did mention in his introductory remarks that he didn't see any conflict with bankruptcy legislation, and he might want to deal with it when he's closing debate or he might want to wait and deal with it when we are in Committee. Either way, I have no desire to detain passage of the bill at this stage. I agree with it in

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principle, my colleagues agree with it in principle, and we are prepared to move it ahead, and examine it further in Committee, but the Minister may want to comment on that point when he is closing debate.

MR. SPEAKER: The Honourable Member for Assiniboia.

MR. PATRICK: Mr. Speaker, I beg to move, seconded by the Honourable Member for Fort Rouge, that debate be adjourned.

MOTION presented and carried.

MR. SPEAKER: The Honourable House Leader.

MR. GREEN: Mr. Speaker, I move, seconded by the Honourable Minister of Labour, 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 for Northern Affairs, and the Honourable Member for St. Vital in the Chair for Public Works.

CONCURRENT COMMITTEES OF SUPPLY

ESTIMATES — PUBLIC WORKS

MR. CHAIRMAN, Mr. D. James Walding (St. Vital): We have a quorum gentlemen. The Committee will come to order. I would refer the attention of honourable members to Page 51 in their Estimates Book. The Department of Public Works. Resolution 101 — Supply and Services. (a) Senior Administration. (1) Salaries. The Honourable Minister.

HONOURABLE RUSSELL DOERN, Minister of Public Works (Elmwood): Mr. Chairman, I thought I would try to answer some of the question that were raised yesterday. In one instance we were asked to list all the major holdings of the department which we agreed would be those over 5,000 square feet. I have asked my department, they have worked on this I guess this morning and pulled all these examples so I will ask my executive assistant if he would distribute these to members of the committee.

And some other questions that were asked. The members' lounge, we were asked to review that. The amount of money spent was \$116,000 on renovations and \$30,000 on furniture. Memorial Park Washroom was \$110,000.00. Minnedosa Court House was asked by . . . the Member for Minnedosa I guess asked that one. I can give you a breakdown there but maybe I will save that until when he comes. It was just under \$25,000 — \$24,400 — and it had 5,800 square feet of assignable space and there are 300 square feet vacant at present. So that is, I guess, about a five percent vacancy.

In the core area, which we describe as this area including the Woodsworth, Law Courts, Norquay, etc., Legislative Building, there are 1,073 parking spaces — that's a total number of parking spaces, about one-third have plugs.

So those were either all of the questions from yesterday or most of the questions that we were asked yesterday, Mr. Chairman.

MR. CHAIRMAN: Resolution 101(a)(1). The Honourable Member for Charleswood.

MR. ARTHUR MOUG: I was wondering if the Minister could explain. He has got all this total footage and there was an article in the paper not long ago that he was changing everything over to metric and I was wondering is this group that you've got running around, is it from the University or is it government employees that are doing it? Have you got that result? Do they have to go from place to place to change that over to metric? Can't you take it off paper right in the department?

MR. DOERN: That has been going on for some time now, at least a year, and I think it is just to get a precise inventory. We don't have complete records on our space inventory. If we did, we simply would make that translation a mathematical one but because we don't, we're sending people out with metric measurements. And if we have up to date and current drawings we do in fact just make the arithmetic on . . . them.

Secondly, I am sure the honourable member knows that we did announce that effective January 1st, 1978 we are going to have all our working drawings in metric and our contracts will be tendered in metric. But we haven't really done anything on that yet. That will start coming in the next few months when we know that buildings will be tendered, after January 1st, we will require the architect and engineers to design in metric.

MR. MOUG: Are these figures that you give us in this paper you just passed on, are they accurate or are they ballpark — I see 7,205 feet — that seems like that would be pretty accurate. You won't be out remeasuring that in the metric will you?

MR. DOERN: 99 and 44/100ths percent accurate.

MR. MOUG: Would you be remeasuring say, the fourth item on the first page, Lakeview Square 7,205 feet — will you be remeasuring that on the site or in the Public Works Department?

MR. DOERN: There we have current drawings and that would be a translation.

MR. MOUG: What percentage of the buildings that the government makes use of, be it their own or whether they are renting, particularly the ones they are renting, would they not have accurate measurements on? It seems to me that it would be rather odd at the rate of rent today, if you are renting 44,000 square feet, 103,000 square feet, if you are not sure that you've got it. And if you are sure you have it, whether you own the building or not, particularly if you don't own it, then certainly they should be awful accurate figures, you would almost know by the chequethat you passed out at the end of the year, how accurate it is. I can't see any reason for any group, whether you are creating employment or otherwise, to be sending them around converting this to metric — no reason. . .

MR. DOERN: I think the ballpark figures are not the problem. It is that we are doing a room by room and wall by wall analysis and that is where the detailed measurements come in. So the member is right in that we are paying for so much space, we get that much space, but you know, it might be in the form of 30 different rooms and those would be measured.

MR. MOUG: That's it. Thank you, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Crescentwood.

MR. WARREN STEEN: Mr. Chairman, through you to the Minister, under 3(a)(1), can the Minister indicate the numbers of persons involved there, please?

MR. DOERN: Four staff man years and that is the same as last year.

MR. STEEN: Maybe the Minister can tell me in those four staff man years if we have had a change of personnel because the increase is fairly substantial for four persons, from \$52,900 to \$84,400. Are you using persons of different categories or different classifications now? That seems more than just the increases that are normal through the Civil Service Commission.

MR. DOERN: That is broken down into the following two figures. There is a salary adjustment based on the agreement of \$7,000 and there were position reclassifications which cost \$24,500.00.

MR. STEEN: Mr. Chairman, was it the same four individuals that had position reclassifications or did you transfer in persons of higher classifications?

MR. DOERN: The previous year, there were two vacancies from the previous year even though the positions were allocated they were unfilled and those positions were reclassified and then new people filled them.

MR. STEEN: The reason I asked that question, Mr. Chairman, is that with four persons that means that they are earning \$21,000 on average. That is fairly high.

MR. DOERN: That's true. These are what I would call high paid positions but the responsibility I think is also extremely grave. They are purchasing millions of dollars worth of equipment and I think we need skilled personnel and we have some confidence in this particular division.

MR. STEEN: Mr. Chairman, of the four persons, would you have such a person as an associate or an assistant deputy minister and some clerical?

MR. DOERN: I could read you the positions . . .

MR. STEEN: Would you, please.

MR. DOERN: . . . and the salaries. The director who is sitting beside me, the senior officer, one, \$29,200; there is an assistant director at \$25,200; a secretary at \$10,100; and a specifications writer at \$20,000.00.

MR. STEEN: That's fine then as far as I'm concerned on (a)(1) Mr. Chairman unless others have

MR. CHAIRMAN: The Honourable Member for Rock Lake.

MR. HENRY J. EINARSON: Mr. Chairman, I was going to ask, the data we just received here on the buildings that are leased, is this up-to-date as of today?

MR. DOERN: Current.

MR. EINARSON: That's my question, Mr. Chairman.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: The comment pertaining to the report filed by the Minister is one of concern. Could he comment on the necessity to have possibly one of the newest buildings in the city, 155 Carlton, was the decision made by Industry and Commerce to commit space prior to the building going up or was this a desire to be linked into the all-weather corridor that may link up with the Legislative Building at some particular time, because we are talking about 55,950 square feet, footage whatever.

And the other thing is, I noticed a similarity in the fact that practically all of the spaces that are rented are sort of store front operations on main thoroughfares, has there ever been any consideration, due to the constraint period of time, to locating government departments in sort of secondary streets like, say, Graham, or Ellice, because there has been a cry from the north Winnipeg merchants, especially north of Portage Avenue and Ellice, Kennedy, Edmonton, to try to serve as some kind of a catalyst to develop the northern part of Portage Avenue. Just upon examining this it seems that a great number of these seem to be on Portage Avenue and I wondered is there any particular reason for this. Maybe the Minister would like to comment, is it because of the desire for accessibility of government departments or what would the reason be for wanting to be located on Portage Avenue?

MR. CHAIRMAN: The Honourable Minister.

MR. DOERN: Well, Mr. Chairman, the member is asking me some difficult questions in a sense that they're not easy to answer. We know the answers, it's not easy to sort of oversimplify. In the case of Lakeview, we had an excellent offer by the developers to lease 50,000 square feet at \$5.50 a square foot as a base rate, for a five year term fixed. So we started that a couple of years ago. We're still going at \$5.50 and you know very well that commercial office space is going from \$7 to \$10, so maybe \$7.50 to \$8.50 is an average and we're going at \$5.50. First of all, it was of some benefit to us economically and it was of some benefit to them — namely, they were able to get their building underway earlier. They had a sizable tenant and they were able to, you know, maybe in the long run' recoup that, but in the short run I think they're losing money on that.

Now in a period of restraint, you know the general government policy is no space, no new space. Now although that is our policy there may be some exceptions to that. I mean we may just run into

something where if we come up with a program — I think one of my colleagues spoke to me about a new program, I told him we weren't renting any new space, he said look, there's Federal dollars here, you know, etc. etc. Well, in that circumstance we either have to wave goodbye to so many hundred thousand dollars or else we have to lease the space and break our general guideline. We have tried in the last few years to lease space around the city and in the suburban areas. I think the old standard technique was to lease in downtown Winnipeg and Portage west and we've tried to lease in a greater general area. We still haven't done enough in my opinion but, you know, again you have to bear in mind that if you scatter offices all over the city that may not be efficient. You have to sort of figure out where the demand is and whether — you know, in other words if you're putting a health unit or something you obviously have to know where the best place for that is. You don't sort of put a health unit for St. Boniface in St. Vital or in St. James.

Now my other point is this. Another limiting factor is public transit. That we are attempting to emphasize public transit and we're also very much aware of it, so that when there is a discussion of buildings, one of the questions always asked is what about public transit? Namely, should it be accessible to the public? If it should be, then the public should also be able to arrive by bus.

Also, the other question is, of course, what space is available at the time? So we may want to lease it on a less heavily trafficked street, but if there's nothing there, then we might have to go to a more heavily trafficked area. We found recently that a lot of new construction is in the — is it the St. James industrial area or what do they call it? The St. James-Dublin Area, there's a lot of new construction going there, so we have almost naturally gravitated there because the space was available and the price was right.

MR. CHAIRMAN: The Honourable Member for Wolseley.

MR. WILSON: Well, the Minister has answered part of my question. The other is one of either coincidence or possibly there may be some explanation, but I wondered, and again I don't want to seem political, but I wonder if the member could explain why we would rent almost 21,000 square feet in the Minister's constituency in the Snowdon Building when it's a condensed traffic area? Would we not want to rent, as he pointed out, in the suburbs where there would be free access, a lot of parking, sort of a bargain situation where we could have the space that's required and the low square footage rental? Would the Minister be able to give us some idea of the reason. Was there a fantastic bargain for this building that was located in his constituency? What would the cost of renovations to that building be? I understand it was an old furniture store, and would the renovations be made on the basis of a long lease or would they be paid for by the government?

MR. DOERN: What counts in a lease? I suppose two components, one is the cost of renovations and the other one is the base price. In the case of the Snowdon Building, which was a large building which had been vacant for a number of years, the base price was extremely low. Now I have to look to my staff for the price, but it was under \$2.00 — \$1.75 or \$1.80 or something a square foot. And then we put so many thousands of dollars into it and when you consider both factors over the term of the lease, it was a good price. So I would admit that the cost of renovation was high, but when you add that to the base price which was extremely low, then you have come up with a comparable rate that was fair. This enabled us to take a number of our departments — one from 1700 Portage, 200 Vaughan Street and the Legislative Building and combine them under one roof. For the first time they were together and at first there was some dissatisfaction with the move, I think by some employees. They weren't overly keen about the idea, but I think that if you were to speak to my director or any of his staff, they are very happy in their quarters and it's been a more efficient operation. The people who deal there are primarily, I guess, salesmen and businessmen who, I don't know the average length of stay but it tends to be a place where you kind of come in and through a tender in a mailbox, or drop in for a short while. So it's not a problem. I also feel that that's a really good example of where you can take a government department and it could be located almost anywhere. It certainly didn't have to be in this building as an example, it could have been moved anywhere throughout the city.

MR. WILSON: Well, I think the Minister has possibly defended himself. Certainly any time one who is Minister has a large building rented for his department services in his constituency, one is always suspect and I appreciate his explanation. I wonder if he could explain the terms of the lease because I'm wondering if the option is with the Snowdon family or is with the government to get out of that lease should there be space become available in one of the government buildings?

MR. DOERN: I missed the last part of the member's statement, his concluding comment or . . .

MR. WILSON: Well, I was interested in the terms of the lease. Is the option in the favour of the Department of Public Works or is the option in the favour of the Snowdon family, and what I'm saying basically is can the government terminate the lease, is the option in their benefit or is it in the benefit of the person renting the property to the government?

MR. CHAIRMAN: The Honourable Minister has two minutes.

MR. DOERN: I believe that the option is in our favour. I believe it was a seven-year lease but I'll have to check that again. It was at least five years, but I believe a seven-year lease. And the Snowdon family has been long gone from that building. The original Snowdon family who is quite prominent in

Elmwood and in fact, I might point out to the honourable member that one of them, Tom Snowdon, ran against me for your party in 1966. But their family was involved with some other people and they went from a small store into a large store and then, without going into all the details, either left the partnership or were squeezed out, so they have nothing to do with that. They have a small store right beside it, W. and T. Snowdon. But that building is owned by other people or a corporation. Some other operation was in there for awhile and then it was vacant for a considerable period of time and I don't think that's good for the business community in the area or the citizens in the area when you have a prominent building that is vacant for a long period of time. It's also not good presumably for the city.

MR. CHAIRMAN: Order please. Time for Private Members' Hour having arrived, committee rise and report. Committee rise.

COMMITTEE OF SUPPLY

ESTIMATES - DEPARTMENT OF NORTHERN AFFAIRS

MR. CHAIRMAN, Mr. William Jenkins (Logan): I would refer honourable members to Page 48 of their Estimates Book, Department of Northern Affairs, General Administration, Resolution 94(a)(1), Minister's Compensation Salary and Representation Allowance. The Honourable Minister of Northern Affairs.

HONOURABLE RONALD McBRYDE (The Pas): Mr. Chairman, I would like to make a few brief comments. I've been waiting so long to present the Estimates, I forgot what I wanted to say when I did get to them. As you pointed out, the Estimates of the Department of Northern Affairs are on Pages 48 and 49. Members will note that the Estimate of Expenditures for this year is \$14,806,400 which is a reduction from the amount last year of \$16,997,800.00.

In glancing over the figures, members will note that one of the major areas of reduction is in Section 95, which is the Special Program Section. In that Section is the Special ARDA Section, some grants for equipment that are basically capital items have been transferred from Current to Capital Supply, and the amount of that transfer was \$718,000 which accounts for some of the reduction. The other reduction in that Section is the termination of Project Pimadjihowin which was an East Side Study Project, and the amount that is deleted now that that particular study has been concluded, is \$200,700.00. The other area of reduction is in Item No. 97, which is the Northern Development Corps, and there are two reasons for the reduction in that area: the incorporation of Mistik Creek loggers which originally started out as a Cranberry Portage logger training operation has now been converted into Bill 17 or a Natural Resources Crown Corporation and therefore we no longer have to carry the amount of funding that in the current Estimates but it will operate on its own as an incorporated body. So that makes a reduction in the Northern Affairs Estimates of \$500,000.00.

There is also an item that's been reduced under the Northern Development Corps in the sum of \$331,900, and this amount was in last year and this year for some proposed projects that were not commenced and therefore this year we've transferred that amount into the DREE Enabling Fund in case the project is not got fully under way again this year — so that was taken out of current. In overall, the Department Estimates are slightly reduced — not reduced as much as a first glance at the figures would indicate.

Members will note that of the total Estimate of the Department, that there are recoveries from the Federal Government under the Manitoba Northlands and under the Special ARDA Agreement of an amount almost totalling \$4 million, so of the \$14,800,000, about \$4 million is directly recoverable from the Federal Government through those two programs.

The staff man years of the department, the staff under the Northlands has a title of "Term Staff" but it's no different from the regular staff, so with the Northland staff and the regular staff, there are 308 people working for the Department of Northern Affairs. There are also now required in our method of showing staff man years, an allocation for casual positions, that is' people who work on winter roads, people who work on construction, all have to be covered off by staff man years, so we have 230 staff man years to cover casual positions. That doesn't mean that at any one time that we have 230 on it — at the height of winter road season, we probably have more on than that, and in the slow seasons a lot less than that, but that's an overall entitlement so that we can employ casual staff without going beyond the restrictions imposed by the Management System.

The Department, as members will recall but it doesn't hurt to repeat once in a while, basically functions in four main program areas aside from the Administration and the Planning and Policy Development area. The Special Program Section provides economic development support in the form of grant assistance to primary producers and producers' funds for employment creating training proposals relative to business ventures, which basically, Mr. Chairman, means the administration of the Canada Manitoba Special ARDA Agreement under which we provide assistance to primary producers, fishermen and trappers. We also provide assistance and training funds for commercial ventures. However, we administer the primary producers part; the Federal authorities administer the commercial ventures part, except for the training part of commercial ventures.

The second main program area of the department is the Engineering Services and Construction and this provides for major construction and maintenance thrusts in Northern remote Manitoba which includes winter roads, airstrips, water supply, internal roads, bridges, construction of that nature. Affiliated with the Engineering Services and Construction Division is the Engineering and the Land Management Support Services to the Engineering part of the Department of Northern Affairs.

The third major component is the Northern Development Corps whose job is to co-ordinate a community based economic development process to encourage and support northern communities' efforts to achieve an improved level of economic development.

Mr. Chairman, in my remarks, I would like to dwell quite a bit on economic development, and this is one of the main parts of our department that is involved in that economic and employment creation thrust of the Provincial Government and of the Department of Northern Affairs.

The fourth thrust of the department is in the Local Government Development which provides services to Northern and remote communities which assist in the attainment of local self-government. The services take the form of financial knowledge and skills necessary to manage local affairs and information exchange through workshops, conferences and newsletters. So that part of the department, Mr. Chairman, is the municipal function of the department and was one of the first functions that the Department of Northern Affairs, under the Commissioner of Northern Affairs, had in Northern Manitoba.

So maybe I could just, from that point, briefly summarize the history of the Department of Northern Affairs.

In 1966, the original Northern Affairs Act was introduced providing for a Commissioner of Northern Affairs and giving municipal responsibility for certain rural and remote communities. Basically, it allowed for the appointment of a commissioner who held another Cabinet post, and put remote communities and some of the poorer areas in the rural LDGs or RMs under the responsibility of the Commissioner of Northern Affairs.

Basically it allowed, in my opinion, Mr. Chairman, for civil servants to become the colonial governors over those communities that had no local government structure and during the early period, the Deputy Commissioner did do some construction work like community bridges, docks, and later some airstrips. —(Interjection)— And switches for electric stoves, I am reminded.

In 1970, the amendments were introduced to the Act giving more authority to the local community advisory committees and considerable work was done in an attempt to set up local government. Also, the former community development section of Health and Social Development, that operated in the north, was transferred to the Commissioner of Northern Affairs. At that time, the first native person was brought into a senior position within the Department of Northern Affairs.

In 1972, the first full-time Commissioner of Northern Affairs was appointed and Manpower and Development aspect was added to the responsibilities. Later in 1972, Northern Affairs was made into a full department with the following responsibilities: municipal government for remote areas, community development, winter roads, airport construction and maintenance, community infrastructure, manpower placement and training and the Manitoba Government Air Division.

In 1974, The Northern Affairs Act was again changed to further increase the authority and responsibility of municipal governments within the Northern Affairs area. Since the last Estimates the Government Air Division was transferred to Renewable Resources and Transportation Services so at the present time, the Department of Northern Affairs — to state the goals very briefly or very generally is:

1. To increase and improve local democratic decision making, and increase the local government's authority and responsibility.
 2. To ensure that a basic level of services is available to those communities under our jurisdiction.
 3. To improve the transportation system to remote areas through airports, winter roads and in some cases, primitive all-weather roads.
 4. To ensure that Northern residents have access to northern employment.
 5. To assist communities with local economic development.
- And finally, to do these things in an efficient and effective way.

So there is a very general outline of the department as it exists at this time and I would like to now, Mr. Speaker, spend a few moments of time, and I am sure the members will be interested in talking about the economic development and the employment creation aspect which is now a major thrust of the department. We spend a considerable amount of time and effort or had a major thrust in the area of the municipal developing of the local government structures and that work, of course, carries on. We had a major thrust in terms of decentralization of the department outside of Winnipeg into Northern Manitoba. We had a major thrust of employing more native people within the department and we were quite successful in achieving that goal.

Now in our opinion, and in discussions with the northern residents and northern leaders, there is a real need in the area of economic development and in the area of job creation. I suppose, Mr. Chairman, that this fits in with my own basic philosophy or belief that people basically want to be productive and that each one of us, as individuals, want to do something worthwhile with our lives or to make a positive contribution. That each one of us wants to be responsible for ourself and our families and that we want others to realize that we are responsible and worthwhile people. So our work, our effort or our employment is one of the bases by which we measure ourselves and one of the ways in which we are satisfied with our lives. A person who does not have the opportunity to be productive, to work at worthwhile employment and to look after himself and his family, then he does not have very much if he does not have that opportunity. I suppose you could say he is less of a man or less than a full person if he doesn't have that opportunity.

We have a situation, because of history, where in some communities in Manitoba and some communities in Northern Manitoba, where some individuals have given up and no longer hope to be able to be productive and hope to achieve those kind of goals they might have once had.

To look at the economic development I find it necessary to look briefly at the history of the development of Northern Manitoba so that we can understand how we got where we are, and maybe understand where we want to go from here.

Before the arrival of Europeans in Northern Manitoba, the life up there was not ideal. There were lots of hardships for people, it was a fairly difficult life situation but it was a viable life situation, that is, it did work. There was a leadership system, a social system, an economic system, and these met people's basic needs for food, shelter, etc. Sometimes when food was scarce, there was considerable hardship and sometimes there was even starvation, but normally people could usually look after themselves and they could normally work together and co-operate so that they survived in a reasonably satisfactory manner. Very important then is that groups of people and individuals in the north or in, I suppose, Canada, the more remote Canada generally, did depend upon themselves. They were self-reliant and they didn't have to depend on outsiders in order to survive.

Then, I think as members are well aware, the European fur traders became an outside economic influence on the system that basically existed. The Hudson Bay Company was probably one of the first multi-national or monopoly companies and so there were fur traders coming from the north, from the Hudson Bay Company and there were fur traders coming from the south out of Montreal who eventually became the North-West Company.

In order to get the furs that they needed for their economic survival they needed to make a profit and they needed the native people in Northern Manitoba to trap for them, to be the gatherers of furs for them. In order to do this they brought about a change in the economic system, a system that was based on gathering food and on hunting and fishing, to a system by which northern natives would become dependent upon the companies, on the fur trading companies. If people wanted to have a steel knife or a gun they would have to trap furs, not for their own use but for barter or trade for some of the things that they wanted from the Hudson Bay Company or from the North-West Company. When competition between these two companies became very strong they became more and more desperate to keep the trappers trapping for them, and resorted to various types of alcohol that were very strange concoctions and would have affected any one, I think the type of mixtures they used to put together in order to keep the dependency, and the fur traders working for them, as opposed to the other companies.

So this was a very important thing that people became dependent upon the Hudson Bay Company instead of being self-sufficient. So the northerners need for guns and flour and lard and alcohol caused them to become dependent and I think, as members know, there is a great interconnection between economic change and social and political change, and how a society functions and how a community functions is affected by the economic system. When the viable type of independence became a dependence on new goods then many things change. For example, the first tribes to get guns or weapons became stronger than their neighbors and the strongest tribes changed their territory and occupied more territory and pushed the other tribes that did not have these new implements aside.

Later on, the seasonal mobility changed. The groups that moved about to different hunting and gathering areas now started to stay close to the trading post and communities began to remain in one location. As part of this change, the church missionaries were brought in, so that the religion that existed began to change. I can remember a Chief in British Columbia saying to me that they brought the missionaries in to tame the Indians and now we're so tame that we won't go to work. That is how he viewed the situation.

Leadership began to change as local leaders gave way to dependency on the Hudson Bay factor and on the trader. The family and family relationships changed and when the economic system began to change, so did everything else.

There was, as I mentioned, a fairly deliberate effort to create dependency and make certain groups of Indians or native trappers dependent upon certain posts. The people came to need the Hudson Bay Company and depend upon it. Into that situation that existed for a long time came the Department of Indian Affairs whose original goal seemed to be to keep the Indians out of sight and out of mind, and along with that came residential schools which were designed to change the culture of young people, but not necessarily the culture of the adults. These institutions had some fairly sad results on native people in Northern Manitoba and in Canada.

When this situation was in existence other economic type of operations moved in so that later the free trader came along, and the independent fur buyers, and the fish buyers, and it was in their best interest to continue the system pretty well as it had been in existence before. I am not being critical of those particular people because they wanted to make a living and survive, and to survive, in some cases, they had to survive on the backs of the people that worked for them in Northern Manitoba.

So originally, Mr. Chairman, we had a tough life but one that was independent and self-sufficient.

People knew what was expected of them as members of the community and had pride in themselves and in their community. People were, in effect, masters of their own house. At that time, the animals, the fur, the fish, the berries were for their own use, for their own consumption and they were self-sufficient and able to look after their own needs. This, then, changed to a dependency. They sold furs elsewhere, they sold fish elsewhere and they bought lard, guns, powder, flour, which were produced elsewhere and which were brought into the north. They became producers for someone else and they became dependent upon somebody else for their supplies or their ability to survive.

And the fish and the fur were not the only things outsiders wanted to take from the North. They also wanted to take the logs and the lumber. Sometimes it would be the store owner or small producer that would set up a small sawmill, sometimes there were larger operations like The Pas Lumber Company and this wasn't all that was wanted from Northern Manitoba by people from outside the area.

I think that Wally Firth, the NDP Member for the Territories, once said that an old Indian said to him that the white man first came here and he took our fur and we thought that that would make the white man quite happy. Then he came along and he took all our fish and we thought that that would make him happy and he would go away and leave us alone. Then he came back and took all our trees. Well at last we thought that there would be nothing left for him to take. The old Indian said, "But now, by God, he's come back and he is picking up the rocks." And this is basically, I think, bringing us more up-to-date with the Hudson Bay Mining and Smelting Company, with Sherritt-Gordon, with Inco, with Falconbridge, or back up north picking up the rocks. And the northern residents who helped to find the ore, they helped to clear the land, but then as things developed most of them were pushed aside and only a few continued to work in the mining industry. With mining the people of the north became even more dependent upon outside markets and outside decisions. No one in the north, whether they are old-time residents, native residents or newcomers to the north, is really in control of the decisions, in fact they are made in New York or somewhere else in the world.

This situation then that exists in Northern Manitoba became quite worse when problems developed with fur prices, which were affected from outside the area when prices went down, when fish prices went down which were affected from outside the area, when pulp and paper markets slumped, when the world price for copper drops, and the people in the north are all affected by these changes which they have no control over, but basically are things that affect them from outside.

In the last twenty years, the community leaders who, at one time controlled situations, then started to become controlled by the local trader, or the local civil servant, or the local priest or someone else, but the local leadership did diminish, did disappear or did go underground. The economic system, for what I call an historical accident — some people would call it other things — in fact did push native Northerners to the bottom of the economic heap. People became dependent; sometimes they couldn't feed their families and they lost some confidence in themselves and some pride in themselves. There were fewer jobs and often poor housing and poverty, and basically a system of some independence with difficulty was replaced in more recent times by a system of dependence and a culture of poverty with its accompanying social problems, like drinking, like the drag-down system that exists in some of these communities.

In my opinion, Mr. Chairman, only a fundamental change is going to get us out of that type of rut that, through historical accident, we have gotten ourselves into. In fact, I would say that only a radical change is going to bring that about. One of the reasons is because of the motivation of people, and I'd like to talk about that later, but I think that people need to see some very distinct change before they can get behind it, before they can support it, and before they can change their outlook on their possibilities, and their outlook on their opportunities. So, the word "radical" is defined as marked by a considerable departure from the usual. And the usual isn't that good in the remote northern communities. And I think that there is a considerable departure from that usual that is necessary. Or a radical can be defined as one who favours basic and rapid change in the organization of society. And I think that there is some very basic and some very radical change that is necessary in regard to the remote northern communities, if people are going to have a decent life in northern Manitoba.

I think that people would like to, in the remote communities, in the more depressed communities, in the more poverty communities — they want to go from sitting at home, because it doesn't pay to fish, to getting out on the lake and fishing. They want to change from the depression of not being able to look after their own family, or from sitting home waiting for the social worker to come along, or from sitting home and getting drunk, or from sitting home and beating the wife and children, to becoming productive and having a worthwhile life. And I think that the people in the remote communities where there is poverty and where is this type of historical accident situation are not afraid of becoming radical, or are not afraid of the word radical because they see the need for that type of change.

Of course, some people are not displeased with the situation as it exists. The Hudson Bay Company, or some of the traders, or storekeepers, or fish buyers, or mining companies, or some of the others who have benefited from the situation in the north are not that anxious to have the present

situation changed and improved. And I would say that those people are basically conservative; they want to keep things the way they are. The people that are in the remote communities are basically not conservative. They want to change things from what they are now to what they could be.

However, the ability and the possibility of dramatic change is not a simple thing to come about. But this change has been going on for a number of years now, and I would just like to give a few examples of the types of change that have been affecting the remote northern communities or the remote native communities in northern Manitoba.

In the local political structure, the band councils have now assumed more responsibility; the community councils have assumed more responsibility. In the areas of economic opportunity, a number of years ago the people of Nelson House, for example, demanded employment at Thompson, at Inco. The people of Grand Rapids demanded employment and fair treatment in their employment at the clearing of the Grand Rapids Forebay, and the people of The Pas demanded employment with the CFI complex when it started to operate in that community. So people wanted to take advantage of the economic opportunities that were there for them.

There has been change in the area of organization with the development from the Indian-Metis Conferences at one time to the Manitoba Indian Brotherhood, the Manitoba Metis Federation; and the Northern Association of Community Councils, the Fishermen's Association, the Trappers' Association, and other associations that are leading to the political development of the people in remote northern Manitoba. This change has been fairly slow and very long and complicated and I think the whole process of change is fairly slow and fairly long and complicated. And it is necessary for people to have some understanding of that process of change if they are to be radical and if they are to bring about some change in their community. And that of course requires an awareness, understanding and education of the situation as it exists, and the way changes can be brought about. It requires some confidence and some pride, and a belief that things can be changed and made better. It requires co-operation, people working together to discuss together and to organize themselves, and requires planning, and goal-setting, and strategizing if people are to bring about that kind of change. And these things, of course, have to go together.

The people in the remote communities, in the poorer communities, have to determine the kind of changes that they want to bring about. They have to be involved in making that kind of decision in the kind of change they want to bring about. To be involved in change, or to be radical, as I put it, is not necessarily to talk loud and holler loud but to actually effect something and actually bring about change. I think, for example, of someone like the late Chief Gordon Lawson of The Pas, who was not necessarily a loud talker or hollerer but was always determined to bring about change, development and progress for his people or for the benefit of his people.

I think that the people have to understand also the dangers of change or how to go about the change. For example, a number of years ago the people of Moose Lake came to me and said, "We want to start a co-op store here in our community." And I said, "Well is everybody in the community willing to stand behind that co-op store even if the prices were higher than the other store in the community?" They had to stop and take a look at that because, of course, the other store could lower its prices for a few months and that would end the co-op store. So people have to be aware of that when they go into change, of the kind of things that can happen, and whether or not they are prepared and willing and able to adopt that kind of change.

There are to some extent disturbing aspects I've seen in the last few years. In a few areas there has been a slowing down of the change process, a loss of the momentum that gathered when people were originally involved in the social change. And I think that some of the leaders, having become more comfortable, become less desirous of changes. That is, they are comfortable now so they don't need to worry about what happens with the rest of their community.

The other thing is that the people involved in this change have to understand how to use outside advice and outside experts. I think that is a fairly key part of the change process in remote northern Manitoba in that the experts, as the expression goes, should be on tap, but not on top. That is the people should be able to use all the expertise available but they should still be in control and be able to take advantage of that expertise and not having that expertise taking advantage of them.

So this brings me right into the area of economic development, and I think this brings us to an area of basic disagreement, where the basic disagreement lies between the political parties in that the New Democratic Party government is willing to use whatever economic structure, whatever management structure will work in the communities. As I see it, as I hear it, the Conservatives and the Liberals are only willing to use one — free enterprise — which usually means an outside person in that community to bring about development. And there are a number of types of structures. There is a community corporation which is operating in remote northern Manitoba now with the beginning of economic development, which can be a Band company or a community company. The present stores at Island Lake, or South Indian Lake, or the Itiniki Mall at The Pas, or the Bloodvein Foundation are examples of that type of economic structure that people in the communities have found useful. Another type is the co-op structure which some communities have found useful, and some have

found not to be useful.

There are other types of groupings. Like we have a fishermen's company at Fisher River that is neither a co-op nor a Band operation but a company operated by fishermen.

We have small Crown corporations such as Moose Lake Loggers, Channel Loggers, Manago, or Mystic Creek, which is another mechanism.

We have the private person, or private company, and there are a number of people in tourist, or stores, and other small businesses in the remote communities. There is presently some government operations that are basically small businesses operating in the communities, such as the Churchill Prefab Plant, or the Pukatawagan Log Planing Plant at Jenpeg.

So these are some of the types of structures that we have to look at and have to be willing to use. I think this is one of the basic areas of disagreement as to whether or not you should use all available tools in economic development, or whether or not you are limited to one tool in economic development. It is one of the basic political disagreements, and one of the areas that I think we should address ourselves to as we go through the Estimates of the department and talk about economic development within the remote communities.

MR. CHAIRMAN: Order, please. Private Members' Hour having arrived, committee rise and report. Call in the Speaker.

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

IN SESSION

MR. SPEAKER: Order please. The Honourable Member for Logan.

MR. WILLIAM JENKINS: Mr. Speaker, I beg to move, seconded by the Honourable Member for St. Matthews, that the report of the Committee of Supply be received.

MOTION presented and carried.

PRIVATE MEMBERS' HOUR

RESOLUTION NO. 11

MR. SPEAKER: The first item, Private Members' Hour is Resolutions. Resolution 11. The Honourable Member for St. Matthews.

MR. WALLY JOHANNSON: Mr. Speaker, I was hoping that the Honourable Member for Fort Rouge would be here. Hopefully he will be coming.

Last night when I started discussing this topic I made a couple of points. I stated that this resolution is a grab-bag of intellectual garbage. I stated also that the resolution undermines responsible democratic government. I think that the honourable member is inspired, perhaps by what has happened in the United States with the U.S. experience in urban renewal and he is attempting to provide a Canadian reaction to basically an American experience. American experience is quite different because they have a congressional system of government. In the United States the state governments have been basically hostile to urban renewal whereas this provincial government is committed to urban renewal. In the United States not only have they had difficulty coming anything close to the kind of government we have in Winnipeg today, the unified City of Winnipeg, but they have difficulty bringing in even a limited form of metro government in most urban areas in the United States. So the parallel is a very tenuous one at best, Mr. Speaker.

The Honourable Member for Fort Rouge seems to accept a myth which is popular among some people in the urban renewal field, and that myth is that politics is unclean but citizen participation is noble and pure. So the politician is unclean but the citizen who participates in a citizens' organization to try to get action out of politicians is noble and pure. Mr. Speaker, that argument is promoted by some people within my own party and I have disagreed with them in the past and I will continue to disagree with them in the future.

I agree that poor people, that the less affluent people in society, should get involved in organizations, should get involved in politics, and I attempted to get them involved in my own area. But, Mr. Speaker, the people who participate in citizens' organizations are human beings. Some of them, for example, use the citizens' organizations as a vehicle to attain political office. That's not a bad purpose but it hardly implies that these particular citizens regard politics as being terribly unclean. At least they are very anxious to become unclean. The Honourable Member for Fort Rouge, I believe, was very closely involved with an organization called The People's Committee in Urban Renewal Area No. 2. And what happened? Shortly after that we find that he stood for election to the Federal House in Winnipeg North Centre. He stood for election twice to the Provincial House. Finally he was elected.

Another difficulty, Mr. Speaker, at least a difficulty that I have in looking at this whole concept of independent citizens' groups controlling affairs is that what happens in a lower income area is that the people who are the members of the committee really don't run things. What they tend to do is they tend to go to an organization outside of themselves which has some expertise. And, Mr. Speaker, they will go to an organization, for example, like the Urban Institute of the University of Winnipeg. And what happens essentially is that the Urban Institute then begins to determine policy. So we have a non-elected body, the Urban Institute, which starts to dominate policy-making among these so-called independent citizens' organizations.

Mr. Speaker, the problem with that concept is that what happens with these so-called independent citizens' groups is that essentially there is middle-class, upper-class — and I hate to use the term "class" because the honourable members opposite immediately jump up and start yelling marxist, communist — but essentially what happens is that middle and upper-income people tend to dominate decision-making. So what you have really, is no change in power. You may have a change in faces but the same old people make the decisions in society. So while the member's proposal sounds radical, maybe looks radical to some people, it essentially isn't radical because it leaves power relations in society unchanged. It leaves the domination of government in the hands of the group in society which has always dominated government — the upper-income people.

Now, Mr. Speaker, I would like to change that matter. But if we are going to make any inroads in eliminating poverty, in eliminating slums in cities, a provincial government can't possibly do this by itself. There are three levels of government in our country. There's a Federal Government, a provincial level of government and city governments. The Member for Fort Rouge is advocating that we handle the problems of poverty and unemployment essentially on a neighbourhood by neighbourhood basis and this simply cannot be done. The whole problem of poverty, first of all, must be attacked on a national level. For example the Federal Government has jurisdiction over Indians and Indian Reserves and we find, in the inner part of the City of Winnipeg that we have Native people

coming in from Reserves, living in the inner city but they tend to flow back and forth between the reserves and the city, so it is impossible to deal with the problems of this particular community on a neighbourhood by neighbourhood basis.

A second major problem that has to be attacked first of all on the Federal level is unemployment and, Mr. Speaker, the level of government that has the primary responsibility for dealing with employment is the Federal Government. There is no question about the constitutional jurisdiction. It is a Federal matter of jurisdiction and, Mr. Speaker, what do we find? We find that the Federal Government has just brought down a budget which not only is not attacking the problem of poverty, not only not attacking the problem of unemployment, but which will create additional unemployment. Now, Mr. Speaker, the situation is absurd. The Federal Liberal Government brings down a budget in a time of rising unemployment — I'm told that the unemployment rates nationally are now the worst since 1953 — (Interjection) — since the 1930s, well the figure I saw was since 1953. So, in a time of very high unemployment, the Federal Government brings in a budget that will increase unemployment and, Mr. Speaker, what will be the impact of this upon the people in the inner city? Those who are in the lower income groups, Mr. Speaker, are the first fired and the last hired in the labour force and these are the people who will suffer the most because of a high rate of unemployment. So we have the spectacle of a Liberal in the Provincial Legislature proposing a whole series of measures that will supposedly cure the problems of the inner city, while his colleagues in the Federal level are bringing down a budget that simply exacerbates the problems suffered by poorer people in the inner city.

One other point. The Member proposes an urban development bank. The province doesn't have jurisdiction over banks, the Federal Government does. The member should be making his proposal to his colleagues in Ottawa.

Mr. Speaker, the member is not satisfied with the organizations that exist today to deal with the problems of the inner city. He is not satisfied with the City of Winnipeg organization, with the provincial organization, with the federal organization presumably. So he proposes a whole range of new bureaucracies and he is going to cure the problems of the inner city by adding a whole new layer of bureaucracies to the organizations that already exist and these bureaucracies will be placed between the people who live in the inner city and the governments.

Now one of the effects of this, Mr. Speaker, will be to create competition between different little individual empires, the different little empires set up by the people who are running the different organizations that the honourable member proposes. The worst problem, Mr. Speaker, with this proposal is that it will allow the elected representatives in the city, in the province and in the Federal Government to diffuse their responsibility, to escape their accountability to the people for what is being done. Nothing will get done' the people of the inner city will continue to live in poverty and nobody will be responsible because the Provincial Government, the City Government can point to the fact that they are community organizations that are supposed to be solving the problems of the inner city.

Mr. Speaker, the organizations exist to cure the problems of the inner city. The organizations are the City of Winnipeg, MHRC on the provincial level, CMHC in Ottawa. What is not needed is more organizations, Mr. Speaker. What is needed is a willingness to act and one of the principal areas where there must be a willingness to act is in the city government.

According to an article in the Tribune yesterday, the members of City Council are catching hell now because of the fact that people are burning to death in slum housing. The Environment Commissioner has proposed a substantial housing program that will add 2,000 units of housing for low income people in the inner city but, Mr. Speaker, there is no sign of any willingness to act on the part of City Council.

Mr. Speaker, the province is willing to act. When the Minister of Mines was Minister of Urban Affairs, he made a proposal to City Council. He told them that he would allow them to select the sites for housing in the city. He would give them full power to determine where housing would be put, as long as they were willing to build a certain amount of housing each year. You know what happened, Mr. Speaker? Nothing. They never responded to him. We are willing to attempt to build housing in the inner city; we are willing to do our part in financing that building of housing, we are already doing it in the Midland area; but we need some co-operation from the City Council. Mr. Speaker, I will do my best to promote action on the provincial level and the government has shown it is willing to act, but the city has a responsibility to do something. The problem of the inner city cannot be solved without the co-operation of the city which, after all, has control over zoning, control over planning. We need some action out of City Council and Mr. Speaker, I am looking forward to some kind of action out of City Council.

MR. SPEAKER: Are you ready for the question?

QUESTION put, MOTION defeated.

RESOLUTION NO. 12

MR. SPEAKER: Resolution No. 12. Proposed by the Honourable Member for Fort Rouge, amended by the Honourable Member for Point Douglas. The question is open. The Honourable Member for Assiniboia.

MR. PATRICK: Thank you, Mr. Speaker. The two resolutions, the one that was just defeated, Mr. Speaker, and this one are somewhat related and almost on the same subject and I did not intend to speak on it, but listening to the Member for St. Matthews, I feel that I should not let some of his remarks go unchallenged. Mr. Speaker, I'm speaking on the amendment on this resolution and I would like to indicate to all the members of the House how the government is much less than honest with everyone in this House and much less than honest with themselves because I'll just point something out to you Mr. Speaker.

In one of the clauses from the Member for, I believe, Point Douglas who moved the amendment he says the problem will worsen in the months to come without action by the Liberal Federal Government and he goes on. He says it was the Federal Government that had inadequate programs to create jobs and he goes and criticizes another government for all the high unemployment, for all the problems that exist in this province. But, Mr. Speaker, all last year, the year before, when the employment statistics were favourable to the government in the neighbourhood of three to four percent well, I'll tell you, the Ministers on the front benches and the backbenchers used to get up every day and take full credit and say look what a great job we're doing, look at the programs we have, we have full employment in this province because it's the government. —(Interjection)— Well the member that just spoke a little while ago used to take credit as well and the Minister of Labour, but now when the unemployment gets a little high, now it's the government in the Province of Manitoba cannot do a thing. It's not their responsibility, they're helpless, it's the responsibility of the Federal Government. Well, surely the members in the front benches have to be less than honest with themselves and less than honest with the people of Manitoba, because surely when the conditions are favourable to them, they want all the credit. Immediately when the unemployment starts to rise, well there's nothing we can do, it's not our problem, it's the government in Ottawa. Even the former government, to my right, when they were in power they didn't have you know the two policies, when things were good they took all the credit and when the unemployment got high I don't remember them saying it was Ottawa trouble. So I believe when it suits the government they wish to take all the credit, when it doesn't, you know, it's not their fault.

The other point that I wish to indicate to the Member for St. Matthews that just spoke and perhaps to the Minister of Public Works because I listened to him when he spoke the other day and he was so far off base that I couldn't believe that he would give us that type of garbage in this House. What are the facts, Mr. Speaker, what are the facts? Eight years ago we had 20,000 Native people in this city in the inner core without jobs. What are the statistics today, Mr. Speaker? Close to 35 to 40 and somebody said the other day, some employee that works for the government, he was indicating it was closer to 60,000 and perhaps he was exaggerating his statistics, but it's somewhere between 35 and perhaps 40, that's what the Native population is now without jobs. That's what the facts are in the inner core of the City of Winnipeg and my honourable friend the Minister of Public Works, he says, "Well look, what a great job we've done." What have they done? You've got twice as many people, not 20'000, close to 40 and I'll be honest. Maybe there's many things that you cannot do, you cannot solve the total problem but there are things that you are able to do and you haven't done.

The other point, what have you done for the housing for these people? They still, they still — (Interjection)— Yes I will, when I finish. Those same people in the inner core, Mr. Speaker, they still lack housing, they still haven't got housing. Look where they live.

They still haven't got the same education opportunities because during the Education Estimates it was indicated in some schools as much as 80 percent of the students change within one school. There's a mobile population. And that's a difficult problem, I know. But to say that they've solved all the problems, what about the job opportunities for these people, where are they? And the Minister has the gall to get up and say, "Well, look, we don't believe in any kind of incentive program for private employers to subsidize their wages so maybe we can train some people, on-the-job training, which has been the best system there is that anybody has tried in this country. It's still the best system, on-the-job training. And the Minister of Public Works to have the gall to say that because he doesn't know what he's talking about.

Mr. Speaker, can I indicate to you that in his own department he hasn't got an apprenticeship training program. Can you believe that? Employees have to leave their jobs to get their trades papers, their journeyman papers, they have to leave his department. —(Interjection)— Well you may have, but the Public Works hasn't got one. He's talking about that he's creating job opportunities in this province, when a mechanic after working for his department has to work for five or six years and then he's got to leave because he can't proper wages, he can't get proper increases, to leave into the private sector to get his journeyman papers, when he comes back he loses his seniority. That's the program that the Minister has. He doesn't know what's going on in his own department and after being in there for awhile, it's time that he would have taken some action. I think it's a darn shame, it's a

shame that in this department, the Minister after being there for so long, hasn't implemented some kind of apprenticeship training program and it applies to many people. If you don't believe me, go and talk to the civil servants, talk to the MGEA, they'll tell him. But the Minister doesn't know. — (Interjection)— Well, somebody says you're not talking about the Public Works, but that's the Minister talking about job creation. He can create many jobs. What has he done? You know, he doesn't know what's going on in his own department. Again the Minister was talking the other day about, "I don't believe that you can create new skills by subsidizing incentive programs, subsidizing somebody's wages while he's on the job training." He said, "I don't believe that." — (Interjection)— I haven't got notes. You know it's easy to make a speech once one listens to the Minister of Public Works, it's not too difficult. Mr. Speaker, that's what prompted me to get on. Again the Minister got up and he said, "Look I don't believe in any kind of incentive program to train employees, I don't believe in on-the-job training." But he believes in huge grants to people like William Clare. How many jobs did you create there? He believes in Saunders Aircraft which cost us perhaps more than \$40 million and I'll tell you, when the government was only \$5 million into Saunders Aircraft, I remember the Member for Portage getting up and saying to the First Minister, he says, "Look Mr. Minister, you're a reasonable man. Lose \$5 million dollars, because you're going to be in to \$20 million." He didn't say 40 he said 20. But what has happened? It got to 40 and again for the members in this House to get up, Mr. Speaker, to say well, look, the Department of Defence moved out, we had to create some jobs. What a nonsense and what an untruth, Mr. Speaker. — (Interjection)— You did not. I checked the thing out. Very few people worked from Gimli in that plant. You know everybody was brought in. The mechanics were brought in. To say that it was a job creation for the town of Gimli, that's not true. So the Minister believes in wasting \$40 million into Saunders, but he doesn't believe in a small \$50,000 job creation or on-the-job training program. He doesn't believe in that, while he's got all these people unemployed in the centre core of Winnipeg. Twice as many as we had eight years ago. Does he not know that? Sure he knows.

I know that the First Minister used to take great credit and I agreed with the First Minister what he tried to do. He said, "Well, we may antagonize some people, but what we'll do in this province while we're in power, we'll try and do much more for the less fortunate people. We'll try and create jobs for them, we'll try and provide housing that haven't got housing, we'll try and . . ." That's the things that he said we'll do. We'll provide them with education that they haven't got. But that hasn't happened. I'm telling the Minister it hasn't happened because twice as many people now haven't got those jobs. Twice as many haven't got housing and is he not aware that the housing crisis has never been as bad in this province as it has in the last two years. And that's a fact. Well, what do I have to do to prove to the Minister, because I can bring him all kinds of facts and proof, Mr. Speaker, where people are paying \$275 for a four-room with no basement, old little bungalows. — (Interjection)— Well, that's true, but you haven't lived up to your commitments that the government said they are going to build so many houses. They haven't done the job. They started, they started with, you know, a great flurry and perhaps in the first few years did a job but came to the standstill in the last four years, did very little in the field of housing. So, for the Minister of Public Works to say, "Well, look, I don't believe in that, I don't believe in this." But, you know, he believes in the large grants to a few people which the money has been wasted. I am not saying that only this government has done it; the other governments have done the same thing and wasted money. The point is, it's time to face the music, to face the facts, what is happening in this city, and you haven't solved all the problems. If the present system and the present things that you are doing are not working, what's wrong with looking to some other solutions or trying some other solutions and see if anything can be done? Surely something can be done.

Now, you have \$40 million for Saunders Aircraft but you haven't got probably \$50,000 for a restaurant for the native people in North Winnipeg who want to establish an Indian restaurant. They can't get it. — (Interjection)— Well, I don't know, it may cost \$100,000 grant or \$200,000.00 but compare that to the kind of money that has been wasted. I believe the one in British Columbia, the native restaurant, the Indian restaurant in British Columbia is a very profitable venture and is working quite well. What's wrong moving on a project like that? Let the native people establish a restaurant in this City. I think it would be frequented by — (Interjection)— how many employees? Perhaps, it may create 40 or 50 jobs, perhaps more than 40 or 50 jobs.

And the major industries in this province, the people that create jobs are small entrepreneurs, small businesses that employ 15 to 20 to 25 people in this province. These are the people that create most of the job opportunities, provide job opportunities. So to say, you know, we're going to give somebody all this large amount of money but we will not help a group in Winnipeg that have been trying to develop an Indian restaurant for the last five years I understand, and they are not even given any consideration at all. But the Minister is prepared to spend money in the other area.

So what I am saying, perhaps some of the backbenchers I am sure know what's going on and I hope that they would push the Cabinet and push some of the members on the front benches, and particularly the Minister of Public Works. Because if anyone, you know, one of the best job training

program has been the apprenticeship system, and to find out that there is no apprenticeship system in his own department, he has done nothing about it and been in that department for so long, for quite a few years, and what's the reason? What's the reason? You know, he just doesn't know what's going on. Why do the people from his department have to leave their jobs to get their papers somewhere else and leave because, you know, if you don't get your journeyman's paper you stay on a certain wage level. You can't get the journeyman's wage and they lose their seniority, they lose their other fringe benefits, and I think it is a sad thing that today, with the high unemployment, that the Minister would allow this to continue in his department.

So, Mr. Speaker, the Minister is not accurate to say that he has solved all the problems; that there are no problems in this city, and I think that it is time that he started to apply himself and do something, and not say that we have no problems in the City of Winnipeg, because you have problems. Eight years ago what you said that you would do, it hasn't happened, try different methods, different solutions and don't say that nothing can be done.

MR. SPEAKER: The Honourable Minister of Public Works.

MR. DOERN: Well, Mr. Speaker, I cannot let that speech pass. The honourable member is falling into an old trap that all Manitoba Liberals fall into. He is becoming nothing more than an apologist for the Federal Government. All he is doing is justifying the Liberal Government in Ottawa and attacking the Provincial Government. You know, I submit, Mr. Speaker, that the Federal Government is creating the problems and that the Provincial Government is solving them. That is the state of affairs, that is the state of affairs.

The Federal budget is designed deliberately to create unemployment. They have no concern or compassion for the average unemployed person in this country. They are more than prepared to let the unemployment levels reach over a million. The Liberal Party in Ottawa is callous, they are going to let this rate go to the Depression size. The records show since the '50s it is the greatest number, but I think to actually get a fair comparison you have to go to the Dirty Thirties. And the Liberals sit back calmly and they seem to think that that's okay. The federal budget is okay; they don't mind; they are willing to allow the people to suffer that and they are going to bring in policies, and they are going to sit back, and all this unemployment and they are going to be backed by the little Band of Three.

What is their solution? What is their solution? They are going to build a restaurant, a restaurant that is going to employ 50 people. Well, I think that is going to be quite a restaurant. You know, we have a few restaurants in Public Works and most of them are run by a dozen or so employees and they can serve hundreds, so I guess if you have 50 people, I guess you can serve thousands. These are going to be enormously successful restaurants, thousands of square feet, —(Interjection)— soup kitchens and bread lines. I guess that's right. My friends are giving me the right direction in which to go. The Liberals are anticipating massive unemployment and the need for soup kitchens. They are going to give us the unemployed people and they are going to build the soup kitchens in which to feed them. We are all going to be standing in line and getting our free soup at the restaurants in the urban core.

MR. SPEAKER: Order please.

MR. DOERN: Mr. Speaker, I find it incredulous, just incredulous, that the member who has often been a supporter of labour, or who has backed progressive labour legislation and so on, he is being poisoned by his seat-mate and his seat-mate is continually arguing against Public Works and I defy either of them to condemn the increase in Public Works construction at a time of unemployment. I defy them and I challenge them to stand up and say, to stand up and say that they will oppose all Public Works construction by the Province of Manitoba or the Federal Government or the Municipal Government. I find that to be an unbelievable position, because in a fiscal policy that you need at a time of unemployment, one of the standard traditional orthodox techniques for meeting that challenge is public works construction. It doesn't necessarily have anything to do with me, personally. But what we do —(Interjection)— you're right, it is classical Cainsian philosophy. I don't know if the member is watching John Galbraith, I have only seen one of his programs but sooner or later, he is going to get to John Maynard Caines. I have to tell the member that he and his seat-mate have to take the night off — it's on a Monday — you have to take the night off and learn something about Caines and about fiscal policy because they apparently know nothing about it.

Mr. Speaker, in Gimli the Federal Government pulled out and left the town to die. And what was our option? What were we to do about this? We tried to do something. We established an industrial park, we poured money into Saunders Aircraft. I have to tell you, I have never been overly enthusiastic about Saunders Aircraft, but we tried. We tried to do something to create employment and we tried to crack a tough market. And we failed. We failed in terms of Saunders but I think it is much better to have tried that experiment and to have failed than to simply have closed up the town.

MR. SPEAKER: Order please. Order please.

MR. DOERN: If you want to know, I'll tell you tonight at the banquet. If you want to know what some people think of Gimli ask my colleague, the MLA for Gimli, and ask him what the people of the town think of the Gimli Industrial Park and of Saunders Aircraft and whether or not it has been

beneficial to their community.

Mr. Speaker, all this talk about "let's free enterprise" you know, I love those commercials. I just adore them. I love that slogan. The bird flying away, the music, it's catchy and, I really believe that this government should go to the people on that slogan. The Minister of Mines said that, that's the slogan that we should use in the next election. The trouble is that we can't persuade a lot of businessmen to stand on their own feet. They always say, "Leave us alone, leave us alone," but then who is the first in line, who is knocking on the door, who is meeting with the politicians and saying, "Give us some more grants, give us some more incentives, give us some more tax concessions." The businessmen. The first in line. First in line.

Well, Mr. Speaker, . . .

MR. SPEAKER: Order please.

MR. DOERN: Mr. Speaker, I'm going to conclude my comment so that we can hear from the Member for Sturgeon Creek and I don't want him to get too agitated because we are going for dinner and he is going to spoil his dinner. And if he doesn't take up all the time my colleague the Member for St. Matthews, will grace us with a few more words.

So I simply say that if you want to know what this government is doing, we've told you and we will tell you again very shortly, when we announce some of our programs to combat the unemployment created by the Federal Government and supported by the members of the Manitoba Liberal Party.

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

MR. JOHANNSON: Mr. Speaker, the Honourable Member for Assiniboia slightly misrepresented what I think we have said on this side. He said that we have stated that we have solved the problems of jobs and unemployment and, Mr. Speaker, I don't think anybody on this side takes that position. The member sets up a straw man and knocks it down. He sets up a position that is not our position and then destroys it.

Mr. Speaker, we know that there is a problem, I know that there is a problem in the inner city because I happen to represent an inner city area. —(Interjection)— No, the Member for Lakeside may think I'm the problem but I can assure him that the problems in my area were more extreme before I was elected than they are today. There were more extreme. But we recognize that there is a problem. We recognize that there is a problem in the inner city. We recognize that there is a problem of unemployment but, Mr. Speaker, there is no way that a province, especially a province of limited financial means such as Manitoba, can solve the problem of unemployment when you have a Federal Government that has consciously adopted a policy of creating unemployment in this country.

Mr. Speaker, the federal budget is creating unemployment, and what is the consequence? The consequence, according to an article in today's paper, "Unemployment hits record 944,000," according to Statistics Canada. And according to this it is the worst on record since the government's agency started collecting unemployment statistics in 1953. The Member for Elmwood, the Minister of Public Works, made me correct, this may be the worst unemployment rate since the depression. It also says that Statistics Canada said Manitoba was the only province in which the jobless rate declined from February levels. Mr. Speaker, let me repeat that and explain it. Statistics Canada said Manitoba was the only province in which the jobless rate declined from February levels. Unemployment rates were higher in the nine other provinces. I wouldn't make any big thing of that, Mr. Speaker, because there is a severe unemployment problem here. And we are going to do our best to try to deal with the problem. But, Mr. Speaker, we would be lying to the people of Manitoba if we claimed that we can solve the problem, because we cannot. We cannot solve the problem by ourselves and we cannot solve the problem when we have a Federal Government bent on creating unemployment in this country.

Mr. Speaker, I made the point earlier that employment is a federal jurisdiction, and I would like to repeat it again for the honourable member. Employment is a federal jurisdiction. The constitution is as clear on that as it is clear on anything. But, the Federal Government, instead of taking up the task of creating employment, has chosen to take up the task of creating unemployment. And, Mr. Speaker, there is no way that the province can make a substantial dent in the unemployment rate. We can marginally affect it, and I hope we will do our best to try to improve the situation. We will do our best, but our best will be limited because of our limited financial ability to deal with that.

Now, Mr. Speaker, the member indulged in Liberal arithmetic. And Liberal arithmetic, Mr. Speaker, is very interesting. In a speech on the other resolution proposed by the Member for Fort Rouge he gave figures which purported to show that renovating housing cost one-tenth as much as building new housing. Mr. Speaker, that is pure garbage. That is pure garbage. The Member for Fort Rouge claimed that if you put money to work renovating housing instead of building new housing you will spend one-tenth as much money in creating, supposedly, the same amount of housing. And that is just pure garbage because, Mr. Speaker, we have the experience in this field to know it's pure garbage.

We know that in the case of Point Douglas, MHRC went in and carried out extensive renovations

to quite a number of housing units. The cost of those renovations ranged in the order of \$12,000 and up to \$20,000, I believe, in some cases. It was an expensive proposition and the lifespan of those buildings, on which \$12,000 to \$20,000 had been spent, was estimated at something like 25 years. If you build a new house you can estimate a lifespan of roughly 50 years. So, in fact, renovation is not a panacea. Renovation is one of the options that must be used. I agree that when you're attacking the housing problem you must include renovation but, when you have housing that is seriously deteriorated it is a very expensive proposition to bring it up to any decent kind of standard.

Now, the member also brought up Saunders. And again he was employing Liberal arithmetic. He stated that the province lost \$40 million on Saunders. Now there is no question about that; we did. And why did we start Saunders, Mr. Speaker? We started because the Federal Government closed down an air base in Gimli. The Federal Government used to spend, Mr. Speaker, over \$9 million a year on a payroll at the Gimli Air Base. That \$9 million was spent every year and we built nothing with those \$9 million, the dollars were simply spent. But, Mr. Speaker, according to the Liberals, that's a good thing. You spend \$9 million a year, you produce nothing. But that's good because you're providing unemployment and you don't show any losses. This is the way DREE operates. DREE doesn't make loans which then have to be repaid with interest and which may show up as losses, DREE gives away money. That way, Mr. Speaker, the books look good. The Federal Government books look good because they simply give the money away.

Mr. Speaker, the honourable member said that we didn't provide employment to people in the Gimli area, and I can assure him that we did. Because I visited Saunders, I visited Misawa on the industrial base and I found former students of mine, from that area, working in those plants. Now it is true that we brought in some people for Saunders, particularly people who had skills that were not to be found in the Gimli area, but, Mr. Speaker, the member may forget that a good many of the people who worked at the Gimli Air Base were brought in. I lived in that area, I met those people, I knew who the people were who were there, and a lot of them were brought in. A lot of the people who were being paid, for example, were aircraft pilots-in-training from Denmark, from other countries. But they were spending their money in the local area. And, of course, so were the people employed by Saunders. They were spending their money in the local area.

A MEMBER: Where were the airmen from?

MR. JOHANNSON: The airmen were from all over the world, but very few of them were from Gimli, in fact, I never met one. There may have been some from Gimli, but I never met one from Gimli.

Mr. Speaker, the resolution shows the standard distrust that the Honourable Member for Fort Rouge has for the public sector. When he is proposing solutions to the problems of unemployment in the inner city he doesn't propose action by the province directly, he proposes subsidies to private industry. He proposes subsidies to these great free enterprisers who supposedly don't want government interference. But, Mr. Speaker, these great free enterprisers who don't want government interference want government incentives. In fact, the members of the Conservative Party the other day were proposing a resolution whereby we exempt insulating materials from the sales tax, and the greatest benefit of this would go to industrial concerns. They also Mr. Speaker, proposed grants as incentives to propose conservation measures among industries.

Mr. Speaker, I believe, like the Honourable Member for Elmwood does, that we should free enterprise and let businessmen stand on their own two feet. I believe that the Royal Bank, should provide service to the people in the inner city who need financial service. I would like to see them play a role of public service in providing needed banking service in the inner city.

MR. SPEAKER: Order please. Order please. The Honourable Member for Minnedosa.

MR. BLAKE: Mr. Speaker, I wonder if the member is aware that some banking institutions provide community bank service throughout the country, including the City of Winnipeg, and one is located, it's not in the core area, but it certainly services those people. And it's not subsidized to the tune of \$15,000 or \$20,000 out of the taxpayers' purse like the income tax service provided is.

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

MR. JOHANNSON: Mr. Speaker, I am happy to hear that. I am happy always to hear of an organization in the free enterprise area which actually is willing to provide a service without a public subsidy. —(Interjection)— Yes, that demonstrates a social conscience. I am happy to see that and I would never attempt, Mr. Speaker, to discourage that kind of behaviour that has public interest at heart. But Mr. Speaker, the Honourable Member for . . .

MR. SPEAKER: Order please.

MR. JOHANNSON: . . . Fort Rouge is not proposing that. He's proposing that we enact legislation to institute tax incentives to private employers. Mr. Speaker, this is not a new idea, it's a very old idea. It was developed in Britain around 1795. There was a different term applied to it then, it was called the ? system. The ? system. And, Mr. Speaker, it was a means of having private employers employ people, pay them low wages and have the ratepayers support these people who were being paid the low wages. —(Interjection)— it sounds very familiar, yes, and it is the sort of thing that is being proposed by the Honourable Member for Fort Rouge.

Mr. Speaker, the problems of the inner city are immense problems. We have made a very small dent in the problems of the inner city. I would be the first to acknowledge that. I agree that we have to do something. I agree that we have to act in order to try to solve the problems of unemployment, the problems of poverty in the inner city, but we cannot as a province alone solve those problems. We have to have the co-operation of the Federal Government — (Interjection) — Yes, yes, we would like just a little bit, just a tiny tiny tiny bit of help from the Federal Government, and perhaps the Member for Assiniboia could help us. He could lend his good offices to this particular effort. He could approach the Federal Government and try to get them to bring in a budget which will stimulate employment rather than creating unemployment. Mr. Speaker, instead of attacking the Minister of Public Works, why does he not talk to his colleagues in Ottawa and ask them to do just a tiny tiny bit to solve the problem of unemployment.

Mr. Speaker, I intend to vote in favour of the amendment and I think my colleagues will too, and I hope the Honourable Member for Assiniboia will support us in support of this amendment. I'm not sure about the Member for Sturgeon Creek. I don't know whether he'll support it, but I'm hoping that the Member for Assiniboia will.

MR. SPEAKER: The Honourable Member for Sturgeon Creek.

MR. J. FRANK JOHNSTON: Mr. Speaker, the Member from St. Matthews and the others that have just spoken were talking about help from the Federal Government. To give them some little bit of help as far as unemployment is concerned, the same as the Honourable Minister of Public Works is going to build some buildings downtown, that is going to help unemployment. I wonder if the honourable members when they drive down Portage Avenue and take a look at the building being put in front of the RCMP which is being built by the Federal Government and is not helping employment. This is the blindness of the people of this government. Well do you want to take a look at the other buildings that the Federal Government has built within this area, regarding employment in this area? You will find that there are some there and they are probably worth more than \$50 million which the Minister of Public Works continually brags about.

Now let's talk about employment in the province of Manitoba. What happens when that is done? What happens when those buildings are all built? What happens when those people now walk away from that job? Where do they go in Manitoba to be continually employed? Now, Mr. Speaker that's the crux of the question. We hear all of this particular talk. We talked about the Minister of Public Works who probably couldn't be used on a shipping floor anywhere, but who gets up and talks about the economy of this province. Now I tell you — economists — I still go back to my statement that I prefer a one-armed economist because an economist says on one hand you do it this way and on the other hand you do it this way. Now if we cut off one of his arms maybe we'll get somewhere.

Mr. Speaker, he talked about business in this province who were continually relying on government for grants. I would like to take you down into the industrial area of this province and in this city. How many places like Amcro, Crain, Burnell, all of your bigger corporations that are doing business in this province, could take the whole bunch of them that are here and then take the percentage of them that have asked for any grants. The grants that have been involved in this province are people that have come to this province who want to have — when the government has gone to them for development and this party, this side of the House, has said for five years government grants to large corporations, governments in business should be stopped and we have said it and we still stand by it.

Now let's really talk about the climate for jobs. If you want to take all those corporations that are presently in this province at the present time and say to them, "Where do you want to expand, gentlemen? Where would you like to build your plants?" I'll tell you where they'd like to build them, they'd like to build them where there is a lower tax base corporation-wise. They'd like to build them where there's a lower tax base for the people that live in the province. Would you like to take a man who comes and works on a shipping floor, or works in a mine, or works as a janitor, or works as a machinist — would you like to put the machinist in a province where they'll pay a higher tax than anybody else in Canada? You talk about the corporation tax. They can't even get people that want to move in here and work at jobs in this province because they don't want to build here and people don't want to live here because they're highly taxed. Now that's the crux of your problem in this province. I have never seen or heard of a more ass backwards' approach to economics in my life than this particular government has. You know, this business of walking up and saying, sure, I'll build a few buildings, or I'll do this, let's really talk about what happens when those buildings are built. You have got to create an economic . . . Sit down, I've told you what you are. I told you I couldn't use you on a shipping floor and I couldn't. Mr. Speaker, I will tell you this right now. Until you create a climate where people and industry want to come and work in this province, you are not going to have companies that will become involved in expanding here or even wanting to build here.

Now, Mr. Speaker, let's take the business about grants. What company would want to come in and expand in this province with our present taxes on companies, our present taxes on people, unless they did get a grant? You created an environment where they have to ask for it. You know, you have to

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MR. SPEAKER: Order please.

MR. JOHNSTON: . . . go out and beg them to come here.

MR. SPEAKER: Order please. The hour being 5:30, the honourable member will have an opportunity to continue the next time. The House is now adjourned and stands adjourned until 2:30 tomorrow afternoon.