

**LEGISLATIVE ASSEMBLY OF MANITOBA**  
**Tuesday, 24 March, 1981**

**Time — 2:00 p.m.**

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Hon. Harry E. Graham (Birtle-Russell):** Presenting Petitions . . . Reading and Receiving Petitions . . .

**PRESENTING REPORTS BY  
STANDING AND SPECIAL COMMITTEES**

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

**MR. WARREN STEEN:** Mr. Speaker, I beg to present the Second Report of the Standing Committee on Public Utilities and Natural Resources.

**THE CLERK:** Your Committee met on Thursday, March 19th and Tuesday, March 24th, 1981, to consider the Annual Report of the Manitoba Public Insurance Corporation.

Your Committee received all information desired by any member of the Committee from the Chairman, Mr. G.C. MacLean, Q.C., Mr. J.O. Dutton, President and General Manager, and members of the staff with respect to all matters pertaining to the Annual Report and the business of the Manitoba Public Insurance Corporation. The fullest opportunity was accorded to all members of the Committee to seek any information desired.

Your Committee examined the Annual Report of the Manitoba Public Insurance Corporation for the fiscal year ending October 31, 1980, and adopted the same as presented.

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

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

**MOTION presented and carried.**

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

**MR. MORRIS McGREGOR:** Mr. Speaker, the Committee of Supply has adopted certain resolutions, directs me to report the same and asks leave to sit again.

I move, seconded by the Honourable Member for Portage that the report of the Committee be received.

**MOTION presented and carried.**

**MR. SPEAKER:** Ministerial Statements and Tabling of Reports . . . Notices of Motion . . . Introduction of Bills.

**ORAL QUESTIONS**

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

**MR. HOWARD PAWLEY (Selkirk):** Mr. Speaker, my question is to the Minister of Mines, responsible for Flyer. Can the Minister advise whether or not the selection of a new president for Flyer outside the company was the result of any lack of confidence in the management of Flyer?

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

**HON. DONALD W. CRAIK (Riel):** Mr. Speaker, whether or not there is lack of confidence in the other management of Flyer, I suppose only those people can answer that question. I do know that the selection of a new president is one that we are entirely satisfied with and that the actions by the board to select a new president were undertaken satisfactorily as far as we are concerned.

**MR. PAWLEY:** Mr. Speaker, then can the Minister advise whether or not he's received a report about the allegations that were made by senior staff of Flyer pertaining to the qualifications and the record of the new president?

**MR. CRAIK:** Mr. Speaker, there have been some communications with some signatures on them, whether they are from senior management or not, which seems to be the concern of the Leader of the Opposition, I cannot indicate to the Leader of the Opposition; however to repeat, the qualifications of the new CEO of Flyer are certainly about as high qualifications as one could hope to achieve and certainly he was the top selection of the management consultants who were engaged in the selection process.

Mr. Speaker, I think there was some allusion to there being something different about Mr. McKay being brought in from outside the province. I would remind the Leader of the Opposition that the former CEO, Mr. Killinger, was brought in from outside the province by the former government as well. When the search is undertaken for a CEO the provincial boundaries are not a restriction.

**MR. PAWLEY:** Mr. Speaker, we never made any comment about bringing anybody in from outside the province. The comment was in respect to the question of bringing somebody in from outside the company, that under certain circumstances, may be reasonable.

Can the Minister advise whether subsequent to the petitions signed by management personnel dated February 5th, and February 15th, forwarded to the First Minister, then subsequently referred to himself as Minister responsible, and then further, I understand, referred down to the president and the chairman of the board, whether he has received any report from the president of Flyer and the chairman of the board pertaining to the allegations that are contained within that petition, allegations by senior staff of Flyer?

**MR. CRAIK:** Mr. Speaker, I want to indicate to the Leader of the Opposition and to the members of the House, that the board of Flyer, the reconstituted

board of Flyer, have done probably the most effective job that I have ever seen a board do representing the government as the board of one of its Crown corporations; who in turn formed a management committee, Mr. Speaker; who are deserving of a great deal of credit for having taken a company along with the work people at Flyer, and bringing it from a position of losses in the millions two years ago to a break-even spot in this last year, and hopeful of showing some black ink this year. Mr. Speaker, a co-operative effort undertaken by the management committee of the board with the full backing of the board, without the involvement of the Minister in any way, shape, or form, and appearing to take any credit, but having brought that company around as a combined effort. If there are some jilted lovers in the process so be it; that's the way things happen.

**MR. PAWLEY:** Mr. Speaker, then further to the Minister by way of supplementary, if indeed the Minister is so proud of the turnabout over the past year and if the Minister is so pleased with the performance of the Board and of the management, can the Minister then advise as to the reason or the explanation for the fact that the Acting Manager during the material period in time was in fact laterally transferred and replaced by personnel from outside the company?

**MR. CRAIK:** The Leader of the Opposition has put his point very well and he has said it all. The member who was asked from the company on an acting basis to act as the operating manager of the company in the interval while the board and the management consultants were doing a country-wide search, did his job well and his work was appreciated, but there was never an undertaking to that person that he would be the CEO; otherwise, he would have been told that earlier on.

**MR. PAWLEY:** Mr. Speaker, further to an article in this week's Business Week, which points out that with companies that are up for sale, that there follows a problem dealing with personnel rates and unfair competition and low morale. Can the Minister advise whether or not the continued delay on the part of the First Minister and himself to meet with those that signed the petition, the management of Flyer, indeed is not hurting the morale in Flyer and indeed is not hurting the future prospect for Flyer by the fact that they have continued to ignore the request for a meeting since February 5th, and subsequent February 15th of this year, and to provide those that signed the petition with any explanation or any reference or any explanation as to the allegations that were contained within that petition?

**MR. CRAIK:** Mr. Speaker, the member should know something of what he speaks, because when he was sitting in the government for some eight years, they followed procedures which were procedures that are standard practice; that is, to look at top management and to take the responsible actions that have to be taken with Crown corporations to bring people in when necessary and in their discretion they feel it should done. I want to point out to him though that what he is suggesting here is that the Board of

Directors of this Crown investment should not be given powers.

I have to tell the Leader of the Opposition again that this is one of the best examples of a Board of Directors having diligently went about their responsibilities and turned that company around with the assistance, the invaluable assistance, of the staff and I have heard no rumblings of discontent coming from the people through the Board that are doing the work.

Mr. Speaker, to reply to the Leader of the Opposition, the matters that are under way at Flyer have been referred to the Board. As far as I'm concerned the Board is the group that has to deal with these matters and they are doing a very good job and so are the employees at Flyer.

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

**MR. SIDNEY GREEN:** Yes, Mr. Speaker, I'd like to address a question to the Deputy Premier.

Can the Deputy Premier advise us that as a result of the meeting that is now being held in Winnipeg relative to the patriation of the Canadian Constitution, that the Provincial Premier will be certainly making it known to the people of Canada that 10 out of 10 Premiers are in favour of patriating the Constitution; that the amending formula, if it is not agreed to, can be awaited and it can be patriated without an amending formula; and that none of the Premiers are contrary to an immediate patriation of the Constitution with no amendments?

Can we be expected that such an announcement will be coming out of Winnipeg today?

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

**MR. CRAIK:** Mr. Speaker, the Member for Inkster and the Leader of the Progressive Party certainly has the important matter of the day in hand when he asked that question.

I would like to be able to answer his question directly, but in view of the fact that the meetings are currently under way, I don't think it's really appropriate and I trust that the Premier can answer his questions in the affirmative tomorrow.

**MR. GREEN:** Mr. Speaker, can the Deputy Minister advise the House and the people of Manitoba whether it is not a fact that the Prime Minister of Canada, who refers to his political adversaries as cowards, obtained the approval of the Premier of Ontario to patriation on the specific understanding that he would not require entrenchment of the official language of French in the Province of Ontario, that he did not have the courage to do that, but he refers to his political adversaries as cowards?

Is it a fact that that's why Ontario is supporting it, because Trudeau backed off asking for official language status in the Province of Ontario?

**MR. CRAIK:** Mr. Speaker, there is no doubt that the Member for Inkster will receive a high degree of support in taking that position from both sides of some Houses, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for Inkster with a final supplementary.

**MR. GREEN:** Mr. Speaker, can I ask the Deputy Premier to see whether today, he can convey to the Premiers and other people meeting in Winnipeg a message that Mr. Davis of Ontario should be approached to indicate that he along with all of the nine other Premiers, and Mr. Hatfield as well, all 10 Premiers, agree to patriation of the Constitution, that there is no disagreement with respect to that; that the only disagreement is, as to whether England should pass laws which we in the future will never be able to undo?

**MR. CRAIK:** Mr. Speaker, the member again drives home the central points and I agree with much of what he says and I know there are many others who do. Again, the meetings are under way at the present time, I certainly hope that the points that he has made are not lost on the meeting, and I know they aren't.

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

**MS. WESTBURY:** Thank you, Mr. Speaker. My question is addressed to the Honourable Minister of Energy. In view of the Minister's commitment on March 17th in this House, Mr. Speaker, to the effect that any transaction with regard to power export will be self-sustaining, stand on its own, pay for itself, and produce a return for the people of Manitoba, has the Province of Alberta committed to a price to Manitoba power above its domestic alternatives to guarantee the return, which the Minister has committed to this House and to the people of Manitoba?

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

**MR. CRAIK:** Mr. Speaker, the introduction to the Member for Fort Rouge's question is one that again I would indicate are the conditions upon which Manitoba approaches these negotiations. I would add to that though that the negotiations are still under way; they are under way not only with Alberta, but with Saskatchewan as well, and I would expect that whatever arrangements are made on pricing will be very similar in both cases.

**MS. WESTBURY:** Well, Mr. Speaker, I wanted to ask a question relative to the Saskatchewan Premier's statement that Manitoba power would cost more than Power Saskatchewan could produce from alternative sources for at least a decade, and I want to ask the Minister if the current stumbling block in negotiations is the fact that Alberta is prepared to pay a price for Manitoba power in excess of domestic alternatives, but Saskatchewan is not?

**MR. CRAIK:** Mr. Speaker, as I recall, the Premier of Saskatchewan also made reference to the fact that he would have a deal signed by the end of March if he could write his own ticket. It could well be with the comments being identified by the Member for Fort Rouge and attributed to the Premier of Saskatchewan, that he may again be attempting to strike a negotiating position.

**MR. SPEAKER:** The Honourable Member for Fort Rouge with a final supplementary.

**MS. WESTBURY:** Mr. Speaker, in view of the recent announcement by the government of a major loan from the Alberta Heritage Fund at 14 percent for Manitoba Hydro capital requirements, does the Minister expect that the Alberta Heritage Fund will be the source of funds for the capital requirements of the Western Hydro Grid?

**MR. CRAIK:** Mr. Speaker, I want to thank the Member for Fort Rouge for asking these important questions, because nobody else again appears to show any interest across the way. The answer to the question, Mr. Speaker, is that this matter of financing is under discussion with the Province of Alberta.

## INTRODUCTION OF GUESTS

**MR. SPEAKER:** Order please. If I may ask the indulgence of the members, I would like to at this time introduce 30 students of Grade 9 standing from Sargent Park School under the direction of Mr. Luckie. This school is in the constituency of the Honourable Member for St. Matthews.

We also have 45 students of Grade 9 standing from the Joseph Wolinsky College under the direction of Mrs. Conner and Miss Mayne. This school is located in the constituency of the Honourable Member for Inkster.

On behalf of all honourable members, we welcome you here this afternoon.

## ORAL QUESTIONS (Cont'd)

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

**MR. HARVEY BOSTROM:** Thank you, Mr. Speaker. My question is for the Minister for the Environment. I would ask the Minister when he expects his department to report on the possibility of dangerous chemical contamination of Winnipeg's water supply from the proposed mine-mill development on the shores of High Lake, which is a tributary of Shoal Lake?

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

**HON. GARY FILMON (River Heights):** Thank you, Mr. Speaker. As I indicated earlier, that matter is currently under review by my departmental officials and I would expect a report in the not too distant future.

**MR. BOSTROM:** Mr. Speaker, a supplementary to the same Minister. Will the Minister accept the recommendation of the Opposition and demand that there be a complete independent environmental impact study done on this particular project and, further, demand that no similar project be developed in that area to impact on the Winnipeg water supply without having a proper independent environmental impact study made on each and every project?

**MR. FILMON:** Mr. Speaker, I can assure the member that we will take into account all alternatives and we will certainly review the advice of the Opposition in this regard as well. Thank you.

**MR. SPEAKER:** The Honourable Member for Rupertsland with a final supplementary.

**MR. BOSTROM:** Mr. Speaker, I would ask the Minister if he is merely giving us assurances, as he did during the Estimates process, or if he has in fact taken any action to date with respect to contacting the Ontario Ministry of the Environment and/or the Federal Minister of the Environment to ensure that there is some protection, other than simply the Minister giving us his assurances, which have not proved to be worth very much in the past?

**MR. FILMON:** Mr. Speaker, ignoring the cheap shots from the Member for Rupertsland, I can confirm that prior to his becoming interested in this issue, there were many contacts by my department with interested parties with respect to this proposal, and that prior to his comment in the House last week a Telex was sent by my Deputy Minister to his counterpart in Ontario seeking certain assurances. I have a copy of the Telex, which I would be happy to share with him if he is interested in it, after the question period.

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

**MR. SAUL CHERNIACK:** Thank you, Mr. Speaker. I would like to address some questions to the Minister of Labour relating to answers under the question period.

Firstly, on March 13th, the Minister undertook to give us information regarding the relationship of compensation rates being paid by Saskatchewan and by Manitoba. Does the Minister now have the response to that question?

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

**HON. KEN MacMASTER (Thompson):** I'll deliver that to the member as soon as I get it, Mr. Speaker.

**MR. CHERNIACK:** Mr. Speaker, further to question period, the Honourable, the House Leader suggested that we ask Ministers, and it's the Minister of Labour I'm asking now, as to when we can expect the filing of a return for the questions dealing with appointments to boards, commissions, particulars of staff in various departments of the government, which were agreed to April 8th, 1980, April 17th, 1980; when can we expect to get those answers, Mr. Speaker?

**MR. MacMASTER:** I'll get the member an answer to that question by tomorrow, Mr. Speaker.

**MR. SPEAKER:** The Honourable Member for St. Johns with a final supplementary.

**MR. CHERNIACK:** Thank you, Mr. Speaker.

Finally, I directed a question to the Minister, be it not under question period but just before that under Ministerial Statements, asking the extent to which we could expect that his department, or that part of his department which is dealing with the question of compulsory retirement, would be working with the Commissioner, Marshall Rothstein, who has been appointed and is to report back to the government and to the people of Manitoba dealing with the question of compulsory retirement because of age?

**MR. MacMASTER:** I believe during my Estimates, Mr. Speaker, the same member asked the same type

of question, but I said I would be forwarding any information I had on the matter to Mr. Rothstein.

**MR. CHERNIACK:** Just on a point of privilege, I would point out to the Minister of Labour, through you, Mr. Speaker, that at no time was mention made of Mr. Marshall Rothstein's appointment during the time that he and I discussed this question at the Labour Estimates, and therefore he could not have answered my question which could not have been directed to him since the timing was not appropriate for that.

**MR. MacMASTER:** Well then, Mr. Speaker, I've said it in the House; I'm not sure exactly where I said it, but I don't think it's very important. The point is the information that I gather will be forwarded to Mr. Rothstein.

## INTRODUCTION OF GUESTS

**MR. SPEAKER:** The Honourable First Minister.

**HON. STERLING R. LYON (Charleswood):** I wonder if I could take the opportunity to introduce a number of distinguished visitors to the House who must leave very shortly.

As you are well aware, Sir, and members of the House are well aware, there is a meeting going on today with respect to the Constitution of Canada and I should like to take the opportunity to introduce to all members of the House the Honourable Fred Driscoll, the Minister of Education of Prince Edward Island; the Honourable Edmund Morris of Nova Scotia, the Minister of Inter-Governmental Affairs; the Honourable Roy Romanow, the Attorney-General of Saskatchewan; the Honourable Dick Johnston, the Minister of Inter-Governmental Affairs, the Province of Alberta; and the Honourable Garde Gardom, the Minister of Inter-Governmental Affairs, the Province of British Columbia; along with heads of delegations from other provinces not represented by Ministers; and officials of eight provinces of Canada, who, Sir, are in your gallery as well.

I'm sure the House would like to bid them welcome.

## ORAL QUESTIONS (Cont'd)

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

**MR. GREEN:** Yes, Mr. Speaker, the First Minister having returned, I would like to now ask the question which I asked earlier in the question period.

Can the people of Canada expect from the meeting that has been held today, that it will be made perfectly clear that 10 out of 10 provinces in this country are in favour of patriation of the Constitution, that there is absolutely no argument about that, and that 10 out of 10 provinces would even be prepared to have it patriated with the same amending formula that exists at the present time, and that there has not been in the last months and is not at the present time any disagreement that Canada should have its own Constitution at home; that any disagreement that does arise, arises from the fact that the present Federal Government is trying to change laws so that there can never be a change by future Parliaments?

**MR. SPEAKER:** The Honourable First Minister.

**MR. LYON:** Well, Mr. Speaker, it would be extremely difficult and I would say not appropriate for me to attempt to make statements on behalf of seven other provinces in Canada with respect to the matters that my honourable friend has raised and which he has raised before in this House.

Let me say, totally devoid of the meeting that we are engaged in today, that certainly the position that he has proposed; namely, that the 10 provinces of Canada favour patriation, that statement is true, not as a result of today's meeting, but from the historical record and that the provinces of Canada last September, as has been indicated before in this House, had reached general agreement on a general amending formula known as the Vancouver Consensus and that to the extent that there are spokesmen in this country, be they the Prime Minister or other spokesman, who try to indicate otherwise, they are indicating something that is contrary to the historical record.

I can only assure my honourable friend that with respect to the meeting that is taking place today, which has not concluded, that as in past meetings, I'm sure that the governments represented will continue to strive to do those things on behalf of the unity of Canada that are best directed toward maintaining the unity of Canada and the Federal system in this country, and the Parliamentary system in this country, which is what all of the Canadian people desire.

**MR. GREEN:** Mr. Speaker, in view of the fact that the Prime Minister of this country has referred to his political adversaries as cowards, I wonder what the First Minister of this province would say about a Prime Minister who intends to pass laws, create a mess, never face Parliament again, never face the country for election again, and leave others to clean up the mess which he has made.

**MR. LYON:** Well, Mr. Speaker, I hardly believe that this is the occasion, Sir, for me to be commenting upon comments by the Prime Minister of Canada, suffice it to say and to repeat what I've been saying, what I said just before I took my seat, that I'm convinced that the eight governments represented here today are doing those things that are best calculated to ensure that the federal nature of this country is preserved, notwithstanding any irresponsible actions that may be taken by the person who temporarily holds the office of Prime Minister of Canada.

**MR. SPEAKER:** The Honourable Member for Inkster with a final supplementary.

**MR. GREEN:** Mr. Speaker, in view of the fact that the First Minister is back, I'd like to ask a question, which I asked earlier; whether it is not a fact that the Prime Minister, who refers to his adversaries as cowards, got the consent of the Province of Ontario to his plan on the basis that he would not impose on Ontario French language official status, and that is the basis, and that he has backed away from that proposition in order to get the consent of the Province of Ontario to his total proposal?

**MR. LYON:** Mr. Speaker, I can't comment on bilateral arrangements that are made or alleged to

have been made between the Prime Minister of Canada and the Premier and the Government of Ontario. I can only comment on what I deduce to be the common purpose of the governments that gathered together in Winnipeg today at a series of meetings that we have been holding over the past several weeks, and that is to do precisely as I have said before, to come up with a position that represents more truly than the Federal Government's position, the federal nature of this country, so that we can continue in this country of ours to have a federal democracy, a federal parliamentary democracy, which has worked very well for the last 113 years and which can continue to work in that way provided none of the partners to this contract, be they the Federal Government or the individual provinces, try to act unilaterally or in a way that would destroy that union.

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

**MR. RUSSELL DOERN:** Thank you, Mr. Speaker, it's always easy to look good when someone is fed an easy ball over the plate, not too hard to hit.

**MR. SPEAKER:** Order please. Order please. Thank you.

The Honourable Member for Elmwood.

**MR. DOERN:** Thank you, Mr. Speaker. Mr. Speaker, it's just that I recognize a setup when I see one.

I would like to address a question to the Minister of Education and ask him whether he can confirm that the provinces new educational support program, which is adversely affecting a number of school divisions in Manitoba and thousands of taxpayers, is based on the relative positions and programs of the 1979-80 status quo, which freezes certain kinds of programs and relative strengths, and that it will be extremely difficult for weaker divisions to equal average school divisions, or for average school divisions to improve or enrich their programs to equal the stronger or more rounded school divisions in the province?

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

**HON. KEITH A. COSENS (Gimli):** Mr. Speaker, the new program is based on the 1980 situation in each school division and certainly it will be embellished each year by the CPI index. It results in added numbers of dollars accruing to each school division and does provide for an expansion of programming.

**MR. DOERN:** Mr. Speaker, I would ask the Minister if it isn't true that taxpayers in the divisions will have to foot the bill for any improvements regardless of this so-called enrichment of the new support program, that the basic improvements will fall on the taxpayers aside from what the Minister says he intends to do, and that few divisions, if any, can stay within that 10.7 percent guideline that the Minister is throwing around?

**MR. COSENS:** Not correct, Mr. Speaker, and I will be very pleased when I get into my Estimates to provide the honourable member with a list of the

divisions that are able to stay within that particular guideline, if you wish to call it that. I have had no problem at all and as a result the majority of taxpayers in this province will not see an increase in their school property tax.

**MR. SPEAKER:** The Honourable Member for Elmwood with a final supplementary.

**MR. DOERN:** My information comes from Winnipeg School Divisions, and I don't know what the Minister is referring to.

I would like to ask him whether he has received a complaint in his discussion with Transcona-Springfield about changing the rules in the middle of the ball game; where Transcona-Springfield was given permission to build three new schools and while they are in the process, the rules have now been changed and they will be adversely affected by those new rule changes? Did he receive that type of a complaint from the members of their board?

**MR. COSENS:** Mr. Speaker, I have had the opportunity to meet with the Transcona-Springfield School Division. We discussed many matters. I don't remember discussing that particular matter, and in any event the rules have not changed as far as school buildings are concerned.

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

**MR. BILLIE URUSKI:** Thank you, Mr. Speaker, I direct this question to the Minister of Natural Resources, and ask him that in view of the widespread concern that we are in an early drought situation as of now, and the concern that it will create another spring of serious forest fires; what steps is the Minister taking to ensure that additional aircraft are available, if necessary, to fight early forest fires at the end of March, and early April and May?

**MR. SPEAKER:** The Honourable Minister of Natural Resources.

**HON. HARRY J. ENNS (Lakeside):** We are very much concerned about the possible difficulties with respect to forest fires. Perhaps the biggest step that was taken was taken last year at the height of fires when an additional several millions of dollars was expended to the providing of the additional CL-215 water bomber to the fleet.

I can also indicate that preliminary discussions have been held with Colonel Cottingham of the Armed Forces to alert the Armed Forces to the possibility of having to once again call upon them for support staff should the situation develop.

I can only hope, Mr. Speaker, that we do get the necessary moisture and that we have a more normal season. The situation is very serious.

**MR. URUSKI:** Thank you, Mr. Speaker. I share the Minister's concern that we all wish for more moisture, but I would hope that the Minister now is alerted sufficiently soon enough that he can assure us that we will avoid the delays that we had last year of, for example, obtaining the arranging for aircraft from the United States and the Armed Forces, as he

has indicated that he has now placed them in alert. Can he assure us that this will not occur, the problems will not occur that have occurred last year in early notification and early readiness and preparedness for the season?

**MR. ENNS:** Mr. Speaker, let's keep it on a friendly basis. I think the effort that was expended by the Department and by private operators, whose interests were at stake, by the Armed Forces, all coupled together in producing a very massive and a first-rate fire suppression effort in last year's bad outbreak of fires. To suggest that anything less than the optimum was attempted is simply not correct, and I am simply saying to the honourable member, Mr. Speaker, that we are, of course, cognizant of the kind of weather conditions that are prevailing and we are readying ourselves in terms of additional men; in terms of, yes, setting aside some dollars; in terms of some having in place some additional equipment and working co-operatively with the private operators, including some of the people on the scene, whether it's the Abitibi Corporation, in working out fire plans with the companies and persons who have direct interest in the forestry field.

**MR. SPEAKER:** The Honourable Member for St. George with a final supplementary.

**MR. URUSKI:** Yes, Mr. Speaker, the issue was not whether the staff were not doing their job. Certainly the work of the volunteers and the employees and the Armed Forces were commendable; it was the government who wasn't ready, Mr. Speaker.

Mr. Speaker, what action has the Minister taken to follow up on the proposal that was made last year by our Leader, Ed Broadbent, and subsequently taken up by the Federal Government dealing with the national fleet of water bombers for this country, Mr. Speaker?

**MR. ENNS:** Mr. Speaker, I hadn't the opportunity Wednesday last to raise the matter with the Honourable Mr. Roberts, the Minister of Environment, who was attending Climatologist's Seminar in Regina. The interest of raising some kind of a national fire fighting force was expressed last year at the height of the forest fires. We have a great deal of difficulty in seeing the merits to an integrated plan. The timing of fires is such that it would be very difficult to have some other authority tell us when they can use our aircrafts when we are concerned about life, safety and our forest resources in this province.

We do look, and I did request of the Minister a great deal more co-operation from the Armed Forces and of making it a little easier to click in the Armed Forces on a faster and a more efficient basis.

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

**MR. J. WALLY MCKENZIE:** Mr. Speaker, I have a question for the Honourable Minister of Economic Development.

I wonder if I could ask the Minister if he has received a copy of the Winnipeg Real Estate News, March 13th, which says that, "Manitoba's Growth, The Highest In Canada." Mr. Speaker, the paper refers to Statistics Canada showing that in the

manufacturing sector, the Province of Manitoba has led Canada for the last two years. I wonder if the Minister has received a copy.

**MR. SPEAKER:** The Honourable Minister of Economic Development.

**HON. J. FRANK JOHNSTON (Sturgeon Creek):** Mr. Speaker, I must say I haven't had the opportunity to read the article and I certainly will, but if what the Member says is factual, that the article says that Manitoba has led in increase in manufacturing in Canada for the last two years, the article is correct.

**MR. MCKENZIE:** Mr. Speaker, another question. I wonder would the Honourable Minister have copies made available to the members opposite; especially show them this article, "Winnipeg Where The New West Begins", especially that article, Mr. Speaker. Would you have copies distributed to members opposite?

**MR. JOHNSTON:** Mr. Speaker, I'd gladly have copies made for the members opposite, but they don't really want to hear news like that about Manitoba.

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

**MR. CHERNIACK:** Thank you, Mr. Speaker. In view of the fact that we would like facts from the government's side, I would like to ask the Honourable, the Minister of Education whether we have been correctly informed that the Transcona School Division is showing the lowest per pupil costs, and at the same time has been told by the Honourable Minister of Education that they're planning to spend too much money; is that a correct statement.

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

**MR. COSENS:** No, Mr. Speaker.

**MR. CHERNIACK:** Would the Minister care to inform us what his view, stated view and otherwise, is of the Budget of the Transcona School Division, since I assume he has studied it?

**MR. COSENS:** Mr. Speaker, I think I made my position quite clear, and we have in introducing the new Financing Program stated that School Boards that were able to hold their Budgets at the CPI increase would see no increase in the Property Tax in their particular School Division. In the case of Transcona-Springfield, they chose to go beyond that CPI index and as a result are experiencing an increase in their School Tax.

**MR. CHERNIACK:** Mr. Speaker, in view of the fact that Transcona seems to have the lowest per pupil cost in Greater Winnipeg, does the Minister say that they have no right to try and improve their standards of education to a level which would be more comparable to that of the other school divisions, because they've gone beyond the CPI cost? Are they supposed to stay at that low level?

**MR. COSENS:** Mr. Speaker, first of all, the honourable member says that they have the lowest per pupil cost; I do not believe that is correct and I will bring him the figures to substantiate that statement tomorrow in this House.

**MR. SPEAKER:** Order, please. The time for question period having expired, we will proceed with Orders of the Day.

## ORDERS OF THE DAY

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

**HON. WARNER JORGENSON (Morris):** Mr. Speaker, I move, seconded by the Minister of Health, 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 to consider of the Supply to be granted to Her Majesty, with the Honourable Member for Radisson in the Chair for the Department of Community Services, and the Honourable Member for Virden in the Chair for the Department of Energy and Mines.

## CONCURRENT COMMITTEES OF SUPPLY

### SUPPLY — COMMUNITY SERVICES AND CORRECTIONS

**CHAIRMAN, Mr. Morris McGregor (Virden):** I call the Committee to order. We are on Community Services and Corrections, Page 23, 1.(a)(1) — the Honourable Minister.

**HON. GEORGE MINAKER (St. James):** Mr. Chairman, I would like to make an opening statement in introducing my 1981-82 Estimates.

First, I would like to recognize the advice and support that I have received from my Deputy Minister, Mr. Ron Johnstone, and the skill and co-operation of the staff of the Department of Community Services and Corrections, and the efficiency and enthusiasm of my personal office staff. All these individuals serve the department with conscientiousness and commitment and I would be remiss if I did not acknowledge their contributions with gratitude and respect.

I would particularly like to indicate that in some of our departments, with the White Paper Programs commencing this year with short deadlines, I would particularly like to thank all the staff members that were involved in making the deadlines and meeting them, and they have to be commended for it.

I would also like to acknowledge those individuals who serve the citizens of Manitoba outside the formal structure of the Department in community agencies, organizations and facilities. Their diligence, energy and dedication continues to provide our citizens with quality programs and services to meet their social needs.

During the initial period of our administration, the Government of Manitoba pursued a deliberate general policy of careful fiscal management in an

attempt to reverse Manitoba's fiscal deficit and the adverse effects of inflation. In terms of the provision of social services, this meant the allocation of available financial and human resources according to the sensitive assessment of needs and sensible goals.

By choosing a course of prudence, control and innovation, the government has been able to bring order and responsibility to the province's budget and has found that proper management of financial resources can maintain programs which are undiminished in quality and can result in additional resources to develop new services.

The Department of Community Services and Corrections continues to concentrate its resources on measures to assure that programming is both adequate to meet the demonstrated needs of our citizens and responsive to the changing and emerging requirements of our evolving society. In this context, my department's 1981-82 Estimates reflect the ongoing development of social service for Manitobans.

Initiatives in the fiscal year 1981-82 are based on two guiding principles: First, our government's responsibility to ensure the provision of programs and services designed to assist those individuals with demonstrated social needs; and second, our commitment to develop a continuum of service in each of the department's areas of responsibility, providing programs on the basis of identified individual requirements.

These principles are supported in my department's Estimates through increased funding to providers of social services and expansion in service areas demonstrating a need for further programming.

Under the Office of Residential Care, funds for two additional staff have been provided to ensure the effective administration of licensing procedures for community residences for the mentally handicapped and infirm elderly in Manitoba. This initiative represents a program expansion for the Office of Residential Care, which has to date regulated non-institutional facilities for children and adults.

Under the Community Health and Social Services, Regional Operations, the regional community operations will be expanded in 1981-82 through the establishment of 24 new field positions to provide increased levels of public health nursing services, and increased homemaker, vocational rehabilitation, community mental health and mental retardation services.

You will be asked to approve increased rates for homemakers, and increased rates used to purchase services from the Victorian Order of Nurses, including new funds for VON home care co-ordination from the Victoria, Concordia, and Seven Oaks General Hospitals.

Funds have been increased by 13 percent to provide and social and recreational activities for senior citizens attending programs operated by the Age and Opportunity Centre, Inc. In addition, increased grants will be provided to the Brandon Senior Citizens, Inc., and Meals-On-Wheels, and \$30,000 will be made available for new senior centres in rural Manitoba.

A grant totalling \$49,200 will be made to the Thompson Crisis Centre to support the Agency's activities in responding to crisis situations and

increased funds will be provided to Indian and Metis Friendship Centres, as well as the addition of five Friendship Centre staff in Winnipeg, and one each in Dauphin, The Pas and Thompson.

A grant totalling \$677,100 will be made to Indian and Metis Friendship Centres in Manitoba to assist in the provision of additional staff. These funds represent a substantial increase over the 1980-81 grant.

In the Child and Family Services section, recognizing that Manitoba's children are the province's richest resource, my department's programs for children are designed to care for those in need of protection and to provide guidance and counselling for individuals and families requiring these services.

You will be asked to approve additional funds for the Children's Centre Child Abuse Program, to provide direct pediatric services to mistreated youngsters, and to establish a parent aide demonstration project to provide support services to abusing parents in an effort to halt incidents of child abuse.

In co-operation with the Federal Government and the Four Nations Confederacy, an agreement is being developed for the delivery of Child Welfare Services on Indian Reserves to ensure effective programming for native children.

Provisions have been made for funds to microfilm provincial adoption records. This initiative assumes greater importance with the introduction of my department's voluntary Post-Adoption Registry which will enable natural parents and their children to contact each other. Funds have also been provided to mechanize the Directorate's statistical system to streamline the maintenance and monitoring of files.

The Department continues to develop improved and expanded services for children in care, and funds are provided to increase foster home and institutional per diem rates to meet rising operational costs, and to encourage more individuals to undertake foster parenting in their homes.

Funds are provided for additional staff training and orientation for Family Services of Winnipeg Homemakers providing special dependent care to families with children, where one parent is absent, ill or disabled. The service provides support to maintain and strengthen family life in situations which would otherwise result in family disintegration or the parent's withdrawal from the work force. It is also intended to prevent child neglect, child care agency intervention and social allowance enrollment.

Provisions are also made for expanded services and improved resources for Children's Aid Societies in the province, including funds for additional staff training for central, eastern and western societies, and increased staffing for the eastern and Winnipeg agencies. Similarly, the Children's Home, Marymount, Sir Hugh John MacDonald, and Knowles Centre facilities will receive assistance in providing increased staff training. The staff complement at the Seven Oaks Centre for Youth has also been increased.

A \$13,000 grant will be made to the Manitoba Foster Parents Association to assist in the organization's efforts to encourage foster parenting in the province. Grants will also be made to the Big Brothers and Sisters associations of Manitoba to support volunteer initiatives.

In the Rehabilitation Services, in 1981, the International Year of Disabled Persons, the movement to promote greater public awareness and involvement in improving services for the handicapped will be continued. The Manitoba Organizing Committee received a \$30,000 grant during 1980-81. Our Estimates include provision in 1981-82 for an additional \$90,000 grant to the committee in support of its activities during the year.

Under Community Mental Retardation Services, the department supports the general objective of continuing improvement of services for the mentally retarded, including the development of community-based programming. This year, we will continue the steady and substantial increase in support of mental retardation services, including the implementation of additional services in response to demonstrated needs.

In addition to the 30 community residences currently approved or in operation in Manitoba, provisions have been made for the establishment of four new residences at a cost of \$185,000.00. Training fees for clients of community residences will also be increased.

Funds will continue to be provided to families caring for severely and profoundly mentally retarded children at home to reduce the need for institutional care. The success of our department's Respite Care Program, which provides support and relief to families caring for mentally retarded children and adults has resulted in increased allocations for the service this year.

Day activity centres provide alternative programs for older mentally handicapped adults and those whose functioning level does not enable them to benefit from present facility programs. Funds for life skills and social training, available at the centres, have been increased. Similarly, the Infant and Child Development Program will be expanded to provide developmental training to assist handicapped children to enter the day care and school system.

Supervised apartment living programs will receive \$100,000 to provide independent living experience for approximately 100 mildly retarded adults.

Grants will be made to the Steinbach Development Centre to provide developmental training to the severely and profoundly retarded, the North Winnipeg YMCA Summer Day Program for the severely retarded and multiply handicapped and the Montcalm/Gorden Bell Special Education Program for school-aged severely retarded and multiply handicapped children.

The Manitoba Special Olympics will receive a \$9,000 grant in recognition of the organization's activities in the field of recreation and volunteerism.

Our department is awaiting the report of the Task Force on Mental Retardation which is expected to be completed shortly. We are hopeful that the Task Force's recommendations will outline further improvements to mental retardation programming consistent with the initiatives undertaken to date.

In the region of Institutional Mental Retardation Services, our department continues to recognize the need for institutional mental retardation services for those individuals requiring intensive supervision and protection. Provisions have been made for an additional 15 staff man years at the Manitoba School to strengthen the existing staff complement.

Funds have also been allocated for continuing fire and safety improvements at the school, as well as the construction of a new physical activities building.

The per diem rate at the St. Amant Centre will be increased, and additional staffing funds will be allocated.

The Pelican Lake Training Centre for the Mentally Retarded, operated by the Sanatorium Board of Manitoba, will receive a 10 percent increase in operating costs, additional staff and funds for fire and safety renovations.

In the field of Rehabilitation Services to the Disabled, the Rehabilitation Services to the Disabled will be expanded by providing increased programs for the post-mentally ill in rural areas of the province, and two new programs to facilitate the employment placement of handicapped persons.

Manitoba's 21 Occupational Activity Centres will each receive monthly fee increases and a \$5,000 maintenance grant to assist in the provision of employment training and job placement.

In addition, a new centre will open this year to service clients in the East Kildonan area.

As well, the St. James-Assiniboia Occupational Activity Centre, which was announced in last year's Estimates, will become operational in the next few weeks.

Funds are also provided for a volunteer coordinator to recruit and train volunteers involved in providing services to the disabled; training staff who will in turn train counsellors and workshop employees; and to provide a blind children's occupational therapist and equipment technician at the CNIB.

Increased grants will be made to the Society for Crippled Children and Adults and its Employment Preparation Centre; the Vocational Rehabilitation Programs and Sheltered Workshops at Skills Unlimited and A.R.M. Industries in Brandon; and Ten Ten Sinclair's Residential Program for moderately to severely handicapped adults.

The Manitoba Council of Rehabilitation Workshops will receive a \$22,000 grant to develop standards for Vocational Rehabilitation Workshops and Occupational Activity Centres.

Under Employment Services, our department continues to recognize the needs of those Manitobans who have difficulty in finding and maintaining employment, and provides assistance through technical, vocational and social skills training.

A New Work Activity Project at Gimli will be established for 20 clients and staffed by four trainers to provide job assessment, training placement and follow-up.

Under Social Securities Services, our department continues to direct its attention and support to those citizens who have the most need for assistance.

In the Income Security field, these initiatives have focused on senior citizens, pensioners under the age of 65, widows, people raising children on low incomes, single-parent families, the disabled, and those who need assistance and training to become employable and self-sufficient.

Social allowance rates continue to be indexed upward to recognize the increasing financial needs of sole-support mothers, the aged and those who are unemployable because they are physically or

mentally handicapped. Funds have been provided for a 10 percent increase in fixed rates for food, clothing, personal, household and board and room items, and a 12.5 percent increase in variable costs for utilities, shelter and heating.

A concentrated review of Income Transfer Programs has resulted in the implementation of Manitoba's White Paper Reforms, a series of programs designed to provide extra financial help to those who are most in need. The Department of Community Services and Corrections is responsible for a number of the new White Paper Programs. You will be asked to approve funds to provide these increased benefits to senior citizens, pensioners, and low-income families with children through the following programs: The Manitoba Supplement for Pensioners Program, which replaced the Manitoba Supplement for Elderly Program on September 1, 1980. The new program has doubled the maximum benefit levels; extended benefits to persons 55 to 64 years of age; and extended the income levels at which individuals are eligible for the program. Our Estimates include provision of \$4,765,000 for the MSP Program in 1981/82.

The Child Related Income Support Program, known as CRISP, which was implemented on January 1, 1981 to provide eligible families with net annual incomes of \$7,500 or less, \$30.00 per month per child to assist with the costs related to caring for children. Our Estimates include provisions of \$16,775,000 for CRISP in 1981-82.

Day Care and Noon and After-School Services: Pre-school day care services have been increased in existing day care centres. New day care spaces have been brought onstream and more noon and after-school programs have been established. These initiatives will be continued to enable working mothers to pursue their careers and build greater independence for themselves and their families.

Funds have been provided for increased subsidies for family and group day care and noon and after-school services; increased maintenance grants for pre-school family and group day care and noon and after-school programs, and audit grants for group day care centres. Provision has also been made for increased supplementary daily grants and start-up grants for centres caring for handicapped children.

Our department has a goal to bring 3,200 new day care spaces onstream by the end of the fiscal year 1981-82 by expanding existing programs and establishing new services.

Corrections and Probation Services: Adult and Juvenile Correctional and Probation Services provide a spectrum of services and facilities for offenders to ensure adequate supervision and effective service provision. A new adult corrections institution at The Pas is scheduled to open this year. Funds have been included to provide 18 additional correctional staff throughout the adult system and for fire, safety and security renovations at the Headingley, Dauphin, and The Pas facilities.

Grants have been increased to private agencies providing counselling and rehabilitation services to adult inmates, such as the John Howard and Elizabeth Fry Society, Native Clan and Open Circle, and to the network of Halfway Houses in the community providing alternatives to institutional incarceration.

Frontier College, a non-profit national education program which provides training opportunities to the disadvantaged and illiterate, will receive a \$10,000 grant to provide services to adult inmates.

A \$5,500 administrative grant will be made to the Canadian Congress of Crime Prevention, to be held in Winnipeg this summer, attracting internationally-recognized experts in this field.

Under Staff Training, we recognize the importance and valuable contributions of departmental staff. Our Estimates include provisions for enhanced staff development and training, with special emphasis on practical, job-related training programs designed to improve employee effectiveness.

Mr. Chairman, I thank you and the members for permitting these opening statements. I look forward to the questions and debate on the 1981-82 Estimates of my department. I will try to be brief with my answers when questions are raised, and complete, and hopefully we can maybe even set a record this year on the handling of these departments.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. LAURENT L. DESJARDINS:** Mr. Chairman, first of all, I would like to thank the Minister for those opening remarks and also for having provided us with the written text, which is always easier to follow and easier to refer to when you need to during the debate.

Mr. Chairman, in answer to the last suggestion of the Minister, I wish to say that we also intend to cooperate, as we have in the past, but I think with something added this year; I think we did break records in the last two or three years for the Department of Health and this department when they were together and even after that. You can repeat things so many times and then there's not much point. I am very pleased to see that by repeating and by bringing some, which we felt, and which we tried to give in a constructive manner, I think that we help in having the Department and the Government go in the direction that we felt they should be going.

Mr. Chairman, therefore I think that normally, unless something happens, and you never can tell during committees, we've had that experience before, I think that my colleague and myself intend certainly to deal with this department in a shorter time than we have before. I might say that, and I don't feel defensive, in fact there has never been any accusation from the government during these years, that we took our responsibility very seriously. We took a long time because we went out in a lot of areas, but I think that, if anything, it was helpful to the new Ministers at the time to really get to understand and to know; they had to be able to answer, to know their Department very fast. I think that this is something that was needed, was important, and we feel that we have achieved our aim in many many ways, because many of the things that we have been talking about, that we have been saying should be done, are now being done. There is much more money that is being spent this year than has been in the past and there are many of the things that the Department and the Government — I might say here that when I talk and when we address our remarks to the Minister, nothing is aimed at the

Minister personally unless we say so and explain that. He knows that collectively he has to accept the responsibility of the government and most of these things that we're not pleased with took place earlier in the life of this government.

I might say, Mr. Chairman, that I had very little, if anything, prepared to say at this time, but no doubt the Minister gave us quite a bit of ammunition. I would like to start on page 2, because we heard so many things. We heard that the departments — I'm dealing with this department because that, as you know, was my responsibility — that things were in a mess, that there was very poor administration, we had too many staff and we were throwing money at problems and there were scandals and so on, but that was never in fact the Ministers succeeded themselves, they'd say that had not necessarily been the case in these departments.

Now it seems that the government is spending money after at times cutting, without showing too much mercy in some instances, and thinking that they were going to be very much efficient, learned the lesson that most politicians do, that when you are sitting on the outside it's always easy to do certain things, and to run a department very efficiently and you can always criticize people for wasting money, or spending too much money. The government started with a vengeance and it cut down without really knowing what the departments were all about because they received their instruction at the time from the Minister of Finance. They certainly didn't have time to report to the Minister of Finance, or through their colleagues in Cabinet, and to say there's way too much money spent on this department. The Minister of Finance decided \$10 million should be saved, and that was after a week in office or so, that \$10 million at least should be saved from the Department. The Department then was Health and Social Development, and that would be cut. They had too many employees, gradually they are going back. We see now that there is a request for 59 new employees and there was 41 hired during 1980-81 — I don't quite understand that, we'll get to that later on — I don't know if it's the new staff that were approved, or extra. Anyway, together it makes quite an increase.

So things are back, and this is not really the time to criticize because finally I think the department, and I congratulate the department for that, I think that finally they are realizing that they have certain responsibilities and that they were going in the wrong direction and they have changed that. Mind you, they did it reluctantly and they did it by all kinds of reasons but they have never explained the situation very clearly. I think the worst thing is this, and this is shocking, on Page 2 of the statement that we had in front of us, and I must quote this, "a deliberate general policy of careful fiscal management in an attempt to reverse Manitoba's fiscal deficit and the adverse effects of inflation." Maybe I should have read the first sentence, "During the initial period of our administration, the Government of Manitoba pursued a deliberate general . . ." and so on.

Then, "The government has been able to bring order and responsibility to the province's budget. Proper management of financial resources can maintain programs which are undiminished in quality

and can result in additional resources to develop new services."

Well, Mr. Chairman, that is a lot of verbiage and that, if anything, is admitting that the government has failed, not this year, the government has failed in the early years of the government, because the Minister said that a deliberate attempt, and as I say again this is aimed at his colleague — he wasn't the Minister responsible in those days, he wasn't even a member of the Cabinet. ". . . fiscal deficit and the adverse effects of inflation."

Mr. Chairman, during the campaign of 1977 a lot was said about the biggest deficit ever, that every man, woman and child owed so much money and go back and tell your parents, kids, that you owe so much and you are just starting your life and so on, and that the inflation was bad. There was unemployment, devaluation of the dollar, and those were all reasons to say, well, we have to be careful. Then we heard, need will come, I don't remember exactly the cost, then need, and the time to tighten the belt, but that was aimed at a certain group because we took care of it by first of all increasing our salaries, increasing the salaries of the Ministers and not paying anything for the cars, putting more people on commission, cutting down on the succession duty, all the things that deals with the elite. The rest of the people, well, tighten your belt for the good of the country, and you have got to work for very cheap wages because you have got to prepare; you have got to develop a climate where business will want to come in, in other words to carry the thing. We weren't asked, thank god, to start back to slavery where wages wouldn't have to be paid.

Mr. Chairman, now all of a sudden, just about a year ago, the First Minister of this province said that he agreed with the Crosbie Budget and you remember, Sir, when the Crosbie Budget came out and I think he was the only one in Canada who said, I agree with it, but it didn't go far enough. Then the Federal Government was defeated and to the credit of the Clark Government, they went down swinging for something they believed in — they had the courage of their conviction and they went down — shortly after we had a Throne Speech that started promising things and from that minute on, with an election coming and some criticism of people unhappy, and some of the standards which had been amongst the best in both Health and in this area, amongst the best and the envy of many of the other provinces in Canada, started going down. But they were so high that we didn't notice it immediately.

But, Mr. Chairman, now the government is saying, at least they have the nerve to come out and say, well, we achieved that and now we are going to start to take care of these programs. Mr. Chairman, what is different now that you can all of a sudden forget about the principle — and I would admire the government more and I think there is such a thing as restraint — but a restraint applied fairly all across the board, not necessarily with some people because you don't trust people who say tighten the belt because they mean you, not me, somebody else. Mr. Chairman, that is my concern.

Reagan in the States is saying we've got to tighten up and everybody is clapping, but here, all of a sudden we have passed this and we can't blame

everything on the Government of Manitoba. You're not a little island, or across a big country and so close to the States — inflation, you can't change that — it's naive to think that Manitoba can bring all the policies by itself that will change evaluation and all these things. But that was the case in our time also but the government said, well we will do it. That's the only reason why I am saying this at that time.

Mr. Chairman, did the condition really change, that all of a sudden something that was needed is no longer needed? The per capita debt is about \$400.00, maybe more — well, that's before this year's Budget — \$400.00 more for every man, woman and child. So that means that you owe \$400.00 more than you did before you took office in 1977. —(Interjection)— I'm told \$600.00 and it's going up.

The deficit — we received more money from the Federal Government than ever before and I'm certainly not criticizing that — there has been a change and that was started when we were still in office but we never got the advantage of that, especially in this field. There was more flexibility, where you could plan better, where you didn't have to plan to build acute beds even if you had too many, because that was covered by Ottawa, but personal care beds weren't, and day care programs and some of these programs weren't. So that was the thing.

Now, the inflation is higher and higher and higher than it has ever been. Young people — and I'm not talking about people that are supposed to be poor by our standards — I am talking about ordinary people, the young people cannot keep their houses. A lot of them are losing their house, or will when it's being refinanced. You are talking about 17 or 20 percent, or 18 percent interest. We have to pay to our own best friend, the people that we admire so much, the Province of Alberta, who have all this money — business is business — they charged us the prime rate, the fantastic rate of 14 percent for a loan of millions of dollars.

Now, the deficit is higher. It is a different setup if we include the capital. Of course, there was no construction at the time, in the first few years, that went down a bit but we had a program of construction and of course that resulted in more people out of work. There are more people leaving, not only leaving the province, in fact there is a reduction in total population of the province which we didn't have before. Those are factors. Inflation, I said. What else? More people out of work.

In a way, we created more jobs in Manitoba — I'll give the government that — but compared to the other provinces, we created less jobs. You have to take into consideration that one of the main reasons why there were more jobs created has nothing to do with the government but mostly was something unfortunate that happened that nevertheless have benefits, and I'm talking about the devaluation of the dollar, that you could ship more and have more people, maybe more tourists and so on, come to Manitoba and Canada. That's been one of them.

But there is nothing there, Mr. Chairman, that should save the economy. I repeat, I'm not blaming everything on the government, they blamed it on the former government, that we couldn't run a peanut

stand. Now, Mr. Chairman, the Minister is saying on Page 2 — I think he should pull that damn page out before it gets him in more trouble — but he is saying that now the time has come, we will change this. That is a ridiculous and assinine statement. It's just a change in policy, call a spade a spade, there's an election coming, to change the image of a penny-pinching people who are less concerned with a certain group of people and now all of a sudden we have these programs.

Mr. Chairman, that in itself, it's difficult to make this statement here because it should be made less to this Minister who, although was a member of the governing party wasn't a member of the Cabinet at this time, but he chose to give us this malarkey on page 2, this garbage on page 2, and there is no way we can let that pass, Mr. Chairman.

Now all of a sudden there has been a lot of money, and we'll look at this during the different lines when we look at the assessment by lines. A lot of this money, I think that was voted, wasn't spent or will not be spent. That's easy to say it's good, because you are saying, hey, this is what we are going to have, and knowing that there is no way that all that money could be spent in a short time, but then you are saying, hey, look we are good managers because we have a surplus. We have no deficit we have a surplus, we didn't spend that money. So you gain both ways.

Now, Mr. Chairman, the Minister talked about initiative, and in the short time that I have had, I looked at this document quite closely and I frankly don't see anything new. I am not saying that everything was in place, but this is something that a progressive government that is concerned, like we were, and like I hope this government is by a complete about face on the direction that they are going; I hope that it's not just for election purpose, because you are dealing with miseries of this world in this department. It's a tough department. If you say that Almighty God could create people and he leaves them with all these problems, to think that a Minister of Community Service can change all that when you deal with all the losers and the failures and the sick and the handicapped in society, is asking for quite a bit, but you have to try anyway. I don't see anything new, as I say, the programs weren't in place.

The Minister talked about residential care, that was going; we talked about our main thrust in this department was child care; we had started working on battered children; we had made mistakes, we learn by our mistakes, we tried to depopulate, if that's a word, the institutions and then we realized that we were going a little too fast, that we had nothing at the other end, or we didn't have enough at the other end to accommodate that, so we had to drag our feet again. There were some of these things done.

We had a pilot project for the elderly, we worked with the elderly. We were working on all the things that are important. The personal care home, we had an increase, maybe that was poor managing, we had one increase in personal care home per diem. We had an increase, we brought in programs such as Pharmacare and took the premiums off these things.

So, right now, looking at this, if this would be the first year, and not necessarily the dollar signs but

this thrust, this direction, I would have no difficulty congratulating the government, and I do congratulate them for this year in general. But it is not, all of a sudden, thinks that everything will be good, it is just catching up; it is not even catching up. You know all through this we are told that the St. Amant per diem will go up; it was made a big thing and we had to spend quite a few dollars to advertise that we were going to increase the people that had nothing, that had to have the supplement beside the pension, that's the worst off people in Manitoba, by \$7 and something a month; when we raise our pay, we've had trouble with the minimum wages and so on. It's certainly not extravagant and it's hardly catching up because there was a lot of damage done, Mr. Chairman.

I think that because of the general statements that were made in this document, I think that we could go ahead and see what we've really done for these people in housing, which is not all the responsibility of this Minister but of the government in housing and that, and to help these different people. We had an example a night last week of people coming here, sitting across and automatically damning anybody that dare strike.

We had an example last night of the Minister of Health who was saying that they gave a 13 percent, Oh, I think it came to a 22 percent increase to the medical profession, and apologizing for saying that is not enough. I agree with him that these people should be well paid. People that have received their education paid out by the people going to work with their lunchpail, they are the ones that paid for this education and it was quite costly, and there is no restriction if they want to go in the States, if the climate or something, you know, we can develop them, but it's cold here so they might go somewhere else or you get more money somewhere else, this is something that is done.

Then it was said, I think, that in the contract that they would renegotiate their contract, the increase for this year, it was a two-year deal, if the inflation was more than 10. The Minister is saying himself that he's not sure that there's more than 10. I don't really know what he means by that but looking at certain figures, but I am told that maybe it went up by a half of 1 percent, and the medical profession is asking for a 43-45 increase over the increase they had last year, over the overall. An increase is the worse form of negotiating contracts because you can just imagine that 10 percent of \$100,000 or \$75,000 or \$50,000 is certainly not the same as 10 percent of \$10,000, and then, Sir, there's still some people getting paid around \$10,000 in this province.

But if they go on strike, and I'm not saying that they are always right, there is abuse in that like there is in management, but people are genuinely worried. They have children; they have families; they have to buy food at the same place at the same price, but we say they're rocking the boat, and some people are beating the income tax. The Minister said yesterday we don't believe that everybody should be paid the same; neither do we. But that was okay, that was being defended — I want to be fair with the Minister, at no time did he say that they were going to give them a 45 percent increase, there would be a revolution and he'd be shot, and they'd all be run out of the province if this would happen — but he

did say when some other people who had the same kind of contract based on what they thought the forecast of the inflation, the same as the medical profession, people that had a very very small increase when you look because it was percentagewise and they had very low salary and wages to start with; well these people who want to reopen the contract, the MHO. The Minister said the MHO, well the MHO gets all their money and everything from the government and the policy of the government, but that contract will not be renewed.

Mr. Chairman, when some of these pious statements that were incorporated into this document, and you allow things like that to go, is not quite right. As I said, and I kind of feel sorry to have to say this at this time, but this Minister, who wasn't there at the time, although when he wrote, I could see stars when I saw this page 2, because it's so ridiculous and so asinine. So any way, as I say, we'll try to proceed with this and I don't see anything really new. I am not saying that all these programs were in place, but most of them were on the drawing board anyway, and also, that the Minister and the government after years of saying a certain thing was no good because it came from us, did not give us credit directly but did make some changes. We told them for instance that the day care program would never be really workable and improved no matter how much you put in until there was an increase in the maintenance grant and that is done this year. That's going to be, I think, a plus factor.

Now I want to talk, because I think the Minister misunderstood something that I said during a motion that I have on day care, and the time will come for that, but this is general remarks, and my remarks were to assure you that we will keep on co-operating, we will be as constructive as we can, and we'll be as — you won't prove it by the time that I took in these remarks, but I can assure you that if there's no other unforeseen circumstances that this department shouldn't take too long, and I'm pleased, I say I'm pleased with the Minister to say that they're changing their policy. I don't care for it, I'm not going to imply any motive this time, and that he did accept many of our suggestions, although that is not recognized, maybe there should be a star and say that was suggested during the last Estimates by the department, and I wish the Minister well in this during his Estimates debate.

**MR. CHAIRMAN:** 1.(a)(2) — the Member for Seven Oaks.

**MR. SAUL A. MILLER:** Mr. Chairman, I'll follow the procedure whereby there's one response to the Minister's opening statement and deal with 1.(a)(2) which is the line you're one, which is the General Administration. But the information I'd like first of all, is the Reconciliation Statement appearing on page 22, these Transfer of functions, I wonder if they could be identified. The first one Transfer of functions from Health and the other from Education. What would they entail? What functions were they?

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

**MR. MINAKER:** Mr. Chairman, from Community Services and Corrections, professional training at the Manitoba school representing \$200,700, which is

made up and in addition Mental Health Directorate there's three SMYs. —(Interjection)— Yes. It's the other way around, I'm sorry, it's the other way around. From Community Services and Corrections we are transferring this over to Health.

**MR. MILLER:** You're talking about Transfer of functions to Health.

**MR. MINAKER:** Yes, if you notice it's in brackets, so that's . . .

**MR. MILLER:** Yes, there's two different figures there.

**MR. MINAKER:** Yes. So the \$403,200 you'll notice is a credit, so that there's professional training at the Manitoba school \$200,700; and the Mental Health Directorate there's three SMYs which is worth \$42,500; operating costs under the Mental Health Directorate representing \$15,000; and then there's financial assistance to Sarah Riel for \$32,000; and Respite Care \$10,000 — I'm sorry, and the half year cost of one residence \$35,000.00. Those totalled represent \$77,000 in the financial assistance.

Then the agencies, CMHA \$58,000 and YMHA \$10,000, giving a total of \$68,000 and if you add those up, the \$200,700, \$42,500, \$15,000, the financial assistance which represents \$77,000 and in the agencies which represent \$68,000, you get a total of \$403,200.00.

**MR. MILLER:** What about the Transfer of functions from Health to your department?

**MR. MINAKER:** The Community Services and Corrections, the Hearing Conservation Program of eight SMYs for \$163,300; and then also from Education, there is \$185,900 and that consists of charges cost-shared under the Vocational Rehabilitation; the RDP agreement for tuition fees, supplies and materials used by disabled students in their day-to-day studies at Red River Community College.

**MR. MILLER:** What about the Allocation of funds from finance, it says re: Tax Credit Reform? Was that the full amount that transferred from finance in the supplementary supply that was introduced in the House?

**MR. MINAKER:** Yes.

**MR. MILLER:** That was it. It didn't include any day care funds, etc., that were also I think in that same supplementary supply?

**MR. MINAKER:** There's three, the day-care, CRISP and the MSP.

**MR. MILLER:** Mr. Chairman, I'd want to know as we go through the Estimates, what areas have been underexpended, as compared to the figures shown for March 31st, 1981?

**MR. MINAKER:** Mr. Chairman, can we indicate that as we go along? Would that be fine?

**MR. MILLER:** Yes.

**MR. MINAKER:** Underexpended? Okay.

**MR. CHAIRMAN:** The Member for Burrows, if the Member for Seven Oaks is finished. The Member for Burrows.

**MR. BEN HANUSCHAK:** Mr. Chairman, I have a matter that I would like to bring to the Minister's attention and was wondering what would be the most appropriate place in the Estimates to raise it and the reason why — well I'm looking at one document which is entitled Income Security Branch, so that's quite clear, but I also have another to which I want to refer to from the Administrative Services at 270 Osborne Street — so I would take it that it applies to overall administration in the department. I think that it does and I think that this is a matter that the Minister has capacity as a policy maker for the department, who would want to take this matter under advisement.

The matter deals, Mr. Chairman, with a case of a sponsor and a sponsored immigrant or sponsored immigrants and briefly the case was this; a couple resident in Winnipeg — and I presume citizens of Canada — had sponsored the brother and his wife, the brother of the female sponsor from Canada, and they came to Canada. As sponsors they had to sign a document agreeing to offer to provide assistance, adequate lodging, adequate food, clothing, counselling, etc., financial assistance for a period of up to, and I underline up to, because I'm not quite sure of whether it's for five years definite or whether it's for up to five years — because the term period of settlement is used and this is a Federal document that they signed with the Immigration Department — so I'm not quite sure just what period of settlement means. Whether period of settlement means the five times 365 days or whether period of settlement means such reasonable time up to five years, that it would take the immigrants to settle in our country; that is to find lodging, to find a job, become self-sustained, self-sufficient and be able to reach the point where they can sort of maneuver around and manage under their own steam, without the assistance of their sponsors.

So anyway, the sponsors did all that. Well within the five year period, both the male and the female immigrants, both the husband and wife, they got employment and got lodging of their own. Eventually the husband got a job in Edmonton and I think that both he and the wife moved there, and that was within two or two-and-a-half years after their arrival in Canada. And to make a long story short, it was some time after that, the immigrant family separated and the wife went on welfare. The wife went on welfare and then the effect of all the documents that the sponsors signed sort of surfaced again and came to life once again.

Now, the document that the sponsors signed, and they understand that perfectly well, there was an agreement that the Minister of Immigration may assign his interest in this undertaking to Her Majesty in the right of any province, which I understand, through the normal course of events, is what the Immigration Department does, that rather than look after welfare and maintenance of immigrants, let the province look after it, and then I suppose there is some settlement of that. So that was assigned to the province. So the wife, through no fault of the

sponsors, because I want to remind you, Mr. Minister, that the wife, she sponsored a couple, her brother and his wife, and it was through no fault of hers that this marriage broke up; and it was through no fault of the sponsor that the wife became a charge on the public purse; that, for whatever reason, she ended up on welfare. Everything that she was committed to do she did for her brother and his wife.

Then I read the undertaking signed by the sponsor. There is another section there that says, "Where payments are made to the named immigrant from any of the assistance programs prescribed, such payments shall be deemed to have resulted from a breach of this undertaking". Now, I point this out to you, Mr. Minister, because I do believe that just accepting this as prima facie, at its face value, can be somewhat overly and unduly harsh on many sponsors, not excluding the sponsor that brought this matter to my attention.

It says that if an immigrant becomes a charge of the public purse then that, in itself, shall be deemed to have resulted from a breach of the sponsor's undertaking. But, if you are following the description of this particular case, I am sure that you would agree with me that what had happened was not the result of any breach of the sponsor's undertaking; the sponsor did what she had to do in assisting the couple locating in Canada, and then the marriage broke up. So, just simply going on the basis of a section of the regulations, a section in an agreement, you know, here it is in black and white that you agreed to this, that if that immigrant should become a charge of the public purse that automatically you are held liable, I think that that's just a bit overly harsh and perhaps the Minister would want to check into this and perhaps explore this a bit further with the Federal Immigration Department.

Then I would also point out to the Minister his own legislation that I think he would want to take a second look at. It reads somewhat in the same tone as this particular section that I cited in the sponsor's agreement. I am reading from The Social Allowances Act, Section 20, Subsection 2, which says that, "where the government has provided or paid assistance or any social allowance to or for a person, if the assistance or social allowance or any part thereof would not have been provided or paid, except for the neglect or failure of another person to comply with any law . . . " then I am skipping a couple of clauses, " . . . the government, in that case, may recover from that other person, or his executors or administrators, the amount of that assistance or social allowance".

Now, again, I say to you, Mr. Chairman, that in this case I fail to see any evidence of neglect or failure of the sponsor to comply with any law. Again, I repeat, the sponsor did what she felt obligated to do; what she felt obligated to do under law; what she felt obligated to do in terms of her relationship with her family, with her relatives. Everything that she had to do, she did. What had happened subsequently was through no fault of the sponsor.

The end result is, Mr. Chairman, that at the present time there is a lien in excess of \$11,000 against the sponsor. Apparently your department did recover close to a couple thousand dollars from the husband of the wife, because originally the

assistance, from September, 1978 to November, 1980, was for \$13,725, minus \$1,955, leaving a balance of \$11,770.00. The letter states that before the lien can be discharged this amount must be paid in full.

Now, really, Mr. Chairman, I do not feel that just going on the basis of the literal interpretation of a document is the course of action that should be pursued. When the law says that there must be neglect on the part of somebody, well, I think that just something not happening per se is not evidence of neglect. I think, Mr. Minister, that you would find, if your department were to check this out, that you would not find any evidence of neglect on the part of the sponsor.

The other point related to this that concerns me, it is titled "Income Security Administrative Manual," date issued, January 3, 1977. If it is out of date now, if this is no longer followed, the Minister can correct me and I would be happy to stand corrected, but if this still is the practice, then this worries me even more because the last line says "a sponsored dependent status provides for lifelong support from the sponsor for the immigrant".

Well, now, Mr. Chairman, this is something like if you were to give me a promissory note for \$1,000 and I needed the cash in a hurry and I went to a friend of mine and I said that the chairman of committee of supply has given me a promissory note for \$1,000 and he is worth lots of money so I have no worry about collecting it, so I collect my \$1,000 from the person to whom I assign the note, or I discount it, or whatever, and the assignee of the note then changes the \$1,000 to \$100,000.00. You know, there is somewhat of an analogy because under the original agreement that a sponsor signs, his period of responsibility, at most, is the period set out in the sponsor's agreement, the five years, and then that five-year commitment is assigned to a province that, in the event of any default, let the province handle it; then the province, in its own administrative manual says, well, we're going to hold the sponsor responsible for life. Mr. Chairman, that, too, I think, is an injustice.

The daughter of the sponsor was a constituent of mine and apparently she went to the department and the upshot of it was that that's the law and she was told that: "Your mother, as a sponsor, owes us \$11,770 and", in one line, "before the lien can be discharged, this amount must be paid in full".

I would appreciate the Minister checking into that matter.

**MR. MINAKER:** Mr. Chairman, if the honourable member would give us the details of the particular case, we can have it reviewed and looked into. I'm not familiar with the particular case that he is referring to and the information and details of the case could be provided to us, not in the minutes, but just afterwards then we can have the matter looked into.

I just might point out that the sponsorship agreement that he talks about is a Federal agreement, not a Provincial one. I can refer the question of immigration sponsorship to the Minister of Labour, who is responsible for Immigration in our province and we can work on it together.

**MR. HANUSCHAK:** Mr. Chairman, I appreciate the fact that the sponsorship agreement is a Federal

document, but the fact of the matter is that it was assigned to the province. In other words, the Federal Department of Immigration has sponsors agreements. They go to the Minister of Social Services and they say, look there are all these immigrants in the province who are sponsored, and if any of these immigrants should become a charge to the public purse, here are the sponsors that you can go after to recover whatever you're spent on those immigrants.

So at that point, at that point, Mr. Chairman, the agreement becomes the responsibility of the Provincial Minister, because the Federal Minister assigned the agreement to him to act upon. As I pointed out, Mr. Chairman, and I want to remind the Minister that I also made reference to The Social Allowances Act which I think is unjust and it's too harsh, where the long and the short of what that Section 20(2) says, that if somebody becomes a charge to the public purse and if that person should have been the responsibility of someone else and the fact that he became a charge of the public purse sort of automatically and in itself is evidence of neglect or failure of that other individual. I can appreciate the fact, Mr. Chairman, that if there should be evidence of an immigrant coming to the country and the sponsor failing to provide him with board, lodging, clothing, whatever, then the department could offer the immigrant the assistance and go to the sponsor and say now look, you are responsible for feeding this person, etc., etc., you're not doing it, we're feeding him and for every dollar that we spend on the immigrant, we're going to slap a lien against you for that amount.

But in this case, Mr. Chairman, there was no evidence of neglect or failure on the part of the sponsor. I also want to remind the Minister that my other concern is where the Minister takes a Federal agreement, which is signed for a certain definite period of time, usually I think it's five years in the case of sponsored immigrants, and adds a regulation of his own, saying sponsored dependent status provides for life-long support from the sponsor, for the immigrant. So, Mr. Chairman, I'd be quite happy to provide the Minister with the documentation with respect to this particular case, with the hope of resolving it, but I also feel that there are some basic principles that are involved here that should be dealt with regardless of who the individual is and even regardless of whether this particular individual has a valid case or not because I understand, Mr. Chairman, that I may have been only provided with one-half the story, that there might be another half of which I might not be aware, but that's another matter. That deals only for this particular case.

But be that as it may, Mr. Chairman, I still do feel that it is unjust and inequitable for the Provincial Minister to take a sponsor's agreement, which makes the sponsor liable for the immigrant for a certain, specific period of time and then to say, oh no, we have these sponsors' agreements over here and we're going to hold the sponsor responsible for the rest of his life for the support of the immigrant.

So 10, 20, 30, 50 years hence, if something should happen that the immigrant should go on welfare, or the immigrant should do whatever that may create an expense to the province, that the province would then be able to go after the sponsor. That I think is unfair.

So on that point I don't think it really matters what the name is of the sponsor, the immigrant or whatever, because I think it's a basic issue, because of the principle involved there.

**MR. MINAKER:** Well, Mr. Chairman, I'm sure that the clause that's in the Act is not there to be inhumane. I would think it's there to show responsibility to the sponsor, because what can happen is that a situation can occur where somebody's parents are located in another country and they would like to have either mother or father with them, and they sign the sponsorship, these people may be 60, 65 or whatever age. It's my understanding that the Federal Government does not provide old age security or Guaranteed Income Supplement for these particular immigrants, and the son or daughter at that time takes on the responsibility that she wants her mother or father with her and she's prepared to look after the mother and father and that is why basically that particular law is there. I would think we have it there to show responsibility and I believe that if someone wants their parents here and that they are prepared to look after them, they should consider the responsibility they're signing, in the document they're signing.

Now the particular instance that you relate to in this case, if you want us to look into it, we will gladly look into it so we can see what the whole background on the subject is.

**MR. HANUSCHAK:** Yes, I can appreciate the Minister's comments, that in cases where a sponsor wishes to sponsor the immigration of his parents and his parents may be getting up in years, too old for work and it's his intention to have his parents here in Canada, that the law being what it is that therefore the sponsor may have to be held responsible. But maybe the Minister would want to take a second look at this legislation, and rather than just sort of tar or smear everybody with the same brush, maybe there should be a distinction made between a sponsored immigrant, who for lack of training, age, conditions of health, whatever, may be incapable of finding employment in Canada; and the younger immigrant who does settle and does go out and get a job and becomes self-supporting, self-supporting in the same manner as you and I and everybody else. Perhaps in cases of that kind there should be a distinction made.

You know when this case was brought to my attention, suddenly it made me aware of the fact that my mother, 30 years after the war, sponsored a number of relatives of hers to come to Canada. A couple, they're older than my mother and my mother is getting up in years too, and those are still older and I suppose something could develop at some time for which my mother might still have to be held responsible, for some support that the province may provide for her — it was her sister and brother-in-law that she sponsored. But on the other hand, she also sponsored a younger brother of hers who today is an extremely wealthy man, he's a millionaire. He hadn't had to rely on my mother's assistance after the first two months that he arrived in Canada. For the first couple of months he lived at our place and once he got his bearings and found his way around then he was off and running. He worked bit by bit, and today he is very very successful in the

electronics business. When I look at him and I think to myself now, if something should go wrong in his family — he's a wealthy man — if his wife should leave him, where would be the justice of holding my mother responsible for the support of her sister-in-law?

I still would urge the Minister to review this particular section and to satisfy himself and everyone else that the way it reads it would not create an injustice to anyone and, if it does, then I would urge the Minister to amend the section accordingly.

**MR. CHAIRMAN:** The Honourable Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, the remarks of the Minister and the last member that spoke brings a concern that I might have. I can understand and agree with the Minister that it is something else to bring in immigrants that become Canadian and can produce, or bring people that are on their sick bed or people that are old and cannot contribute too much, although that could be done but it has to be done in an orderly fashion and moreso in a humane way to help certain countries in certain disasters. So I have no problem saying that the people of Manitoba can't just be responsible to take care of somebody from another country that comes in at an age where they need immediate care; but my concern is this, once they're here, if they are considered that they have to pay the bill or their sponsor has to pay the bill, could they have the same access to the services, for instance, would they have more trouble than ordinary Manitobans to get in a personal care home? It doesn't matter how much money you have at times, this is what you need, a residence. They would have to pay would they for it, or would they be controlled? This Act wouldn't affect these people at all except that they wouldn't be insured, they might have to foot the bill.

**MR. MINAKER:** Mr. Chairman, it is my understanding that they or their sponsor would have to pay the daily charge.

**MR. DESJARDINS:** That's not my concern; my concern is, we say, well we have to take care of our citizens first and these poor people wouldn't have a chance, or would they be treated the same as anybody else?

**MR. MINAKER:** From my understanding, they are treated the same as anybody else. I am not aware of any bias shown.

**MR. DESJARDINS:** Neither am I, these remarks just brought this . . .

**MR. CHAIRMAN:** The Honourable Member for Seven Oaks.

**MR. MILLER:** Mr. Chairman, again on the general administrative overall view, looking at the information made available by the Minister on the staff man years, I am somewhat amused at the increase over 1980-81 of about 107, as I read it here; 41 approved during 1980-81, and new staff man years approval being sought within this coming fiscal year of 59. So then in total there is 2,976, an increase of 107. I find

it interesting and somewhat amusing because what we'd heard constantly was that government was too fat; it had to be trimmed down, it had to be cut, and that there was no way the government could continue to have the huge staffs and the expenditures that flow with staff. It isn't just the individual salary, very often in addition to the salaries the supports that have to go to that individual in the way of office space and all the other expenditures that flow from having a staff man year.

So I say I am amused because the fact of the matter is that last year there was a substantial deficit. The public debt will increase this year, notwithstanding what the Minister said on page 2, and for the coming fiscal year, although the Budget hasn't been brought down, I suspect we will not be seeing a balanced Budget, unless of course the Minister was tipping us off to something which we weren't aware of, that he expects the Minister of Finance to bring in a balanced Budget. If he does, I will withdraw my comments but I just don't believe it's going to happen.

So I find it amusing that we were lectured, not only we in Opposition but generally Manitobans were lectured, about the fact that there has to be less government activity; the least government is the best government; that we are over-staffed; that we have too many people; that it's bloated. Suddenly in this year 1981-82 we see an increase of 107 staff man years which I have to say is quite a reversal from the position they've taken in other years. Unless, I don't want to sound too cynical, but is it simply a one day wonder because there's an election coming and they want to look good from here on in, and that once an election is ended and if, by some remote possibility, this same group is re-elected that they go back to practising restraint and going back to lecturing all of Manitoba about the evils of big government and having a large staff.

I made these comments under this section because, although the staff man years cover every branch, every region, every department and every appropriation within these estimates, nonetheless the major decisions are made, or decisions certainly are made in the Cabinet room and then in the Minister's office at the administrative level, because the funds dictate the size of staff and what staff will be added or what staff will be deleted. So we have gone through a couple of years of cutting and now we are moving back to increasing the staff because it would appear that you can't function without staff. It is not something that I find very surprising; that delivery of a service requires staff, whether it's administrative staff, management staff, or staff in the field, and I am hoping that the staff we are looking at here are staff in the field and not simply administrative staff, in other words, the brass is being increased in its size, and I am wondering whether some of this increase may be due to the fact that the departments were split. Because a split means certain functions are carried on in the Department of Health, other functions carried on within the Department of Community Services and Corrections; as the separation between the two departments becomes more definite, more distinct, that certain work, certain responsibilities which were undertaken before, and now are housed in two distinct departments, whether that didn't contribute to the

increase in staff that we are looking at today, and because of the decision to split the departments.

I am wondering whether the Minister has any general comments on that specific question because when you split a department and you start keeping separate administrative records, and separate accounting records, both in the main offices, the regional offices, it's inevitable that you are going to need the staff man years to keep those records; whereas before they were kept under one department, Health and Social Development, now you require separate accounting, separate record keeping because you know have two departments instead of one.

**MR. MINAKER:** Mr. Chairman, in answer to the honourable member, the increase in staff that you see here does not relate to any administration positions. The addition of SMYs relating to the splitting of departments was last year, which you see that the Ministerial executive function required seven people. There will be a requirement of one additional SMY, I guess, because of the splitting of the departments, because Peter Schmidt is leaving, as you may or may not know, to take up another position. We believe Peter was overworked anyway, so we will be hiring an individual to look after the Community Services Department.

But in regard to the addition of the SMYs, the reasons are primarily new programs and if one looks at the Child and Family Services, that has come about because of the decision to separate those children who are primarily being in our custody because of child welfare problems, not juvenile delinquency problems, has necessitated the five additional staff in that location.

With regard to the 24 staff in the Regional Services, these will be all field staff and a major portion of the reason for this is because of our continual growth in the Home Care Program, which has grown some 44 percent, I believe, in the last two years. We have found, from the Council on Aging Report, that senior citizens appear to want to stay in their homes as long as they can and we have expanded the Home Care Program which the honourable member, I believe, initiated when he was the Minister back some years ago. So that has necessitated a great amount of the field staff addition.

The other 15 under Institutional Mental Retardation Services is my sort of general commitment that I wanted to improve the staff ratio at the Manitoba School over a period of time, and this is the second year where we have added the 15 people, but they are primarily there as staff people to provide services to the mentally disabled.

The other area would be under the MSP Program, which was expanded to take in the 55-65-year-olds that require work annually to take on new recipients and to check the old recipient program.

In addition to that is the Child Related Income Support Program, where there are 20 staff to deal with the anticipated 50,000 recipients that should receive benefits from that program.

The other, Social Security Field Operations, 10, relate to the expanded day care program, the \$4.5 million addition to the Day Care Program, where nine of them are field co-ordinators, to expand, to make sure that the new centres are keeping up their

quality, etc. So that, I believe, along with the fact that we now have a new jail at The Pas, where it is a bigger jail and requires expanded SMYs to deal with that facility, otherwise there are no SMYs relating to the splitting of the departments requiring any administration staff, other than those original seven that were listed last year.

**MR. CHAIRMAN:** 1.(a)(2) — pass; 1.(a)(3) — pass; 1.(b)(1) — pass; 1.(b)(2) — pass; 1.(c)(1) — pass; 1.(c)(2) — pass; 1.(d)(1) — pass.

The Member for Seven Oaks on 1.(d)(1).

**MR. MILLER:** "Manages departmental relationships with external health and social service agencies." This is what? A small group sitting there relating? — (Interjection)— Is that Joe Cels? Okay, fine, I know the answer.

**MR. CHAIRMAN:** 1.(d)(1) — pass; 1.(d)(2) — pass; 1.(e)(1) — pass; 1.(e)(2) — pass.

The Member for St. Boniface on 1.(e).

**MR. DESJARDINS:** The Office of Residential Care, it's not new now but it took a while to get this thing going. Is this also dealing with day care or any of these programs? Not day care. Day care is all done by the City of Winnipeg, the licensing? Is it just the day care?

**MR. MINAKER:** Mr. Chairman, this department primarily deals with 24-hour care programs like the guest homes, group homes and foster homes, foster group homes. The day care licensing is under the other section.

**MR. DESJARDINS:** Mr. Chairman, isn't this the thing that was started to look after the things that you say, but also to look at the different cost per diem and things like that in different institutions, and also not only the institutions run by the government but also those by external agencies where grants are being made? I think that was the intent, is it not? Has it changed? Has the direction changed for this, or is it taking a little while to get going, or what? I was under the impression that this was to deal with anything to try to get something more uniform in the rates, especially when you are making so many grants to different agencies, that you would want to relate it. In other words, if you are comparing apples to apples and not have two very different per diems. I thought it was to deal with all of that.

**MR. MINAKER:** Mr. Chairman, it is my understanding that the thought was back some years ago, to do what the honourable member is describing, and part of that has taken place. But under the External Agency Section, Joe Cels still deals with the community residences for the retarded, and a few other items, but there are portions that are presently handled under this residential care.

**MR. DESJARDINS:** Mr. Chairman, Joe Cels was working night and day in those days and he hasn't got any more staff and I imagine he is still doing the same thing and people were kind of criticizing us at times that it took us so long to finally get their approval and I'm sure this has done. If anything, I

think they needed help. One of the reasons for that, it was very difficult for them and also we felt that we should have somebody specializing in that and looking at the different rates, comparing the same type of services provided by different agencies. I remember very distinctly, that the Deputy Minister, who is also your Deputy Minister, brought in an example before this was brought to Cabinet, showing all the different discrepancies and how vague it was and how there was no uniformity at all. It was trying to clean up this thing that this was brought in and this is the question I am asking. I don't think that Joe Cels could possibly, humanly, do all that with all the rest of the work that he has to do.

**MR. MINAKER:** Mr. Chairman, this particular department looks after the 88 group homes that we have relating to the financing and the licensing and regulations, and now is working primarily with the co-ordination of regulations of guest homes.

**MR. DESJARDINS:** Yes, that was brought in as a program, which wasn't done before, which was being considered. But are there also comparisons? Does Lloyd — I guess you're still in charge of that. I shouldn't discuss that with staff — but, Mr. Chairman, the same gentleman who started this program, I think the idea was to also look if there was any reason to, to see the difference, because in this department, some of the services are delivered directly by the government. The government hires people to do other things. Then there is a non-profit organization that might do some of the work — I'm talking about the department in general — then there are certain agencies who do some of this work, who have certain homes, and the intent was to make sure that everything was co-ordinated with a little more uniformity, and it made sense because we had a difference sometimes to deliver the same service — an agency might charge three times the amount that somebody else was doing — and I was under the impression, it was a while ago, but I was under the impression that maybe this is done once and then just periodically, maybe it doesn't take that long, but I thought that was a responsibility, to bring uniformity in the cost, in the per diem, along with service, no matter who delivered it, the government or an agency that was hired or received grants to do it, because they had to bring their budget to Joe before their grants were approved. Am I completely wrong on that? Is my memory failing me, or what?

**MR. MINAKER:** Mr. Chairman, we are moving towards standardization in these different programs as quickly as we can.

**MR. DESJARDINS:** That was the main intent. The main reason for this was to streamline our administration because we felt it was getting away from us after so many years and that's why I am asking if they are still doing that. But the director of this service also has access and does make comparisons, or at least look at some of the per diems that are given to agencies to deliver some of the services that the government is doing.

**MR. MINAKER:** Right.

**MR. DESJARDINS:** Okay, that's all.

**MR. CHAIRMAN:** 1.(e)(1) — pass; 1.(e)(2) — pass; 2.(a)(1) — pass; 2.(a)(2) — pass; 2.(b)(1) — pass; 2.(b)(2) — pass; 2.(c)(1) — pass; 2.(c)(2) — pass; 2.(d)(1) — pass; 2.(d)(2) — pass; 2.(e)(1).

The Member for St. Boniface.

**MR. DESJARDINS:** Mr. Chairman, I see in the list that the Minister gave me paying to external agencies and I don't really understand — well, under Vital Statistics, the first one on the list, \$5,000 — oh, Vital Statistics Council for Canada, that's what, somebody that looks at uniformity and advises of the different vital statistics to get some kind of uniformity, that's something new. Is that a new council, or is it the first time we make this grant?

**MR. MINAKER:** Mr. Chairman, this is a new council that has been made up from all across Canada to try to standardize on Vital Statistics and we participate on a cost-sharing basis.

**MR. DESJARDINS:** Kind of an advisory council to have a bit of uniformity.

**MR. MINAKER:** So that there be a transfer of vital statistic information from province to province on more common forms, etc.

**MR. DESJARDINS:** Maybe this is the time to ask the Minister, is there anything new on this question of adoption, and I don't know if I can stretch things and bring it under here — people who have been adopted at birth and they don't know who their real parents are, and there seems to be a movement and there are some people who are pushing that right here that would want to be able to go to Vital Statistics — you know, after so many years, or with the consent of their new parents. There's nothing new on that at all? Are they still pushing? Is there still a group pushing on this?

**MR. MINAKER:** Mr. Chairman, Adoption Statistics are not in the Vital Statistics Department.

**MR. DESJARDINS:** No, but you have the birth certificates and those things.

**MR. MINAKER:** No, in fact, I think we amended the way that adoption papers where it had somewhere the list with the natural parent's name on it, has now been changed to just have an identification number.

**MR. DESJARDINS:** There is no way that they could get that information from the Vital Statistics or that Vital Statistics could give it to them, then?

**MR. MINAKER:** No.

**MR. DESJARDINS:** They wouldn't have access to that, okay. Wasn't there some kind of a streamlining or something of Vital Statistics, or is that still in the works? Isn't there something going on in there?

**MR. MINAKER:** Mr. Chairman, there has been streamlining with regard to death certificates and birth certificates. The new death certificate — I can get copies for the honourable member — it now makes it easier for the undertaker to get a death certificate in order that he can get a burial certificate. It now

allows the doctor to confirm that the death of the particular individual. If there is a question mark on the cause of death, then obviously the death certificate would be delayed and then the person would not be buried. But now we have a new death certificate that allows a doctor simply to initial that the patient or the person has died and then it's given to the undertaker, and then the other copy is later then given to Vital Statistics which details the cause of death on it.

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

**MR. CHERNIACK:** I would like an explanation for the need to indicate the reason for requiring a death certificate before you get one.

**MR. MINAKER:** I wonder, could you repeat that.

**MR. CHERNIACK:** Within the last month, I applied for a death certificate, and I sent in five bucks which is what you want for that, and the question came back, what do you want if for? Why is it a secret? I mean why do you have to justify wanting it?

**MR. MINAKER:** Mr. Chairman, I will have to find out for the honourable member. I don't know why other than . . .

**MR. CHERNIACK:** The fact is, since you are going to find out, I need it in connection with an estate, but I didn't say so, I just asked for a death certificate, and the question came back, what do you want it for, what's your relationship to the deceased? I want to know why.

**MR. MINAKER:** Normally, my understanding is our policy has always been we don't issue death certificates other than to immediate family.

**MR. CHERNIACK:** Why not, Mr. Chairman?

**MR. MINAKER:** I think basically is they are confidential records and we would like to know the reasons why you wanted the information.

**MR. CHERNIACK:** Why should you care? A person dies, it's announced, there's an obituary on it. People die. Why should not that information be available to anybody who wants to know?

**MR. MINAKER:** Mr. Chairman, I guess the simple answer is there might be some relatives who don't want copies of death certificates going to other than family members, and that's their right and privilege.

**MR. CHERNIACK:** Mr. Chairman, there are certain things that are a matter of public record, and I don't see any reason why, if it's a public record, and it is a public record, that there's any secrecy involved. I would like to know how many times you refused to grant a certificate to somebody, pointing out to you as I must, that a cost-conscious government should be concerned about extra costs involved in asking foolish questions in order to get answers.

So whilst the Minister is enquiring into it, could he also find out how many occasions are there, and the nature of the occasions, where they refused to give the information after the reason has been given? I

am thinking of the administrative cost of asking questions and getting answers; and how many times is a member of the family given an opportunity to say don't give out a death certificate to anybody, because that's the implication the Minister made.

**MR. CHAIRMAN:** The hour of 4:30 having arrived, Committee rise for Private Members' Hour.  
Committee Rise.

## SUPPLY — ENERGY AND MINES

**MR. CHAIRMAN, Morris McGregor (Virden):** Energy and Mines. 1.(a)(1) — the Honourable Minister.

**HON. DONALD W. CRAIK (Riel):** Mr. Chairman, I would like to take the opportunity to make a few brief comments with regard to the introduction of the Estimates for the Department of Energy and Mines for 1981-82.

When I say briefly I intend to keep it very brief, Mr. Chairman. First of all let me express my thanks, which are very much in order, to the staff which have put together this new department in the last year and have worked diligently in the presentation of the information for the Estimate's process.

Briefly, in the past fiscal year, we've seen a number of achievements in the area of responsibility of this new department, and I want to indicate some of what I think are the notables. First of all, the Conservation and Renewable Energy Branch has been organized and staffed. The cost-sharing agreements have been negotiated and signed with Canada, respecting the development and demonstration of energy conservation and renewable energy technologies, and the Energy Bus Program.

We have opened the new Energy Information Centre, which is serving an average of about 200 Manitobans per week. The Western Electric Power Grid has progressed from a concept to final discussions on implementation. Discussions are continuing with Alcan for a major feasibility study of aluminum production in Manitoba; and discussions are under way to develop a potash mine in Manitoba. The establishment of the Energy Authority and the Energy Council are imminent and I hope to be flushing these out in the next few days. The mining industry in Manitoba is in its healthiest position in recent memory.

Now turning, first of all, to the mining industry, the policies adopted by the government are beginning to bear fruit in that we are seeing a revitalization of what is considered to be a cornerstone of the Manitoba industrial base. By 1979 expenditures on mineral exploration in Manitoba had increased to \$16.6 million and in 1980, the expenditures virtually doubled to \$31 million, all, Mr. Chairman, in one year. These are at record levels in constant dollars or inflated dollars, whichever way you want to look at it. It is also important to note that approximately 75 percent of these expenditures are categorized as off-property. What is meant by off-property is that it is exploration work not pertaining to the extension of existing ore bodies, but off the existing ore body properties.

The reduction of the Royalty Tax to 18 percent has spurred mining activity in that we have seen for '79-

30 an increase of some 50 percent in provincial mining revenue, which now stands at over \$21 million. Mr. Chairman, I want to underline that again. The old complicated two-tier system which was punitive did not bring about, Mr. Chairman, anything except a reduced interest in mining exploration, and did not bring in increased revenues to the Province of Manitoba. The establishment some three years ago, almost three years ago, of a mining royalty rate which made Manitoba competitive and held out the welcome sign to the development companies and others who wanted to come in and do their exploration work, has also brought about production that has helped in bringing about this \$21 million revenue to the Province of Manitoba.

Another indicator of the health of the mining industry is capital spending. Hudson Bay Mining and Smelting is currently in the process of spending \$48 million on revamping its metallurgical facilities at Flin Flon, and more than \$50 million on the development of new mines at Trout Lake, Rod Lake and Spruce Point. Sherritt-Gordon is involved in major investments at the Agassiz Resources Gold Mine near Lynn Lake. Inco is in the midst of a \$20 million, five-year exploration program in the Thompson area, and Brinco is examining a \$14 million program to bring the San Antonio Gold Mine in Bissett back into production.

Last, but not least, would be the potential development of Manitoba's first potash mine involving capital expenditures in excess of \$500 million, resulting in a mine that would produce some two million tonnes of potash each year, and directly employ over 400 people in Western Manitoba.

Similarly, the more equitable treatment given the petroleum industry by the government has significantly increased industry activity and government revenue. In the past three years an average of 26 wells have been drilled each year, versus an average of 17 wells in the period 1973 through '77 and in 1980, 27 wells were drilled, the highest number since 1969. Mr. Chairman, this is in face of the fact that there is a tremendous attraction for this kind of drilling activity to now take place in the United States, rather than in Canada; it is in spite of what is happening in the national picture in Canada. The petroleum industry's reported expenditures have risen from \$18.9 million in 1977, to \$27.9 million in '78, \$29.8 million in '79 and \$32 million in 1980. Provincial revenue from the petroleum industry has risen from \$9.285 million in '77, to more than \$13.7 million in 1980. Mr. Chairman, I'd point out that the revenues here are almost as high as they are from the mining industry in total, that's the metallic mining portion of the mining industry.

I know that members on the government side of the House, and perhaps even some members opposite, will be pleased in the strength shown by the mining and petroleum industry. This record illustrates that a competitive and equitable taxation and royalty structure on these sectors of the Manitoba economy had a beneficial effect.

In the energy field the department is responding to public needs both in information and programs. I would list the energy-efficient housing that the department personnel are very much involved with now with the Manitoba Housing Association and

others in establishing general policies to promote energy efficient housing; gasohol production, I would point out that the Mohawk operation at Minnedosa will be in production this year, and we are examining at the present, other aspects of gasohol as well; pipelines to Northern Manitoba; the Energy Bus Program which has gotten under way; the Oil Displacement Program, along with the Federal Government, which we are assisting with, although the Federal Government has decided that they are going to administer this program, better known as COSP or the off-oil program, they are going to administer directly. We still will be doing a large part of handling through the Energy Information Centre.

On energy industries and issues, I'd like to list again the aluminum negotiations; the Energy Marketing Committee operations in both Canada and the U.S. markets; energy supply to northern communities where there has been very intensive work done by both the department and Manitoba Hydro in trying to develop markets within Manitoba to service more people, particularly in the northern communities; space heating and consumer information, this whole area of energy conservation; and the funding of the Fusion Research Investigations that are now nicely getting under way and we hope will bring productive results for further applied research in Manitoba that will be part of the overall National Fusion Research Program; and of course the Industrial Support Program that comes through the cost-shared federal-provincial program and the grants that are being made in this field to assist applied research, and particularly, development leading to industrial production and manufactured products within Manitoba.

Turning now to the Estimates directly, Mr. Chairman, the members will notice an overall reduction has occurred in the total funding for the department, however, I would caution the members that this is caused by a reduction in the Acquisition/Construction funding as a result of a reduction in Contingent Liabilities brought about by the successful conclusion of a joint venture agreement on the Trout Lake mineral deposit.

At this time I wish to advise that the portion of the Acquisition/Construction funds allocated to the ongoing operations of Manitoba Mineral Resources Limited have been increased from \$678,000 to \$894,000.00. An additional \$90,000 has been provided in Administration; \$205,300 provided for the Energy Division and \$310,700 provided in the Mineral Resources Division.

During 1981-82, it is this government's intention to continue the re-building of the Manitoba economy; specifically, we'll continue our efforts to profitably, and I underline the word profitably, develop and market our electrical energy through the Manitoba Energy Authority. Through the Authority we will also begin the preparation of contingency plans in the event of an emergency supply, Energy Supply Emergency. Such a plan is important in that an oil shortage, a natural gas shortage, or a failure in electrical transmission networks would require swift action on the part of government in order to minimize disruptive effects of a shortage on Manitoba and Manitobans, and it is this Government's intention to be prepared in this regard and this is really the role of the Energy Authority.

Work will also continue and expand in the areas of Energy Conservation and Renewable Energy demonstration and development projects. Work of this nature is vitally important for the future of the province and the country, especially when it's bedevilled by a Federal Government which is taking us further and further away from energy self-sufficiency. We will also continue our efforts to inform Manitobans about energy options opened to them in reducing their energy costs and energy use.

In closing, again, Mr. Chairman, I want to indicate to the members that this has been a brief rundown of the department. I look forward to their questions and the comments from the Members of the Legislature. Thank you.

**MR. CHAIRMAN:** Item 1 (a)(2) Salaries — pass — the Honourable Member for Brandon East.

**MR. LEONARD S. EVANS:** Thank you, Mr. Chairman. We are very interested in the various pieces of information that the Ottawa Minister of Energy and Mines gave us and we will have much to say as the hours and maybe days of the debate on these Estimates proceed. We have, in this House, made our views known of course over the past several weeks of this Legislature with regard to Hydro development and also with regard to the other major area, and that is oil pricing policy. It seems to me that when we talk about energy development in Manitoba the two most important issues are: (1) the extent to which and how we proceed in the timing of the development of the Nelson, further development of our harder resources. Obviously the other is the position that we take as a province in federal-provincial councils with regard to the question of national oil policy, national oil pricing policy, the National Energy Policy, in effect; the position that we take. So we will have something to say about those.

I just might say off-hand our concern that comes to mind immediately when the Minister mentions Alcan and some other possible industrial developments that are high users of electrical energy, that we have to be very careful that we do not give away our resources and that, in the long run, forcing us to, in effect, charge other consumers of hydro energy for perhaps what could amount, and I hope it doesn't, but what could very well be the sale of hydro power at give away prices; whether it be to industry within Manitoba or whether it be to other provinces or to other states of the United States of America.

However, I'd like to spend a bit of time on the other aspect of the Minister's opening statement and that is with regard to the mining industry. The mining industry, Mr. Chairman, the Minister referred to the large increase and exploration up to \$31 million for 1980, I think he stated, and that's very good, and I haven't been able to easily find information on exploration dollars spent on mining, as a matter of fact, Statistics Canada does not give a breakdown on mining investment per se because I believe it lumps mining investment with other resource investment and it's a fairly small item so they lump it together. But, Mr. Chairman, it seems that both the Minister of Energy and the Premier of this province have been very busy at putting out the thought that the mining industry has done well under this Government. I looked at the figures; I was beginning

to believe these statements, in fact, the Premier put out a statement as late as March 13th about the expansion of the mining industry and I did a bit of research and was surprised, but maybe not surprised, to find that the output of the mining industry in Manitoba has declined by 25 percent, on average, from the output of the mining industry when the New Democratic Party was in office in the years roughly 1970 to 1977, in that eight-year period.

I'm looking at the figures on real domestic product, that is when you take the inflation, you take the elusion of inflation out and you look at constant dollars and you look at the output of Manitoba's mining industry and you see that, on average, in the period of time when the NDP was in government, the annual average output of the mining industry was \$118 million per year, in constant dollars. The past three years, 1978 to 1980, the average output has declined to \$88 million so we've gone from \$118 down to \$88 million; that is roughly a decline of 25 percent. So I'm just wondering where is the mining industry of Manitoba going? In fact if you chart it, it's quite obvious on a chart, you see the years when we were in office the mining output never fell below \$100 million in any one year. In fact, in 1970 it was \$127 million, I'll read these very quickly, in fact, I would invite the Minister's staff to check these figures if they like. The real domestic output of the mining industry in Manitoba in 1970 was \$127 million — these are constant 1971 dollars — in 1971 it was 122; in 1972, 110; 1973, 125; 1974, 122; 1975, 119; 1976, 106; 1977, 111; and every year, Mr. Chairman, we were well over \$100 million output. What happened in 1968, the first year of Conservative Government in Manitoba? The output dropped to \$88 million, it dropped to \$88 million. In 1979 it dropped again to \$83 million; 1980 is was up somewhat to \$93 million, but on average it comes to, as I suggested, it calculates at \$88 million on average, compared to \$118 million on average during the NDP years in office.

The forecast by the Conference Board for 1981 is for a decline in the mining industry in Manitoba. The forecast, it's a slight decline, but nevertheless a decline is predicted by the Conference Board, but I'm not really going to pay much attention to the forecast. I would say, let's look at the historical data and while some of the calculations may have made by the Conference Board staff, these data are based on information coming from Statistics Canada, as reported by the mining companies to Statistics Canada in Ottawa. I say that if we look at the significance of the mining industry in Manitoba we see that it has declined as a percent of total industries output in this province.

In the years that the NDP were in office the mining output averaged roughly 3 percent of total output; 1970 to 1977 the average was 3 percent. In other words, if you take the production of every industry sector, agriculture, fishing, manufacturing, construction, the services, etc., etc., and you take mining as a percentage of the total, it was 3 percent.

During the Conservative period in office it has dropped from an average of 3 percent to about 2 percent of the total output. Mr. Chairman, that includes one year in which agriculture fell in total, so I say that there is no sign, even in a relative way, that the mining industry has flourished and

prospered in Manitoba; not according to the information that's published by the Conference Board which, as I said before, Mr. Chairman, is based on official data supplied by Statistics Canada which, in turn, comes from the reports provided by the mining companies themselves. And Stats Canada doesn't dream this up, it is obtained, it is calculated based on surveys of the mining industry.

So I say, Mr. Chairman, that the mining industry looks sick under this government. A decline in output and a decline in absolute terms and a decline in relative terms vis-a-vis the rest of the industries in the province. I say, Mr. Chairman, there is no sign that the policies of this government have resulted in an expansion in the work and in the output of the mining industry. As a matter of fact, you can take a look at it another way, you can look at the man hours work in the mining industry in Manitoba, which I have done, and this is the information supplied by the Provincial Government itself. In all mining operations combined in Manitoba, the mine hours worked in 1978 and 79 — I don't have 1980, I was only able to get up to 1979 — but the man hours worked in 1978-79 were just over 13 million; 13 million man hours worked in 1978 and 79, on average. If you compare that with the eight years of NDP government, the annual average of man hours worked was 17.2 million, 17.2 million man hours worked per year in the years 1970 to 77, on average, compared to, as I said, 13.2, while the Conservatives have been in office.

So I say, Mr. Chairman, there is no concrete evidence that the policies, the royalty, the tax policies or whatever policies this government may have in the area of mining operations or the mining industry, there is no evidence that it has resulted in any so-called resurgence or any great increase of this particular industry and, as I said, if anything, it has declined in significance.

I want to go on and indicate what I've indicated in other years and that is, let's face it, one of the major factors causing output to change is certainly got to be international markets for metals. That I believe has been probably a more significant factor than royalty and tax policies in the province. I get a little bit upset then when the Minister or the Premier makes statements, issue Government of Manitoba Information Services news releases, suggested that somehow magically this government and its policies have caused some sort of expansion, explosion in the development of the industry. I can't dispute the Minister's figures regarding exploration but, as I said, the proof in looking at the historical data, the proof's in eating of the pudding, Mr. Chairman, and in this case it's the actual data supplied by the companies showing that they have done less, they have performed at lower levels in the past three years and certainly they have provided less work for the people involved in mining industry. There's no question about that, so let that be clear, let that be clear.

Mr. Chairman, I don't want to take too much in the introduction here, except that I want to repeat out concern on this side, and urge this government to change its position on the question of national oil pricing. Begin to realize that the support of the Alberta government, the support of the Lougheed oil pricing policy, is not in the best interests of the consumers of the Province of Manitoba. I regret that

there has been no change in course, that the Premier of this province and the government that he leads continues, it seems to me, to support some version, if not the total version, of the Alberta government position, and that is that we should move toward world prices.

Now I know Alberta doesn't say international prices, but they say it should be tied in somehow to this international price level, or perhaps some percentage thereof, or even if it is tied to some American price; the American price presumably being tied to some international level. I say that the government, by taking this position, is not speaking and not acting on behalf of the best interests of the consumers in this province because (a) this policy will mean higher prices rather than the prices we have now, in fact, the prices we have now are already hurting, but if we follow the Alberta position we would have even higher prices, we would have even more inflation in our country and in our province; and in concomitant to that, in respect to that, this would also therefore reduce our standard of living, that we would have less purchasing power, the average Manitoban would have less purchasing power to maintain the standard of living that he or she has been accustomed to. And, without question, these rising energy prices, these rising oil prices have caused more unemployment in this country and will continue to be a source of unemployment pressure.

The other element of my concern was with regard to foreign ownership, because the Lougheed-Alberta position is one that leans very heavily on multinational operations. It leans very heavily on the foreign ownership of the industry, and I say again, that is not in the best interests of the people of Manitoba or Canada, in fact the higher prices that Mr. Lougheed wants will in the purest sense that he wants to have them achieve, will allow for more foreign ownership and less Canadian ownership, less public ownership that could be achieved let's say by another approach that could be taken and is taken to some extent and that is utilizing the national petroleum company known as PetroCan.

I know the Minister will protest that the Government of Manitoba wishes to obtain energy self-sufficiency. Mr. Chairman, that is not the issue. Everybody in Canada, everybody in this province, all parties, believe in national self-sufficiency in all forms of energy, and I might add that we are self-sufficient it seems in every form except oil. Oil is the only one in question. In fact we export a lot of coal, and we export large quantities, increasing quantities of natural gas, in fact we are in a position to export more Hydro electricity. So it is only petroleum product that is a problem, and as I say to become self-sufficient in this area if it is possible, this is not an issue. Everyone wants to obtain the security of supply.

The key question, the key issue is how do you secure this self-sufficiency? How do you go about obtaining this goal? I say related to that or other questions is who should develop our resources? Should it be the people of Canada for the people of Canada, or should it be a continuation of development by the existing oil companies? Of course related to that is just what is the appropriate price level and how should that price level be established?

There are a number of ways we can achieve self-sufficiency. One obvious method, it's not the whole answer of course, but a partial answer is through additional conservation, and I know that too sounds like a very motherhood position, and I know the Government of Manitoba is spending some money on conservation programs. I welcome that, I support that, and we have no complaint with that, the Federal Government is, and indeed other provinces as well, but nevertheless it is recognized that this is one way that we have been able to walk at least part of the way towards perhaps increased self-sufficiency.

Certainly another method of achieving self-sufficiency is substitution of other fuels for oil — (Interjection)— well whatever, but I say the critical substitution of course will be substituting natural gas for oil in Ontario; not Ontario so much as in Quebec and the Atlantic region. The Atlantic region and Quebec are the major areas of oil importation, and if we could, and as some attempt is being made, supply western Canadian gas to eastern Canada, we could to a large extent offset the need to buy OPEC oil or any other off-shore oil supply.

I say that we should do whatever we can to increase our indigenous oil supply. We all know that there is some great potential in the oil sands, the tar sands of Alberta and elsewhere. There are some possibilities of discovering oil off-shore again, and we know there are some developments off Newfoundland and Labrador. I might just add that in the Labrador discovery, I believe it was PetroCan that played a very leading role in that from year one and I think that is to PetroCan's credit, that it was involved right from the beginning.

I say that if we are to develop these higher cost oil resources, it will require higher prices, and I say therefore we should be prepared to pay the higher price for the new oil source. There's no question that you cannot develop this without paying the cost, and if you are involved with private corporations, then they do expect a return, a profit in addition to covering the costs and therefore, Mr. Chairman, we have to recognize that higher prices may be needed for new oil. But what I do object to, and what our party does object to is paying higher prices for old oil, because there is no question that we are paying an undue inflated price for something that is coming out of the ground at a much lower cost level.

So I suggest, Mr. Chairman, without going into a lot of detail because we have touched on this subject before in this House, that what is a better pricing policy is what I would refer to as a blended oil price policy, whereby we do recognize that we have to pay higher prices for new oil, but let us not pay rip-off prices for old oil, therefore we end up with some blended oil pricing approach.

I just might add as well, Mr. Chairman, that in my view the world price that we have today is a cartel price. It's a price that's been established, I know some will argue by the pressures of the market, but nevertheless it is a cartel price. It is a price that has been established by the efforts of the oil producing export countries otherwise known as OPEC. In the United States, the price, I understand, is moving to the world price, and so therefore in my view, Mr. Chairman, a percentage of the world price or some variation or some percentage of the U.S. price is not acceptable to us and it's not in the best interests of this country or of this province.

I might point out that from data supplied by the Federal Department of Energy that of the funds that have been obtained in the past several years, of the additional moneys that have been accrued by the petroleum industry in this country, that 43 percent has gone to the industry; 47 percent to the provinces via royalties and taxes; and 10 percent to the Federal Government. Now some of this will change under the new National Energy Policy, but nevertheless the provinces will continue to receive a large share. So as I pay more and as other Manitobans pay more for gasoline and other oil products we find that probably at least 40 percent of that will simply accrue to the producing provinces but particularly Alberta. It will not provide another gallon of gasoline. It will not provide another ounce of petroleum.

Mr. Chairman, as far as the industry's portion is concerned, there is a lot of evidence that many of the additional revenues that the industries achieve through the higher prices have gone to their parent companies, because most of the multinationals are U.S. based, but wherever they're based, it makes no difference, there is ample information to show that the additional revenues generated by price increases have gone out of the country and have not gone towards giving us the additional oil that we want; that we were supposed to be getting for these higher prices.

As a matter of fact, in 1979 the Ontario government did a study that showed of the \$22 billion of incremental revenues generated by price increases to that time, that is up to 1979, less than one-third went toward increasing supplies either through exploration or development of synthetic fuels, and I think that, Mr. Chairman, is very shocking information.

There is other information available. That was an Ontario government study that I referred to. There is other information available from Ottawa. There is a monitoring agency now, that is an agency that monitors the petroleum industry. Here is the report, Canadian Petroleum Industry Monitoring Survey, and there is an agency in effect in place in Ottawa that is attempting to find out what is happening to all the additional revenue being obtained by the oil companies from the additional prices that Canadian consumers are paying. There is ample evidence that a lot of this additional funding has simply left the country in the form of dividends, in the form of other payments to parent companies including fees for technological services, fees for operating and managerial services and so on.

So while we think that we are getting energy self-sufficiency by paying higher prices, Mr. Chairman, what we are getting is less than adequate exploration and development. We are getting a massive transfer of wealth from various parts of Canada to one province in particular; a massive transfer of wealth from consumers to the producers and we find that this additional cash flow that the petroleum industry has achieved, is enabling it to expand into non-petroleum areas, and there is a long list of information showing how the oil companies are not using their profits, the profits that they're retaining in Canada, necessarily for further oil exploration and development. There is a lot of evidence which shows that the companies are going into non-oil energy

investments such as coal mines. There is other information showing that it is going into investments that have nothing whatsoever to do with energy.

So I say, Mr. Chairman, that the self-sufficiency that we think we are getting by paying these across-the-board prices are not necessarily coming about. I suggest, Mr. Chairman, that world prices are not necessary for energy supply reasons, and I would point out in saying, that the vast share of the oil and gas supply that we have in Canada today was found prior, well before the rapid rise in world oil prices in 1973.

In conclusion then, Mr. Chairman, I am suggesting that we can encourage new discoveries. We can encourage more exploration, more development with the price mechanism that reflects Canadian costs and not world prices. We can encourage new production, new discoveries with the price that offers high and predictable returns. I am prepared to say let us pay the price to give the returns, but let us not pay rip-off prices. Let us ensure that the higher prices are for the higher cost and the riskier investment projects.

I say then, Mr. Chairman, that the government policy of Manitoba is unwise for the consumers of Manitoba in particular. It is not in the best interests of this province, and I would hope that we could persuade the government to change its course of continuing to support Mr. Lougheed and the Alberta government. I don't think we will be very successful, but I think the people of Manitoba are beginning to realize this policy that is being pursued by this government is certainly not in their best interests and I think that they will make their views known on this particular course of action, on this particular oil pricing policy that this government is following in the days, the weeks, the months ahead, or maybe a year ahead when Manitobans go to the polls next time.

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

**MR. BOSTROM:** Thank you, Mr. Chairman. I have a number of comments to make in following up the comments made by my colleague the Member for Brandon East and in particular, Mr. Chairman, to comment on the Minister's statements that somehow the mining industry in Manitoba is in the healthiest position in history.

I think the Honourable Member for Brandon East successfully demonstrated that if anything, the mining industry in Manitoba has been in a decline ever since the Progressive Conservative government has been in power, and if you look at the statistics that are supplied by his own department, Mr. Chairman, and I am looking at the production figures which are probably an even better indicator than the dollar figures for what production has been in the major areas of mining in Manitoba; if you look at nickel production, Mr. Chairman, in the year 1980, it's the lowest production since 1972. The 1980 production is 86.6 million pounds, which is only 66 percent of the average production over the period 1973-77. It is only 66 percent. So how can the Minister say that things are looking better in Manitoba?

If you look at copper, Mr. Chairman, the average production over the period 1971-77 was 131.5 million pounds per year. The 1980 production is only a 10

percent increase over that. In the area of zinc, Mr. Chairman, another major producing area in Manitoba, in 1980 production of 89.3 million pounds is the lowest production since 1971 and in fact it's only 69 percent of the average production over the 1972 to '77 period of time.

So, Mr. Chairman, when the Minister talks about great increases in production, he's certainly forgetting about the facts. If you look at the statements made by the Minister, Mr. Chairman, you will see that they certainly are a fake when it comes to presenting the true picture of mining in Manitoba. He claims, in a quote here in *The Business Review*, that Manitoba Mines Minister, Don Craik says in 1979 mining exploration increased, mainly in response to Provincial Government initiatives in the area of mineral taxation that gives Manitoba a tax structure competitive with those of other provinces, as well as world prices.

Well, Mr. Chairman, I wonder what he would say about the situation in Saskatchewan, where the Saskatchewan mining economy is in much better position than in Manitoba. In fact, with a mineral policy very much like the one we had in Manitoba previous to this government, they accounted for 60 percent of all the hard rock drilling activity in Canada, in the Province of Saskatchewan. If you take a look at Manitoba you see that the mining economy here is, if anything, sluggish. So you can't have it both ways, Mr. Chairman. —(Interjection)— My honourable colleague in the Opposition is speaking from a seat and is pointing out the same facts that I'm presenting and that is that you can't, on one hand, say that your activities and your policies are creating a better environment in Manitoba; and then disclaim the fact that the environment for mineral activity, mineral exploration, mineral development is much better in Saskatchewan than in Manitoba.

So what does the Minister have to say about that particular fact? They don't have the policy of giveaways like we have in Manitoba; they don't have a policy of reducing taxation to mineral companies; and they did not change the policy which we had in effect here, which was to give the government the opportunity of being a partner in mining development. In fact, Mr. Chairman, they have a policy there which is almost identical to the one we had here, which requires a company that's doing a development in the mining industry in Saskatchewan to offer the government the opportunity of going in on a 50 percent venture with them.

So, Mr. Chairman, that has not resulted in a reduction of activity in Saskatchewan, just to the opposite. (Interjection)— And it didn't here either, right. And if we take a look at the statements that the Minister is making, Mr. Chairman, exploration — this is from a news release of January 9th, 1981 — "The value of mineral output up 27.7 percent". The only thing the Minister fails to mention is that he's comparing 1980 with the disastrous first two years of the Conservative Government in Manitoba, and it still doesn't compare with the period of time when the New Democratic Party was in government in Manitoba. As I just pointed out, Mr. Chairman, in the three main areas of mineral production in Manitoba, nickel, copper and zinc, two of those are only two-thirds of what they were during the NDP years in Manitoba.

So the Minister cannot be making statements like value of mineral output up 27.7 percent; if he's really being honest in comparing the Conservative years to the NDP years, he'd have to make a headline value of mineral output down, not up. And if you're looking at exploration as well, Mr. Chairman, he states in his press release that exploration was active in 1980, involving more than 1.2 million acres in claim blocks, claims and exploration permits in the first 11 months in 1980, compared with 700,000-plus acres in 1979 and 500,000-plus in 1978.

Well, Mr. Chairman, in 1977 there were 688,000 acres in claim blocks and in 1976 there were 1.4 million acres in claim blocks, under the policy of the previous government, which required a company to offer the government the opportunity to be a partner in the development. So, Mr. Chairman, the Minister is being a fake in presenting the facts. He's comparing one year with another bad year during his own administration and refusing to put out a complete picture comparing his years in office with that of his predecessors.

Mr. Chairman, when we look at the presentation which the Minister provides in his Annual Report for the year ending March 31st, 1980, if you look at page 15 you see in the Manitoba Petroleum Statistics a 20 percent decline in crude oil production in Manitoba; we're looking at oil here. His own publication gives a lie to his statements that production is increasing in Manitoba. Crude oil production was 701,000 cubic meters in 1975, it's 583,000 cubic meters in 1979; a decline, Mr. Chairman. If you take a look at increased exploration in oil in Manitoba, granted there may be some increased exploration in oil in Manitoba, and what is the reason for that? There's vastly increased oil exploration in Saskatchewan too. It's not because of the Minister's policies in that regard, it's the result of price. It's the result of price and if the price has gone up, as it has gone up since 1973, there's been a quadrupling of the price of oil in this country, naturally companies are going to go after oil, but they're going to go after oil in Manitoba and they're going to go after oil in Saskatchewan, regardless of the Minister's arguments that his particular ideological policies are going to bring them here more than they're going to bring them into Saskatchewan.

If you look at oil, Mr. Chairman, if you want to take a look at oil, we look at the comparison in Manitoba's own report. They claim that 27 wells were drilled in 1980, two more than 1979 and the greatest number drilled in the province since 1969. Well, Mr. Chairman, in Saskatchewan they drilled 1,498 wells, 1,498 compared to 27 in Manitoba. So are they flocking to Manitoba because of the Manitoba Government's policies? Ridiculous, absolutely ridiculous. And for the Minister to go around the province making those kind of comments reveals him to be a fake, a real fake. Mr. Chairman, if want to look at exploration, take a look at exploration, we see that in Manitoba in 1979 there were 486,000 acres of mineral exploration in Manitoba. That compares to 1.7 million acres in Saskatchewan, 1.7 million; four times as much activity in Saskatchewan as in Manitoba. This is mineral, hard rock mining, Mr. Chairman, mineral exploration, and so these statements by the Minister are absolutely ridiculous.

As my colleague, the Member for Brandon pointed out, the Manitoba production, as a percentage of Manitoba gross provincial product has declined. In other words, relative to the other sectors of the Manitoba economy, the mining sector is declining in importance under this government and under this Minister.

Mr. Chairman, I want to get into some very specific examples of how this government is selling out the resources of Manitoba, a very specific example in that regard, later on in the Estimates process. I'd also like to point out at this time, Mr. Chairman, that if we take a look at the reasons for oil exploration rise in Manitoba, even as little as it has risen in Manitoba, there are a couple of good realistic reason for it having gone up. One is the oil prices and, secondly, in 1977 the department itself reported in a document that the October 1977 announcement of a deep oil well discovery near the Manitoba-Saskatchewan-North Dakota border resulted in renewed interest in Manitoba. So the department itself recognized that this was a factor in bringing some renewed interest in oil to Manitoba. It's no surprise, Mr. Chairman, that because of that kind of interest an aggressive province, a province that is interested in doing things for the people it represents, is discovery oil, is exploring for oil and discovering oil right in this province. Sask Oil is in the Province of Manitoba doing what the Province of Manitoba should be doing and that is exploring for and finding oil, so that the people of Manitoba may get the greatest benefits from their resources. — (Interjection)— Pardon me.

Well, Mr. Chairman, we'll get into what the Government of Manitoba found and what this government has sold out later on in this Estimates process. We understand now, Mr. Chairman, that this government is taking credit from what it says is a policy which is bearing fruit, exploration in Manitoba. He points out that the exploration expenditures in Manitoba have reached record levels of \$31.1 million. Well, Mr. Chairman, in 1980 in Saskatchewan the expenditure on exploration was \$100 million, over three times as much in Saskatchewan as in Manitoba and he claims there's a 50 percent increase in mining revenue because of his competitive mining tax.

Well, Mr. Chairman, this is a joke too, because if the government of this province had not taken off the mining tax which we had imposed in Manitoba, the return to the Province of Manitoba would have been higher than it is right now. The government, by its own definition, by its own definition, by its own reduction of the royalty rates, have reduced the royalties, the potential royalties to the Province of Manitoba. And if you take a look at the statement by Inco's Chairman and Chief Executive Officer we would recognize that that is the case. He said in the three years since the inception of Manitoba's existing tax system, he's talking in 1978, Inco has incurred Royalty Tax at the 35 percent level, because it was on windfall profits, Mr. Chairman.

Nickel prices have gone up exceedingly. In fact nickel prices have gone up from \$1.53 a pound in 1973 to \$3.15 a pound in 1979. There has been a doubling of nickel prices, more than a doubling of nickel prices, so naturally there should be more than a doubling in the resource taxation rate if it were

based on the windfall profits. There shouldn't be just a 50 percent increase, there should be a doubling of the income from the nickel resources in Manitoba. And it says: "As improbably as it may seem, even in this difficult year", this is in 1978, "we will have considerable income tax at the top tier 35 percent royalty rate. The top tier was designed to gather so-called windfall profits". Well, Mr. Chairman, it's pretty clear that when nickel prices go up by double the amount in that period of time, that certainly the Province of Manitoba, the people of Manitoba should be entitled to a share of those profits, a legitimate share of those profits, and the tax that we had imposed on the mining companies in Manitoba would have brought that kind of return to the people of Manitoba. This government has cheated the people out of that income and had to tax the ordinary taxpayer, the ordinary worker, at a higher rate to replace that money that they did not collect from the mining companies.

So when he talks about a 50 percent increase in mining revenues that's insignificant, when one considers what could have been done, what could have been brought in. He talks about mining developments in the province, Mr. Chairman, we'll get into this one later on, but the Trout Lake Mine is certainly not something that the Conservatives can take credit for; certainly not something which even the mining companies in that area can take credit for. —(Interjection)— Well we'll get into that, Mr. Chairman.

The interest and the potential opening up of the Bissett Mine, Mr. Chairman, has absolutely nothing to do with the Conservative Government in Manitoba; it has something very much to do with the price of gold, which has gone up from \$35 an ounce, when that mine shut down, to well over \$500 an ounce right now, and even if you consider that mining production has gone up ten-fold, mining production costs, Mr. Chairman, even if you would give them the benefit of the doubt and say that it would cost 10 times as much to mine that ore now as it did in 1966 when the mine closed down, well, Mr. Chairman, it should be easily profitable for a mining company to move in there. I'm surprised they haven't done it before now, but it's a function of price, not of mining policy in this province. The sad thing, Mr. Chairman, is when a mine does open up anywhere in Manitoba, the people of Manitoba won't be getting as reasonable a share of the income from that mine as they would have received under a New Democratic Party Government. —(Interjection)— That's a laugh.

So, Mr. Chairman, he claims that the taxation structure has had beneficial effect. I would like him to go more fully into that statement because it certainly has not had beneficial effect in any of the areas that he pointed out. It's reduced the potential revenues to the Province of Manitoba. It has not increased exploration anywhere near to any proportion that it is in Saskatchewan, a province which he would say has too high a mining tax structure which has onerous requirements on mining companies to go into partnership with the government and so on. Mr. Chairman, the taxation structure of Saskatchewan I would say, has a beneficial effect on the people of Saskatchewan and on the mining industry because they're flocking there in greater numbers than they're flocking here.

So, Mr. Chairman, I would think that the government has some explanation to do to the people of Manitoba for the statements they're making which are obviously incorrect, and I would hope that the Minister would have some response to the comments made.

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

**MR. GREEN:** Yes, Mr. Chairman, I would think that there is no other area of provincial endeavour and provincial operations where there has been so much duplicity; so much misrepresentation; so much false assertion than there has been, Mr. Chairman, with respect to the mineral development of our province. Mr. Chairman, I'm not going to play the game that the Minister played when he was in office, and I'm not going to change the criteria by which I would judge the standard of the mineral development in our province than when I was in opposition previously and when I was in government. I leave that shifting of sands and shifting of positions and 180 degree turnabouts to the present Minister, Mr. Chairman. We had an example of it this morning which I will relate to the mining industry. We had an example of it in question period.

Mr. Chairman, Flyer Industry has not received any moneys from the Province of Manitoba since 1976, and in 1977 the year that the Conservatives came into power, Flyer Industry showed a profit of \$4.5 million, and they showed a profit for three years running. I will acknowledge, Mr. Chairman, that that's partly because they showed big reserves in other years. But as far as a Board of Directors working by themselves turning about a company, taking a full order book, producing the buses which they said couldn't be produced when they were in opposition, that happened long before the Conservative Party took power.

The Flyer Board did exactly that with a much worse situation and without the opposition members doing everything that they could to run down the product that was being produced in the Province of Manitoba. Phoning San Francisco; editorials in the newspapers, Mr. Chairman, telling the City of Winnipeg not to buy Flyer Buses, editorials in the newspapers, and with the aiding and abetting and connivance of members opposite. That's the position of the Minister in Opposition.

In government he says hands off these corporations, the directors are doing a wonderful job. They turned the company around and we don't want such questions from the Opposition. He never got those kinds of questions from me and he won't, but let him remember it, Mr. Chairman, if he happens to be in Opposition a year-and-a-half from now — and that is by no means certain because we're all going to have to stand and he may be one of those that go - but I'm not going to make those kinds of shifting criteria, Mr. Chairman.

I would suggest, Mr. Chairman, that on the whole the statistics for mineral development in the Province of Manitoba would have been the same between 1969 and 1979 under a Conservative administration and the statistics which are now being produced by the Minister, even if they are lower — and the Member for Brandon East has said that they are lower and really to me that is not important — they

would have not been different under a New Democratic Party administration or under a Progressive Party administration, because the production statistics and the exploration statistics would not have been effective, and Mr. Chairman, I can't blame the Conservatives for the downfall in production, nor should my friend the Minister pretend to take credit for a so-called increase in production.

Mr. Chairman, the facts are there. During the years that the New Democratic Party were in power and not through necessarily their doing but certainly they didn't discourage it as the Minister would suggest, we opened about four mines. The Tantalum Mine was opened in 1969. It preceded the New Democratic Party administration in finding it. The Leaf Rapids Mine was opened during a New Democratic Party administration and I never stood up and took credit for the opening of the Leaf Rapids Mine. The Falcon Bridge Mine was opened and closed during the New Democratic Party administration and that production is down, and just before the government changed hands, there was reported to me after the election, Inco came in and said there would be a mass decrease in production, that it would be handled through attrition. So, I don't blame my friends for the fact or the accident that Falcon Bridge operated here for those years that the New Democratic Party were in power — and I won't say Falcon Bridge loved the New Democrats and hated the Minister — Falcon Bridge loved nickel and hated not getting nickel.

The same thing happened in Lynn Lake. It's not my friends' fault that Lynn Lake stopped production during the New Democratic Party administration but the statistics that are quoted by the Member for Brandon East would include those years when Lynn Lake was operating. All of those things happened, Mr. Chairman. Those statistics would have been the same. There was no let-up in exploration because of the New Democratic Party administration, either their mineral policy in terms of exploration and development, it continued to go up and we had more mining companies involved in the Province of Manitoba than we ever had before.

We had the record year in 1977 up until that time. It was a record year in mineral exploration and it was only the second year of the new policy. It's true, Mr. Chairman, that a part of the money, as much as half of it although it wasn't quite half, was public investment and my honourable friend will discount public investment. He doesn't want to hear about it. He doesn't want to include it. If you had mining exploration that was public then the Minister used to stand up in Opposition and he used to make fun of it, Mr. Chairman. He used to make fun of it and now we're going to see how those words will come back and slap him in the face, because he used to say they haven't discovered anything; they're just digging holes and they're not finding anything.

Well, Mr. Chairman, they did find a hole. They found the Trout Lake Mine and the Member for Emerson makes the assinine statement that nobody would have produced that mine if the New Democrats were in power. I tell the Honourable Member that the New Democratic Party had the power to produce that mine itself and it would have been produced because we would not sit on a

valuable mine and it is valuable, and if you want to know how valuable it is Hudson's Bay paid \$28 million to get even with the other two partners who are slightly better than even, \$28 million for what had been spent by the other two partners of not \$2 million in exploration, perhaps \$1 million of public and \$1 million private, Granges and the province together. To get even with them, they had to put \$28 million out. Now the mine will go into production and still, Mr. Chairman, we are still in the fortunate position that the Minister hasn't sold the whole farm. When I say sold I'm being generous, that he hasn't given away the whole farm because we will still be partners, not tax collectors, but partners in receiving the same type of income from that investment as will Hudson's Bay and Granges and, Mr. Chairman, I have never faulted that.

I say if you are going to rely on somebody to make an investment in your province at a risk and that's going to give him a return, you are entitled to a fair rent, you are entitled to a fair royalty but you cannot take the position as was taken by the Leader of the Liberal Party, that financial genius in this House, when we were declaring the mineral policy on a 50 percent participation. Mr. Asper said, why do you want 50 percent? If you want more money just tax it. That is the level of sophistication of the Liberal Party at that time and still is, Mr. Chairman. Their policy is, you make it and we'll take it. I said at that time that is not the policy of the New Democratic Party when in government; it is not the policy of the Progressive Party. The policy of the Progressive Party is that if the public wishes to get the same kind of return as private enterprise in terms of development then they have to take the same risks, and that's what we were prepared to do, Mr. Chairman, and that's what we did do and that's how the Trout Lake Mine became part of the property of the people of the Province of Manitoba.

So those statistics, Mr. Chairman, that have been quoted by my friend the Member for Brandon East and which have been quoted by the Member for Rupertsland and quoted by the Minister of Finance, I am not going to be the one to take credit for the good years and to assess blame for the bad years because I happen to believe that between 1969 and 1981, whichever government would have been in power, the statistics would have been almost identical to those that have been quoted.

Mr. Chairman, there would have been one change in the statistics. If between 1977 and 1981, and 1981 to 1991 there would be a policy similar to what happened by the previous government, then the return to the people of the Province of Manitoba would be higher under the policy that was put in place by the previous administration and the policy that will be put into place by the next administration, Mr. Chairman. That is the only statistic that's really important, not how much was produced, because I suggest to you those would be the same. The Minister himself has said they would be the same.

The Minister said they're not going to Saskatchewan because of the Saskatchewan Government, they're going to Saskatchewan because of uranium. He is perfectly right, Mr. Chairman, and I want him to know that they are not coming to Manitoba because of the Progressive Conservatives. They're coming to Manitoba in terms of hard-rock

minerals for two reasons, (1) there is a possibility that they will discover zinc, nickel or copper; and in terms of oil, they are coming to Manitoba because there was a find very close to the Manitoba border in North Dakota and, Mr. Chairman, this immediately enlivened activity in the Province of Manitoba and I checked it at the time, checked it with the department officials as to how many applications were made and what they were asking for and where they were going, and the department has documented it by saying that this has enlivened interest.

So there would be a change, Mr. Chairman. There would be a change as between the two philosophies but not as with regard to how much is produced; not with regard to how much has been explored, but definitely with regard to how much the owners of the resource are going to get out of it. There is no question in my mind, Mr. Chairman, that as a result of the joint policy, one public investment and development, and the other policy on excess profits tax, the people of this province would have done better.

Now the Minister gets up and almost ignores that feature of it. The Minister gets up, Mr. Chairman, and announces a mineral production program as if he was announcing it to the shareholders of the mining companies and saying this is how much has been produced; this is the kind of profits that are being made in the industry; and we're getting much better and we have lower taxes; that would be a good speech to make to the shareholders of the company. But what kind of speech is it to make to the shareholders of the resource which are the people of the Province of Manitoba?

Mr. Chairman, the last three years of Conservative administration have been three years of stock-watering in terms of the ownership of the resource by the people of the Province of Manitoba. If the Minister went to a board of directors of a private company, went to the shareholders of a private company, and told those shareholders what he is telling the people of the Province of Manitoba, in terms of what he has done to their resources, he would be immediately removed, Mr. Chairman, as a director and possibly worse, possibly worse, because, Mr. Chairman, a director is not permitted, in a private company, to get rid of, without valuable consideration, the resources of the company. If he did that he would be certainly liable to dismissal, would be dismissed, and perhaps worse.

Mr. Chairman, they have as well been, and in this I am going to be, and I give you notice in advance, I am going to be unfair, but only unfair insofar as using the same type of argument as the Minister. In other words, I would never say this, but since the Minister has used it as his criteria, then I am going to ask him to use that criteria to his program. Mr. Chairman, for two years we had a policy of 50 percent development. We had a policy of the Manitoba Mineral Resources Company which preceded that and which didn't find anything. But for two years we had a policy whereby we were 50 percent developers. It wasn't even a full two years; I think it was more like a year-and-a-half, perhaps two years. In those two years, that policy participated in the finding of a mine, even though the Minister used to make fun of it. Sure, you are spending all this

money on development but you haven't found anything; you are digging dry holes; that's what he said. You can't find anything because you're the public and the public is stupid and the public is incompetent and the public can keep on drilling and they won't find anything; that's the argument that was advanced by the Minister.

Well, Mr. Chairman, for three years we have had the geniuses engaged in development. We have had the private sector, and I don't fault them, Mr. Chairman. I am now asking the Minister to apply the criteria. And they spent more money, he says, and they have worked harder because they have had greater incentive, he says, all of which is a lie. But they haven't found anything, Mr. Chairman. So the Minister says they are incompetent; the Minister says that they are going to drill forever and not get anything; the Minister says private enterprise, which has worked for three years, obviously doesn't know what it's doing because it hasn't found anything.

Mr. Chairman, I don't believe that; the Minister believes that, those are his criteria. I don't believe that; I believe they will find something. I believe that in 100 year's time there will be more mines in the Province of Manitoba, I don't know how many but I am certain there will be more mines; that those mines will be discovered as the result of effort by somebody. There is really one question mark, Mr. Chairman, which the people of Manitoba are going to decide. Are those mines going to be owned entirely and are the people of the province going to be entirely at the mercy of private entrepreneurs, or at the dependence of private entrepreneurs if you like a better word and that, as a result of being in that dependent position, these private entrepreneurs will get the bulk of the return that flows from that resource; or, Mr. Chairman, will it be that in 100 year's time, as a result of the initiative, the effort, the will, the competence, and the courage of the people of this province that they will be partners, if not owners, in those developments and will thereby not be told that if they don't reduce the taxes or give greater incentive that development will stop; but that they will have learned, they will have matured, they will have realized that in order to get a better return you have to make an effort and you have to make an investment. They will do it and hopefully, Mr. Chairman, 100 years from now, the people of the Province of Manitoba will be much greater participants in the return from their mineral resources than they have been in the previous years of development. That will require, Mr. Chairman, a change of government; not as dramatic a change as I once thought.

The Minister used to talk as if any public participation was sinful, Mr. Chairman; it was original sin. The Minister has now become a little bit pregnant. The Minister now says, "I am going to be a participant in the potash discovery; I am going to be a shareholder in the Trout Lake Development; I am going to, on a voluntary basis, participate with mining companies who wish to be my partners". The danger, Mr. Chairman, in that, is that the mining companies will only ask you when they have greater risk involved and less of a good prospect. The further danger is, Mr. Chairman — and this was explained to me fully by the officials of the department when I was there — is that you can't

choose in advance. We are back to where we were yesterday in trying to figure out which ones will be good and which ones will be no good. The danger is that you will let the good ones go by and pick the bad ones, rather than saying that if there is a project which somebody has faith in and they are willing to invest money in, the Province of Manitoba should make an equal investment and go along with it and see whether in fact it results in something.

That's what was being done, Mr. Chairman, and every penny that was spent will be more than recovered as a result of the one venture that became a reality and is becoming a reality. If the Member for Emerson says nobody would have developed it if the New Democrats were still in power he is merely, Mr. Chairman, reflecting on his own inability to do something, because certainly it would have been done; certainly it would have been done, that was the reason for the program in the first place and it certainly would have proceeded with.

Instead, Mr. Chairman, we have seen three years of the watering of the stock in mineral resources, of the shareholders in the ownership of that stock, namely, the public of the Province of Manitoba. We had seen, and I don't want to be terribly critical, three years of barrenness in terms of discovery and, worst of all, Mr. Chairman, we have seen three years of the directors of the corporate entity, in which all of the people of this province have a share, divesting itself, the corporation divesting itself of its ownership in viable industry.

There are three, Mr. Chairman, where the examples are so dramatic that we don't even have to discuss anymore. We had an option to purchase, along with our partners, 50 percent of the shares of Tantalum Mine. We had a right to a first refusal if somebody else wanted to purchase it. We let that mining development go to Hudson Bay Mining and Smelting Company — and now I am talking from memory — for, I believe it was \$5 million. We let 50 percent of a mine, a very profitable mine, go for \$5 million. Within one year, even before the anniversary of the purchase, the mine had earned, in profit after taxes, of at least \$5 million. So the return on the investment was almost immediate. I suggest to you, Mr. Chairman, that when the Tantalum statement comes out this year it will be seen that the Hudson Bay Mining Company, in value of their shares in the undistributed dividends, will get the entire \$5 million back. It will all be recovered, and that belonged, for the Minister who talks about what if you hadn't invested in Euro dollars, and look how much you lost, that entire mine will have been lost.

That was No. 1, Mr. Chairman. No 2, we were the owners, the public of this province were owners of potash reserves and, in exchange for somebody else doing a million dollar's worth of exploration — I think that was the figure, was it, \$1 million, I believe it was a million. The Minister corrects me and says in exchange for \$2 million, we gave up half our reserves; we gave up half our reserves for \$2 million and we are left with 25 percent of the mine, if they go ahead. Well, we had 50 percent, so we gave up half. We had roughly 50 percent.

Well, Mr. Chairman, those are the figures I can recall. The Minister will be able to qualify it and show that we only gave up a third. I happen to think that it was half of our reserves that was given in exchange

for the company doing \$2 million dollars; if he says the figure is \$2 million, it's \$2 million of our resources — I believe it was half. That was the second divesting, Mr. Chairman.

The third divesting, Mr. Chairman, was the Trout Lake Mine. There was no necessity to give Hudson Bay, for \$28 million, the right to do that, and if the Minister said, we got them to put in \$28 million that we would have had to put in, does he regard the Hudson Bay Mining and Smelting people as idiots? Did they put in \$28 million to do us a favor or did they do it to do themselves a favor? Because I happen to think that they are bright people, Mr. Chairman. I've never run them down. I believe that they put it in to do themselves a favor and, to the extent that they have done themselves a favor, the Minister has done the people of Manitoba a disfavor, because we were owners of roughly 45 - 50 percent of that development, and could have required the development to proceed, in which case, Mr. Chairman, absolutely no doubt about it, we would have to invest dollars. That investment would be well secured; it would show as an asset, somebody wanted the assets shown on the balance sheet — I think it was the Member for Winnipeg Centre, perhaps the Member for Rossmere as well. If you have an asset and you have \$28 million which is paid out for it and you show it as being worth \$28 million, and it is worth \$28 million, then you haven't spent money. Anybody who has kept money as against assets over the last 10 years would know that, that to the extent that he has kept the money and not bought the asset he has lost money, he has not gained money. Look at your own home and see what you would have done if you would have put that \$28 million in the bank and not had the home as against having the real property. So that is not a problem, Mr. Chairman; that is not a problem if you have the will to proceed and to do it.

So we have had those three years, Mr. Chairman, and I can say to the Honourable Minister what I said to his predecessor many years ago when Mr. Evans had that portfolio. I said, you know, it doesn't really hurt me personally. At that time I had in my hand, now I have at home, a piece of paper that said Sidney Green is entitled to X-number of shares of International Nickel Company of Canada. When the Minister comes out and makes the great announcements that Inco is making money and that we are not getting as much taxes, that money is being sent to me every three months, as one of the people who receives it. What I can't understand is why the Minister is so anxious to give Sid Green personally a dividend and won't say that that kind of dividend should be available to the people of this province as owners and developers of the resource. That makes good business sense, Mr. Chairman. What the Minister is doing makes good sense for the mining company, but not good sense for the people of the Province of Manitoba, and there are mining companies who would be just as willing to deal with intelligent partners as to deal with partners who are interested in divesting themselves of their resources.

**MR. CHAIRMAN:** Item 2. Salaries — pass — the Honourable Member for St. Vital.

**MR. WALDING:** Mr. Chairman, I will try to keep within the rules and not make a speech on this item so that we can move on to the appropriate lines.

The Minister said this afternoon, and again last week, that he felt that the Opposition had not been asking him questions on Hydro. Mr. Chairman, we don't want this Minister to feel at all neglected and we would like to accommodate him in posing a few questions on the matter of Hydro.

I was just looking down the department's Estimates and I would like to ask the Minister under which particular branch or item in the Estimates that he would be prepared to answer our questions on Hydro.

**MR. CRAIK:** Mr. Chairman, with regard to those negotiations outside of Manitoba, that comes under the Manitoba Energy Authority item, where the Energy Marketing Committee is, so that would be 23.1(d), Item 1.(d) at least on Page 54 of the Estimates Book.

Mr. Chairman, I wonder if the Member for St. Vital had any more remarks he wanted to make at this time because I perhaps could address some of these things that have been raised. There are a number of items that have been brought up by the three members who spoke that require some comment and again, I don't intend to be too long in replying to them.

The statistics are the usual brand that we seem to get from across the way regularly. The Member for Inkster made a number of remarks about what I said, or others said, in opposition. I don't recall ever having questioned the statistics put out by the Mines Branch of the Department of Mines and the others because, as he knows, and any other people know that have dealt with that group of people in Mines, they don't have a track record of anything other than except a pure, straightforward professional approach to their work. The facts are that the statistics that they have put out are generally considered to be reliable statistics. I want to indicate to the members that the figures for the year 1980 I will give to the member.

The figures for 1980 show the total for the mining production in Manitoba in current dollars as being \$833,809,000, and in constant dollars, 1971 dollars, \$372,902,057.00. That is a record for Manitoba. Without any other comments, Mr. Chairman, the 1980 figures show a record for Manitoba.

There was a lot of talk, and you can go into that and dissect them any way you like, the fact of the matter is that the mining industry is starting to emerge again and even the other figures, statements and assertions were that it is slipping in terms of its percentage of the gross provincial product. It did slide through the Seventies. It is up dramatically from 1978 through 1980 and the trend line is probably the steepest that you will find right back into the early 1960s in terms of the direction it is headed. It runs around, now it's about 7 percent of the gross provincial product.

There were a number of other statements made. The Member for Rupertsland made some comments about claim blocks and I have taken a quick look at that and he is making the assertion. I want to indicate to you, Mr. Chairman, that the claim blocks are something indicative of, I suppose, like housing starts are indicative of the number of houses you are going to be able to count next year or the year after when they are completed, and to a certain extent claim blocks can be equated to that. The claim

blocks in 1976 in number, were 1,494, for total acres of 711,000; in 1977, they were up to 1,841, with acres 770,000; in 1978, the claim block numbers were up to 2,184, for acres 881,000; the claim blocks in 1979 in number, were 2,820, for acres 1,165,000; and the claim blocks in 1980, the year just completed, are now up to 3,551, for an acreage of 1,479,657 acres.

Then we go on. We have had a downplaying, or an attempt to downplay the amount of exploration that's gone on. Mr. Chairman, the exploration activity does indicate a level of activity that you can expect in the future in production and the level of activity has, as I have indicated in my opening address, the level of exploration hit \$31 million. Now, that's in current dollars. I don't have the figures here in constant dollars but we can probably obtain those as well. Last year it was \$16 million. In 1978, it was \$13 million. Through the years 1970 through to 1976, in the current dollars of those years, the average ran around \$9 million a year. So, Mr. Chairman, there is no doubt about the fact that the exploration level is up and the trend line is very encouraging.

But we seem to get the usual attempt of the members across the way, in their usual negative approach to things, they have to find some statistics that will prove that really the industry is in bad shape. The other thing that comes out of the members opposite so crystal-clear always in the debate when it comes to mining, is this overweening need they have to have to control everything. They seem to be possessed of the fact that if there is a mineral deposit in the ground, that they as the government, must control it. They must be there as the shepherds that are really husbanding the resource. It is not good enough for them to say, well, we'll take a volumetric tax and we'll take an income tax and we'll take other forms of taxation off the activity, whether it's sales tax or other income taxes, corporate or personal. That's not good enough. It really bothers them to think that they do not own the company that does the whole thing and so they have to come forward. —(Interjection)— The member says, well, why don't you sell Hydro? Mr. Chairman, I guess that's really what the problem is. They don't understand the difference between a utility and an enterprise, and mining to a large extent is still an enterprise; it is not a utility. They don't have the clarity of thought to be able to differentiate between what is what. They just have that socialist approach where they say, own it all; if a little bit is good, own it all.

The Member for Inkster bubbles through with his basic guts every once in a while and says, now you are a little bit pregnant, you're a little bit pregnant, you've got to own a little. Well, we don't approach it that way. We approach it with a pragmatic approach, that the public must get a fair return and if you can take that fair return through the taxation that you are fully powered in this House to pass, and others — their taxation levels were obviously punitive and threatening and the mining industry was going nowhere and it has taken a few years — but now with the new taxation legislation that we have in place that was put through when my predecessor, the now Minister of Finance brought through this House some three years ago, the results of that are starting to show up. There is a stability in the

industry; they know where they stand. The two-tier system of taxation that the former government put in was an impediment to the development of the industry.

Now we sit here and argue back and forth and they are saying, well, you're not telling the story as it is. They say that to the government. I suggest that they are so paranoid about this that they can't envisage anything in real terms unless they own the whole operation. Well, I'll tell you, there is another answer; go out and ask the industry; go out and ask the guy on the drilling machine taking the core, whether he is in the potash field or the oil up north, ask him what he thinks. He will tell you. He will tell you about who is providing the best environment for this industry in Manitoba. I am willing to wager that when you come back from your survey, you will find out that they are not going to tell you that it was the NDP government. You don't have to go to the owners, the corporate heads; you don't have to go to the General Bullmooses like the Member for Inkster, who owns stock in Inco, you don't have to ask him as a shareholder, go ask the fellow on the drilling machine. Ask the fellow that is servicing them. Ask the fellow that is flying in the goods to the drilling camps to operate. Ask all the other members in the infrastructure that are involved in this business. They will tell you. Don't listen to the trumped-up statistics that are instantly put together across the way to try and discount what is now a very healthy industry.

The Member for Inkster went on and got onto the question of the ownership policy in the mines. Well, Mr. Chairman, he talked about Tantalum Mines; he talked about potash, and he talked about Trout Lake as being three cases where the government has shown that it backed away from investment where it should have been in investment. Surely the member knows and surely the previous member before him knows that the Trout Lake operation required an operating company, and the operating company was the Hudson's Bay Company, who are already there, located there in Flin Flon, who have a smelting operation which is required in all of this, and a mine adjacent to that. Is he really trying to suggest that Granges and the province should have carried on, set up a new mining operation and built their own smelter, where 20 miles away or within 20 miles away, you had Hudson's Bay sitting there? It was good. It wasn't a philosophical decision. A philosophical decision had absolutely nothing to do with it. It was a straight business deal; that's what it was.

So the province who under the former administration, already owned a minority — already owned a minority — did not own 50 percent, and had they gone with the first partner only, it would still have been a minority in it unless, of course, they had legislated as was their wont to do — any time there is doubt they walk in and legislate against the private sector — they very prudently decided that they ought to bring in a third partner, which was an operating company. —(Interjection)

Mr. Chairman, they've got the consummate gall to sit there and suggest that they would have done otherwise. Maybe they would have; I give them more credit than that. I don't think they would have done otherwise; they would have done exactly the same thing, Mr. Chairman, because the people who run the

Manitoba Mineral Resources operation are pretty experienced in this field and they don't get bogged down in the philosophical junk like the members across the way. Of course, they could have had their will bent by the imposition of the will of the members across the way, but it seemed to me on the Trout Lake one, it was the province ending up with a 27 percent interest and the Hudson's Bay Mining Company owning the 40 percent interest and the other partnership, that it ended up probably a fairly sensible straightforward deal, where the province ends up with some return from its equity if it's successful. We are certainly going to end up with a tax on the other partners if they are successful. They're going to get the royalty tax from them if they are successful; they're going to get some equity return.

Now the members across the way though, can't see that. They say unless you own it all, you're partly pregnant; and if you're going to be partly pregnant you might as well bear a child yourself. What they would do with it after they had borne it, I don't know, but they seem to keep coming back to this sort of argument. They would have gotten themselves into real trouble if they had gone ahead on their own.

Tanco, the option to exercise on another 25 percent, I said in the committee stage, it's a pure investment. If you had taken that same amount of money at the same time and put it into gold, you would have even made more money. So you can stand up and you can make all sorts of speculation, whatever you like, but the government is still making a fair return on Tanco; they make the income tax; they make the mineral royalty tax, and they have a 25 percent interest in the equity side; if there is a return there, there will be some return as well.

On the potash side, I am not going to get into the details of that. That will be tabled in due course. The Letter of Intent, the contents of it were indicated last year and we'll come onto that in more detail at some other time. But again, the member across the way is suggesting that this again is going to lead into what he identifies as being a problem in the other case. I suggest that they would have done the same in at least one of them, probably not in the other. We will wait and see who ends up on top.

**MR. CHAIRMAN:** Order please. The hour is 4:30. I am interrupting the proceedings for Private Members' Hour and will return into Committee at 8:00 o'clock this evening.

## IN SESSION

### PRIVATE MEMBERS' HOUR

**MR. SPEAKER:** We are now in Private Members' Hour. The first item of business is Private Bills. Bill No. 31, An Act to amend An Act to Incorporate The Mennonite Collegiate Institute, standing in the name of the Honourable Member for Logan. (Stand)

Bill No. 33, the Honourable Member for Logan. (Stand)

**MR. SPEAKER:** Bill No. 14, the Honourable Member for Rhineland. (Stand)

Bill No. 17, the Honourable Member for Logan.

**MR. WILLIAM JENKINS:** Yes, Mr. Speaker, could we have 17, and 19, and 30 stand.

**MR. SPEAKER:** Bills 17, 19, and 30. (Stand)

Bill No. 23, standing in the name of the Honourable Member for Gladstone. (Stand)

Bill No. 24, standing in the name of the Honourable Member for Gladstone. (Stand)

Bill No. 28, standing in the name of the Honourable Member for Gladstone. (Stand)

## SECOND READING — PUBLIC BILLS

### **BILL NO. 5 — AN ACT TO AMEND THE GASOLINE TAX ACT, THE MOTIVE FUEL TAX ACT, THE REVENUE ACT, 1964, THE RETAIL SALES TAX ACT, AND THE TOBACCO TAX ACT**

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

**MR. CHERNIACK** presented Bill No. 5, An Act to amend The Gasoline Tax Act, The Motive Fuel Tax Act, The Revenue Act, 1964, The Retail Sales Tax Act, and The Tobacco Tax Act, for second reading.

**MOTION presented.**

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

**MR. CHERNIACK:** Mr. Speaker, on October 19th, 1979, the Manitoba Information Services Branch issued a statement to the effect that the Attorney-General had released the Manitoba Law Reform Commission's Report on enforcement of revenue statutes, and the last paragraph reads, "Mr. Mercier, said he intends to consider carefully the commission's recommendations and to consult with Finance Minister Donald Craik about the preparation of amendments to current legislation". That bulletin was issued on October 19th, 1979. The actual report of the Law Reform Commission is dated, August 13th, 1979, and makes extensive recommendations.

Mr. Chairman, I want to read an excerpt of the beginning of that report, which is entitled, The Reference, and it states that, "In 1974, in the Legislature of Manitoba, the government proposed, as part of an Omnibus bill amending various taxation statutes, a uniform provision in regard to powers of entry, search, and seizure without warrant, by peace officers or other officers authorized for the purposes by the Minister of Finance". And it goes on to say that "although the provision had been in effect for ten years as Section 17(1) of The Revenue Tax Act", which is the Sales Tax Act, "its proposed extension to other revenue statutes aroused considerable opposition in the Legislature", and it concludes with the statement that, "the concern caused the Minister of Finance to propose, and the Attorney-General to agree, that the whole question of revenue law enforcement be referred to the Manitoba Law Reform Commission for more extensive study and comment". So that between the date of the report, August 13th, and the date of the news bulletin, five months transpired, and between the date of the news bulletin and now is another roughly year and a half. So, Mr. Speaker, in presenting this bill, I am honouring a commitment which I made a long time

ago and which was not picked up by the present government.

The debate on Bill No. 77, back in 1974, took place in June, and for those members who are interested and for the record, I would indicate that on page 4369, the then Leader of the Liberal Party, Izzy Asper, made a lengthy speech talking about the invasions of basic liberties in regard to Warrants for Seizure and the Right to Access by owners of seized records. On the following day, June 5th, the former Minister of Finance, of the Conservative Government, the present Member for Riel, on page 4411, spoke about snooper powers and the warrant to enter premises, complained — not complained but questioned — the extension of powers of government and he said that they have to be watched against, they have to be guarded against, government has a responsibility to explain that there is a problem.

On June 8th, on page 4584, I, as Minister of Finance, indicated that there would be some amendments brought out, and on page 4614, in committee, I did bring in certain amendments. On page 4619, the then Leader of the Opposition, Sidney Spivak, challenged that justification for the additional powers requested; and on page 4621 and 2, the then Member for Riel, Mr. Craik, expressed further concerns. On page 4622, Mr. Speaker, I spoke on behalf of the government and I said, and I quote now, "What I would do, and I'll do that regardless of whether members present will be satisfied with my suggestion, I will ask the Attorney-General to refer these enforcement sections to the Law Reform Commission for comments. I don't think I should arbitrarily, at the spur of the moment, make any changes from what I interpret to be the law that has not been considered unreasonable, to my knowledge, in the last seven or eight years. I am asking the Attorney-General, I'll write him a letter, to have the Law Reform Commission review it and comment, and then of course members know that their reports or their opinion will be made public and a year from now we can consider it again". Wishful thinking, Mr. Speaker, I said a year from now and it came seven years later, but nevertheless it came.

On June the 8th, the same day, on page 4625, I said that I would see to it that a transcript of this afternoon's Hansard would be sent through the Attorney-General to the Law Reform Commission. On the same day on page 4629, Mr. Asper, the Leader of the Liberal Party at the time said, commented, "That's the most vicious of all search and seizure types of provisions, were in the existing Act". And I then stated, "the transcript will be sent on". My comment is that I appeared at that time to agree with the statements made by Mr. Asper; and Mr. Spivak at that time said, "I appreciate the reference to the Law Reform Commission, but I wonder if we are being too easy on ourselves and too easy on the Minister". He then didn't want to wait for the Law Reform Commission.

On June 10th, on third reading, page 4680, Mr. Spivak, again, Leader of the Conservative Party said, and I quote, "Again I think that there's been much accomplished in the debate that's occurred in respect to that, and I look forward to the references to the Manitoba Law Reform Commission of suggestions and concerns that were expressed in the

House. I would look forward to their recommendations and the ability to be able to amend the statutes even further so that the concerns and desire generally of everyone here to have the legislation reflect contemporary thinking with respect to civil liberties and the protection of the individual, and at the same time not in any way impeding the normal and proper way in which governments must see that there is an accounting for the tax revenues owing to them, and investigate, and audit, and carry out the normal functions it must have to be able to see to it that those who are responsible for paying tax do in fact pay the tax”.

Mr. Speaker, as I say, seven years later we had a report from the Law Reform Commission which made certain recommendations which appear on pages 28 and 29 of the report which they filed, and they deal with — and I won't read them into the record, because they are available — they deal with entry and search without warrant, and suggest that there should be a change; they deal with seizure without warrant and they suggest certain changes which provide for the Minister to be accountable for the decisions that are made by him; they deal with entry by search warrant and suggest that there should be limitations or further limitations placed; that an application to a judge be required; that there should be changes in The Retail Sales Tax Act; to change the power of warrant approval from magistrates to the judges of the County Court and the Queen's Bench, as in the case in other taxation statutes; they deal with the protection of solicitor-client privilege; they deal with the return of seized documents. And these are recommendations that were given to the present government over a year and a half ago.

Mr. Speaker, I wanted to give the government time to act on it, as I thought it would and as was stated by the Attorney-General in the news service bulletin of October 19th, 1979, to the effect that he intended to consider carefully the recommendations and to consult with the Minister of Finance, and nothing has been forthcoming. I have to assume that either they didn't do their work or that they did their work and that they were convinced by someone, by themselves or by the Department of Finance, that the changes should not be made as suggested by the Law Reform Commission.

From my standpoint, Mr. Speaker, I read the recommendations, I agreed with them, but whether or not I agreed with them I felt it was my obligation, late as it is, to ensure that this House be seized of the recommendations and discuss them to see whether or not the powers given in the bills which I brought in in 1974, were too great and should be cut back. I have thus, today, carried out my undertaking that I would come back to the House with the recommendations and I have done so.

What I did, Mr. Speaker, was to request the Legislative Counsel, Ray Tallin, to review the recommendations of the Commission and to draw legislation to conform with their recommendations. I did not, and I have not, inserted any of my own thinking and my own ideas into the bill wanting, as I did, to bring out the recommendations as they were made by this body, the Law Reform Commission, without any editing or additions that I would think would be advisable, because I wanted the Legislature to be seized of it.

After I gave it to Mr. Tallin, with a request to draw the legislation, he sent me a draft and I want to read into the record a paragraph of his letter which indicates the extent to which there is any variation from the Law Reform Commission. I will read that in for the record. He states, "I have expanded the provisions dealing with solicitor-client privilege so that almost all the provisions contained in The Income Tax Act are contained in the amendments to The Gasoline Tax Act. The Law Reform Commission recommended only subsections 3 and 4 of 232 of The Income Tax Act be enacted. It seemed to me that these two subsections alone left a great deal unsaid. In view of the fact that The Income Tax Act set out the procedures in detail, I thought it would be wise to include them in these amendments as well. I realize that the solicitor-client privileges are not very likely to be used in connection with the provincial commodity taxes but if they ever were to be used I think the courts would find it difficult to try and apply similar procedures to The Income Tax Act procedures without them being spelled out specifically in the Act. My feeling is that the Law Reform Commission expected the whole procedure to be almost identical to The Income Tax Act procedure". So to that extent Mr. Tallin thought it advisable, and of course I accepted his advice, to elaborate somewhat on one of the features that were recommended by the Law Reform Commission.

Mr. Speaker, it is a good idea for legislators to have an opportunity to review laws that have been passed, and elsewhere on this continent they have what they call the principle of sunset laws which is a pretty good idea. It is a requirement that certain laws that are passed by Legislatures die automatically, the sun sets on them within a certain stated period of time. Many of them say in ten years time. It may say this Act shall, unless renewed or revised, shall terminate, shall cease. —(Interjection)— The Member for Inkster points out that applies to The Bank Act in the Federal Government. I think though they've gone beyond the ten years but they had to have some sort of legislation to permit it. But the sunset laws that I am familiar with in the United States deal largely with professional bodies where they say we are giving powers to various groups of people and those powers should be reviewed, and the law is so framed that if nothing is done then the law disappears. Sometimes a Legislature will let it disappear; sometimes they will listen to lobby group and say we'll just pass it automatically, we don't have the time to review it; but at other times, the important times, they actually review the law and say this law is worth changing or is worth keeping on and they must pass the legislation within that required period of time, to renew the 10-year cycle, less the sun set firmly on that particular law. I think Mr. Speaker, to those who take the trouble to see the amendments that are being proposed, that even these amendments appear to be pretty rigid and pretty powerful.

The right to seize without warrant, there could be a reaction to the law as I am bringing it in; this bill itself, where people might say even this goes too far and I am hoping, Mr. Speaker, and I think I have a right to expect that the bill will pass second reading, will move into Committee and that in Committee we are able to deal with some detail and some

explanation for the updating of our views on the powers of the tax collector.

I was a tax collector for about five years, Mr. Speaker, and in that time there were not very many complaints I had, as to the procedures used by the Tax Department. I was rather proud of the fact that the people who were busy collecting taxes, enforcing tax statutes, looked beyond their jobs as being just enforcers or policemen, but to so many of them they felt that the better the job they did, the more equitable it was to all other taxpayers who were following the law, and also that they made it possible to finance the worthwhile programs which government had and which government was able to carry out because of its taxing powers. So, Mr. Speaker, I do think that a review of powers of this nature, shall indeed be made every so often and that's why in this bill, I would not take it amiss at all, if people were critical of certain of the aspects.

The Minister of Finance has received notice of the presentation of this bill, has had an opportunity to review it and I would hope, as I say, that he will give us the educated comments that would emanate from his department, which uses these acts and the enforcement powers and that he will give us the benefit of those comments and that this bill will pass into second reading, so it could be reviewed in greater detail and in an informal way, as happens in Committee. I don't know myself whether it goes to Committee of the Whole, I think it goes out of the House, into Law Amendments, but wherever it goes it should be discussed in the presence of what I will call the law enforcers, so that we can find out from them, occasions when they use the powers that were given to them, the necessity for having those powers not only as a threat but actually to carry them out.

So, Mr. Speaker, I believe up to this moment, discharge the undertaking on May 1974 and I'm pleased that I've been able so to do. I am somewhat disappointed that it wasn't felt necessary by the present government to bring in the legislation after they undertook to review it. I sincerely hope they are not going to kill it, as they have the power to do with the majority they have, because I have given chapter and verse of comments that were made by the Opposition in 1974, requiring a review and I think this House should take it upon itself to consider the suggestions, to deal with them and I hope to make the proper changes in order to restrict the powers given to government to carry out its program, when they are excessive.

Thank you, Mr. Speaker.

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

**MR. BLAKE:** Mr. Speaker, I'd like to move, seconded by the Member for Gladstone, that debate be adjourned.

**MOTION presented and carried.**

**BILL NO. 37 — AN ACT TO AUTHORIZE  
THE RURAL MUNICIPALITY OF  
MONTCALM TO SELL AND CONVEY A  
PORTION OF A PUBLIC ROAD WITHIN THE  
MUNICIPALITY**

**MR. SPEAKER:** Bill No. 37.

**MR. ARNOLD BROWN (Rhineland)** presented Bill No. 37, An Act to Authorize the Rural Municipality of Montcalm to Sell and Convey a Portion of a Public Road within the Municipality, for second reading.

**MOTION presented.**

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

**MR. BROWN:** In 1960 a new secondary school was built in St. Jean. At that time land was expropriated for a road to that school. The municipality found that after the school was completed, that more land had been expropriated than was required.

At the present time there is a shortage of lots for residential development in St. Jean. As you know the community is situated on the Red River and is surrounded by a dike and there has been considerable growth within the community, so lots are in short supply and I believe that this is going to allow them to have two extra lots for residential development.

The former owners would like to have title to this property, so that development can proceed. This Bill No. 37 will allow the municipality to convey titles to the land back to the property owners.

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

**MR. WALDING:** Mr. Speaker, I wonder if I might ask the honourable member a question for clarification.

Could the Minister tell me the price for which the municipality wishes to sell these two parcels to the original owner?

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

**MR. BROWN:** The same price that they paid for it originally. They can purchase it back for the same price.

**MR. WALDING:** If the honourable member would permit a question, I take it from his answer that there is no recognition of the appreciated cost of this land while it was under public ownership.

**MR. BROWN:** No, it's my understanding that according to the Act, that they cannot take appreciation into account in proceedings of this nature. So, when I was speaking to the Reeve he told me that the price would be the same as what they had expropriated it from at that particular time.

**MR. WALDING:** Mr. Speaker, if I may I'd like to ask the honourable member whether the municipality has an appraisal on the value of the land to be returned.

**MR. BROWN:** I don't believe that they have an appraisal on it because I think the intention is to sell the land back to whatever their purchase price was.

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

**MR. JENKINS:** Mr. Speaker, I'd like to move, seconded by the Honourable Member for Kildonan that debate be adjourned.

**MOTION presented and carried.**

**RESOLUTION NO. 7  
COST OF  
R.C.M.P. POLICE SERVICES**

**MR. SPEAKER:** Then proceed to resolutions. Resolution No. 7, the Honourable Member for Wellington.

**MR. BRIAN CORRIN:** Thank you, Mr. Speaker. It gives me pleasure to participate in this debate. This is the proposed resolution of the Member for Dauphin and deals with the question of the cost-sharing agreement between the Federal and Provincial Government, relative to the provisions of RCM police services in this province.

It's hard, Mr. Speaker, to take an opposing stand to the resolution that's been put forward but, Mr. Speaker, I suppose if one is to reflect on the substance of the resolution and deliberate on what intent is behind it, I think one firstly would have to be somewhat critical of it, because of its essential shallowness. It's an approach, Mr. Speaker, that simply seems to take for granted that there is only one side to a very complex argument and that, Mr. Speaker, gives me — and I think I can say members on this side — cause for some concern.

The whole subject of Federal-Provincial cost-sharing, Mr. Speaker, is not a new one. It's one that's been with us since Confederation, one that has been pondered and deliberated certainly by most of the great politicians of this country through the years and, Mr. Speaker, there doesn't seem to be a happy compromise or resolution to the issue, it goes on and on, and one of the reasons is because there is no absolute answer. There is no black and there is no white; it's an area that is shaded with all sorts of subtle nuances as complex as the issues which the parties want to resolve agreement about.

Dealing with policing, Mr. Speaker, I'd like to say that first of all, I regard the police force that is provided by the Federal Government, to be a fine one. I think as a matter almost of consensus virtually everybody in this Chamber would be willing to recognize that we have been well served, by and large, by the Royal Canadian Mounted Police, through the years.

Having said that, Mr. Speaker, I want to also remind members, that not all provinces have the advantage of being served by that force. Quebec and Ontario have opted for provincial policing and have established their own police forces, which are responsible for municipal law enforcement and the general enforcement of municipal laws within the province. There are still Federal detachments in both those provinces and they look after Federal matters such as immigration, drugs and things of that sort but generally, Mr. Speaker, the provinces are left on their own. Those provinces have accumulated huge policing bills, which I guess most of us know they present almost annually now, to the Federal Solicitor General, in the hope of obtaining some subsidy.

So, Mr. Speaker, when we approach this particular resolution and this particular question, we have to be cognizant of the fact that we here, have been rather fortunate, not only to have a high quality police force but also, Mr. Speaker, to have the benefit of a Federal subsidy through the years. So the issue isn't simple. I don't think there's anybody here that's going to stand up and moot the prospect of a

Provincial Police Force. I don't think there's anybody here that's going to stand up and be critical of the present Federal Force, so we have to I think deliberate and be always conscious, always conscious of the history that presents to us, as a province in this regard.

So, Mr. Speaker, we are all against arbitrary increases. I'm sure there's not a member here that would disagree with the Member for Dauphin's premise, that if the Federal Government, he doesn't put it this way but I'll put it this way, if the Federal Government is seeking an unprecedented and warranted shift as between the Treasury of the Federal Government and the Provincial Government, there's not a member here that would be opposed to resisting that.

We certainly don't want that sort of massive shift in responsibility. We believe that would be essentially irresponsible of the Federal Government. But, Mr. Speaker, what's really been absent in the course of this debate through the weeks, is any reference to the actual change in circumstances vis-a-vis the work of the Federal Police Force. This is what I think the Member for Dauphin and when he participates, the Attorney-General have to address.

I as a member, Mr. Speaker, before I vote on this resolution, most certainly want to be apprised of any changes which have taken place with respect to the proportion of time spent by the RCM Police on municipal, provincial and federal matters because that, Mr. Speaker, in my opinion is critical knowledge and background material.

If we're going to be asked to vote on this question, we have to know whether there is any substance, any basis for the Federal argument, and they had made this argument, Mr. Speaker, at least through the press — of course I'm not privy to the ongoing and intimate negotiations between the Provincial and Federal Governments — but they have suggested, Mr. Speaker, and I must respect this suggestion, that they are in fact every year, responsible for an increasing proportion of policing within the province. They say that there has been a fairly dramatic shift from Federal law enforcement duty to Provincial law enforcement and municipal law enforcement and, Mr. Speaker, I think that knowing a little bit about the incidents of prosecutions and law enforcement activity for instance in the highway traffic area, I think that they probably have some case.

There are a greater number of apprehensions and prosecutions with respect to that provincial area of jurisdiction and by and large, Mr. Speaker, it's the RCM police units that are attending to that particular responsibility.

So let's not argue and debate in a vacuum. Let's have the figures put on the table so that we know whether there is any justification at all for the Federal Government proposal. Also, Mr. Speaker, before we become too strident I think that we should remember — and this is another thing I suppose I'm unhappy with in the Resolution — is that strident tone, the all or nothing tone. Not only is it, I think, a bit of unstatesmanlike and unnecessary intrusion into the diplomatic process between Ottawa and Manitoba, but I also think, Mr. Speaker, that it's a bit of an intrusion into what should be a proper process, due process with respect with the municipal government's responsibility and relationship with the

Federal Government in this respect. What in essence we're being asked to vote on, Mr. Speaker, is a status quo anti-proposition. It simply says that for years and years the Provincial Government has been responsible for the negotiation of contracts for RCM Police policing, and the municipalities have had to accept what the Provincial Government has negotiated for it. Mr. Speaker, on the one hand they're suggesting that they're going to be protective of the municipal interest and resist any shift in tax burden to the municipal property taxpayer; but on the other hand, they're not really suggesting anything affirmative. There's nothing positive that says we are going to respect the municipal authority, the duly elected municipal authorities right to participate in this process. So, what they're doing is they're really suggesting that they can look after everybody's interest in the dispute and they're not giving recourse to the other elected official to participate and, Mr. Speaker, I think that's wrong.

A number of years ago I was fortunate enough to be able to successfully bring through a resolution at City of Winnipeg Council; I believe it was either 1975 or 1976, it was at the height of the growth tax-sharing controversy, if I might refer to it that way, it was the now Minister of Urban Affairs and Attorney-General who was I think one of the most strident advocates of increased growth tax sharing. He, Mr. Speaker, on the occasion of my resolution was supportive; he said that there should be increased growth tax sharing and he also suggested that there should be increased input on the part of municipal councillors with respect to these tri-level matters. So, Mr. Speaker, there was, at that point at least, approbation on the part of at least one member of the now Government as to the concept of trilateral negotiation, consensus making and due process. That is not reflected in this particular government resolution, Mr. Speaker, it departs from that sort of precept and principle. I don't like that Mr. Speaker, I think it's bad business.

Speaking if I might, Mr. Speaker, a bit casually I think that we would be better off, as a provincial authority, to allow more opportunity for the municipal officials to participate in this sort of negotiation because, you know, Mr. Speaker, in terms of truth there may be an argument with respect to growth taxes. I'd like to provide access to the municipal officials so that they could plight their troth, not only before the Federal Government on this issue but also the Provincial Government. They have more to say to us, Mr. Speaker, surely than simply their resistance to the Federal proposal. Surely, Mr. Speaker, they're going to ask for assistance and I think it would be a justifiable request. They're going to ask why the Provincial Government has failed over the past four years to alter the growth tax program that was put in place by the former New Democratic Government in 1976. They're going to ask why, with respect to the provincial sharing relationship with the municipalities, this government has failed to recognize the principle that was approved by the now Minister of Urban Affairs when he was a municipal representative and they're going to ask why that formula hasn't been updated. It is true, Mr. Speaker, that the municipalities are receiving more money; I'm not suggesting that they're not getting more growth taxes. What I'm suggesting is that their share has not

altered since this particular program was put in place. It's still essentially 2 or 2.2 points of Personal Income Tax and 1 point of Corporate Tax and the only change is I believe it went from 2 to 2.2 percent Corporate Tax last year, Mr. Speaker, and that was only as a result of a legislative provision in our legislation.

So, Mr. Speaker, we're put in almost an invidious position where we don't want to ignorantly oppose the Federal proposal, although we recognize that we can't support it unless they're able to substantiate it, and we call on the Provincial Government to demand all the information that's necessary in order to make a deliberate decision in this regard. But on the other hand, Mr. Speaker, we're not about to jump into bed with the Government and damn the poor municipalities. We recognize that the real problem here is who is eventually and ultimately going to pay the piper? We don't feel that police costs should be the sort of expenditure that should be borne principally, or certainly primarily, by the ratepayer. We feel that there should be recognition that that sort of cost, generally speaking, because one has to generalize and one doesn't want to overgeneralize, generally speaking we should be within the purview of the progressive income tax system, and particularly, Mr. Speaker, in the context of the dramatic increases that are being proposed by the Federal Government in this regard. My calculations, Mr. Speaker, and I believe I'm right, indicate that some municipalities could find increases in the assessment, in the amount of money they have to levy, to the order of 100 percent in terms of the cost of policing in their municipal areas. That, Mr. Speaker, is simply intolerable, it's unacceptable. We can't expect with what we know to be a very modest assessment base in most municipal areas, we can't accept that sort of burden being unilaterally imposed on municipal ratepayers.

But, Mr. Speaker, on the other hand, we want those people to be adequately policed and we want quality protection, so we don't want strident alarmist politicized division; we don't want that sort of approach that is so often manifested, Mr. Speaker, and most recently with respect to some of the Constitutional debate that's been raging and flowing across the country. We don't want that, in this case we think that people should come first; we want a temperate rational deliberate approach taken by the government.

So, Mr. Speaker, we are proposing that the resolution be amended to reflect this. Our amendment, and I will read it, Mr. Speaker, is as follows, moved by myself and seconded by the Member for Logan. I should say before I read it, the amendment to the resolution will be affected by the insertion after the second recital as follows, Mr. Speaker:

AND WHEREAS the province has delegated certain responsibilities to the municipal level of government; and  
WHEREAS the province has a primary responsibility to ensure that ratepayers are not unduly burdened by municipal taxes which are unrelated to local property services; and  
WHEREAS the ratepayers of many towns and villages are incapable of absorbing higher costs for law enforcement services; and

Then, Mr. Speaker, by inserting after the first Resolved the following,

NOW THEREFORE BE IT FURTHER RESOLVED that the Manitoba Government consider the advisability of absorbing all such increased municipal costs as are occasioned by the new cost-sharing arrangements or, either alternatively or concurrently, extending broader access to the municipal level of government to other revenue sources.

That, Mr. Speaker, we suggest is the only sensible approach to this problem.

**MOTION presented.**

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

**MR. BLAKE:** Thank you, Mr. Speaker. I think the Clerk has gone to get some copies of the amendment.

Listening to the Member for Wellington I wasn't able to determine whether he was for the RCMP, against them, or for the resolution, or against it, Mr. Speaker but I see by the resolution that he has some ideas of how the financing should be arranged.

Mr. Speaker, I don't want to dwell too long on the resolution. I think a great many points have been made and I just want to record the problems that it creates for my particular area. I think the cost of RCM Policing in the Town of Minnedosa will increase some \$85,000 per annum; we have some 3,000 people. The Town of Hamiota has something less than that of course but the costs are comparable. It will be \$20,000-some to them, I suppose. Erickson, Sandy Lake and Rapid City are other areas in my particular constituency that are serviced by the RCMP and I might add serviced very well and adequately for some years.

Mr. Speaker, it disturbs me to find that this all of a sudden has been thrust upon the municipalities through the provincial cost-sharing arrangement. We'll get around to dealing with the amendment when we've had time to study it but the Member for Wellington appears ready to accept the increased costs without trying to negotiate and at least have it phased in over a period where the municipal authorities can adjust to these increases. What it's going to do, Mr. Speaker, is encourage a great number of these municipal towns and villages or municipal jurisdictions to go into their own police force and this leaves a great number of fine RCMP barracks throughout Manitoba. In every town that is policed by the RCMP, whether it be a two-man force, a three-man force or a 12-man force such as we have that handles the rural and the town policing, these buildings, what's to become of them? They are federally constructed buildings, federally equipped and if these municipalities are forced to go into their own police forces, are they going to be turned over to them? Are they going to be able to buy them to provide their police headquarters? There are a great many aspects to this particular problem that I don't think have even been considered by the federal authorities. I would hope, and I know the Attorney-General is urging these arguments upon the Solicitor-General when they're renegotiating the contract and trying to receive something that's fair and equitable for the policing of the province. I

appreciate that there are two other provinces that have provincial police forces; I suppose they're happy enough with them. I'm particularly happy with the RCMP policing in the Province of Manitoba and I wouldn't want to see this province go into a provincial police force.

One of the things that disturbs me, Mr. Speaker, there are many things that disturb me about the actions of that little man down in Ottawa and this to me is just one more step to discredit or move to destroy the Federal police force that we know he would like to do.

So, Mr. Speaker, I fully support the resolution brought in by the Member for Dauphin. I have some great reservations about some points in the amendment although, as I say, I haven't had a chance to study it in some detail, but it would appear from memory that the member is quite prepared to accept these costs and just have them balanced off by the province or have the province provide the municipality with some other means of taxation which relieves the Federal Government, of course, of their obligation that was undertaken some time ago to provide a cost-sharing for the national force and, of course, prevent a great deal of duplication. If you have your provincial forces or your private municipal or civic owned police forces, you are going to have a tremendous amount of duplication. You are going to have the RCMP policing a rural area on highway patrol in the town down the line 30 miles, and you are going to have a local police force in another town, and their communication systems are not going to work properly. There is going to be a breakdown there that is just not going to auger well for the police protection of our citizens, Mr. Speaker. These are some of the things that disturb me.

But of course the main one is the cost that is being thrust upon the taxpayers by the Federal Government just all of a sudden opting out of their responsibility on cost-sharing and thrusting an extra cost of 10, 12, 15 mills onto a municipality and that is just not acceptable, Mr. Speaker. If it has to be, it has to be phased in on a gradual basis; it can't be thrust upon the municipalities on a one-year shot such as has been proposed in the legislation now on the cost-sharing arrangement now that is presently being discussed and being negotiated with Ottawa.

So, Mr. Speaker, I fully support the resolution as proposed by the Member for Dauphin and I urge the Attorney-General to continue his strong deliberations with the Honourable Solicitor-General in arriving at something that is acceptable to the provincial authorities and to the municipal authorities, because I know there is going to be tremendously strong objections from the local municipal authorities. I see a real danger in a great number of the smaller centres adopting for their own police forces which I think is going to be disastrous and it is not going to auger well for good police protection for our citizens.

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

**MS. WESTBURY:** Thank you, Mr. Speaker. I am just going to speak briefly on this and I think I can conclude before the end of the Private Members' Hour.

Mr. Speaker, I would have no objection to the wording of the Resolved part of this resolution. What

I object to is the tone of the Whereases and I object to the tone for this reason, Mr. Speaker. How in the world can the Attorney-General negotiate in good faith with the Federal Government when he has planted a resolution with a backbencher committing the Attorney-General to a certain position. Negotiation requires some good faith, Mr. Speaker, and you know, all we get from this Provincial Government this session is whining about the Federal Government. To every position that they address, they somehow descend to name calling of the First Minister of this country, the duly-elected First Minister of this country. We don't have to love him or like him, but for a House, the members of another elected body, Mr. Speaker, to refer in the derogatory terms that were just used by the previous speaker, Mr. Speaker . . .

**MR. SPEAKER:** Order please. I realize there are a lot of people who want to get involved in this debate but we can only have one at a time. I may remind the honourable member that we are dealing with an amendment.

The Honourable Member for Fort Rouge.

**MS. WESTBURY:** Yes, Mr. Speaker, I listened in vain for any reference by the Member for Minnedosa, I listened in vain for him to refer to the amendment as well, Mr. Speaker. He referred to the speech of the Member for Wellington but he did not refer to the amendment. However, I will refer to the amendment.

Mr. Speaker, in referring to the amendment, I want also to question the fact that the amendment still includes the Whereases of which I am complaining. I wouldn't object to those Whereases if the negotiations were completed, but we are told they are not completed. It seems to me, and this is the same kind of thing that we saw with the marketing resolution that was discussed here yesterday, there are resolutions and negotiations going on and suddenly a Minister plants with a backbencher a resolution to come forward here to intervene in the negotiating process.

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

**MR. BLAKE:** Mr. Speaker, on a point of order. I don't think there is any reason to accept the fact that that resolution was planted by the Attorney-General with a backbencher. The backbencher happens to represent the Town of Dauphin, which is being very seriously affected and he is quite capable of bringing forward his own Private Member's resolution and I would like her to stop referring to the fact that it is planted by the Attorney-General on a backbencher.

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

**MS. WESTBURY:** Mr. Speaker, I can't remember what he is Minister of but the Member for Morris, he is trying to act as Speaker and it's not easy to conduct a discussion here when I am getting instruction from the Member for Morris. The member who is not responsible for Autopac is the member I am talking about.

Mr. Speaker, I would appreciate having this discussed in the context, as was done by the mover of the amendment, I think, in the context of what the needs are of the people in the municipalities of Manitoba, rather than in a name-calling situation as regards the Federal Government. We are here to represent the people of Manitoba in any given situation and I suggest that if we are trying to advise the Attorney-General as to how he should proceed in his negotiations we should do it in the name and the spirit of the people of Manitoba. You know, where does the buck stop in Manitoba? Do we never take responsibility in this House for anything that happens in this province?

Mr. Speaker, before I go on, I would like to say that if my previous remarks offended, then I withdraw my previous remarks. I realize that they might have been offensive and I therefore withdraw them, Mr. Speaker.

But I want to suggest that when we are talking about negotiating with any other level of government, whether it is the city or whether it is one of the provincial municipalities or whether it is the Federal Government and whether we like the Federal Government or not, and there were a few months in 1979 when I didn't think much of the Federal Government either, at least let us negotiate in good faith and let the negotiations go on and proceed in good faith and without this name-calling and the recriminations that we are subjected to continually in this House, Mr. Speaker.

**MR. SPEAKER:** The Member for Logan.

**MR. JENKINS:** We can call it 5:30, or if you like I can . . .

**MR. SPEAKER:** Is there any inclination to call it 5:30? (Agreed)

When this subject next comes up, the honourable member will have 20 minutes.

The Acting Government House Leader.

**MR. JORGENSEN:** Mr. Speaker, I move, seconded by the Member for Minnedosa, that the House do now adjourn and continue in Committee of Supply tonight at 8 o'clock.

**MOTION presented and carried** and the House adjourned and stands adjourned until 2:00 p.m. tomorrow (Wednesday).