

LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, 24 March, 1981

Time — 8:00 p.m.

CONCURRENT COMMITTEES OF SUPPLY

SUPPLY — COMMUNITY SERVICES AND CORRECTIONS

MR. CHAIRMAN, Morris McGregor (Virden): I call the committee to order. We were on 2.(e)(1) I believe. The Honourable Minister.

HON. GEORGE MINAKER (St. James): Mr. Chairman, as we adjourned at 4:30, the Honourable Member for St. Johns had raised the question with regard to why the question was raised when someone applies for a death certificate, what is the reason you require it for? We had hoped to discuss the particular question with the Director of Vital Statistics over the supper hour which we were not able to do. However, in looking through The Vital Statistics Act under Section 31(5) it states, "Any person upon applying, furnishing information satisfactory to the Director and paying the prescribed fee, may if the Director is satisfied that it is not to be used for an unlawful or improper purpose and subject to Subsection 6, obtain a certificate in the prescribed form in respect to the registration of a death." Further on it goes into appeal from a refusal of a Director with regard to issuance of a certificate. So my understanding in interpreting the Act is that at that time when the Act was amended or this section was inserted, there was concern that possibly someone may wish to use a death certificate unlawfully. For that reason the Act was written that anyone would be requested to give the reasons why they wanted the death certificate. I don't think the intention is to block the issuance of the death certificate but one rather to make sure that it will be used properly.

MR. CHAIRMAN: The Member for St. Johns.

MR. SAUL CHERNIACK: Mr. Chairman, I appreciate the Minister pointing out the law. I don't really understand it. There are many certificates that are gotten all over the place that could be used unlawfully or improperly and the fact that it's in the law doesn't necessarily make it sensible.

I wonder if the Minister is supportive of that or whether he would like to reconsider or look at it and if it doesn't make sense we've got a Statute Law Amendment Act that will take care of things that are foolish. The reason I mentioned that is that I cannot conceive that it's necessary in the law to protect it because in the end the Director doesn't know an awful lot. If somebody gives a reason which sounds plausible, why get involved; but breaking the law is breaking the law. Impropriety is a matter of judgment which I don't think the Director nor the Minister should get involved in and I'm suggesting that although there may be good and valid reason for having put it in, I don't understand what that reason could be; it maybe should be changed. The only thing that bothers me is the additional trouble that it takes to investigate and I gave you the example. I

was asked why do you want it and I said — I don't know — estate purposes or something like that. I told the truth and I used it both lawfully and properly but there is a cost involved and everything bureaucracy does and if we can save, we should. I'm just going to drop it there and let the Minister think about it and I suggest he do it this Session and not wait for another, if he's going to do it at all.

MR. MINAKER: Mr. Chairman, it's my intention to find out from our Director if and how many have been refused, as the honourable member requested prior to supper break, and further to that, ask him the reasons, if there are any unlawful methods that could come about by having the use of a death certificate of some individual who wasn't one of your family, or whatever. The only other thing I might point out is, there is a concern with the issuance of birth certificates to people, that they might want to use it for false identity, which the honourable member understands fully. But at this time, I don't know the reason why back in 1976 and I believe 1969, why that section was inserted and amended the way it is at the present time.

MR. CHERNIACK: For those who have great faith in the hereafter, a death certificate might be useful too.

MR. CHAIRMAN: 2.(e) — the Member for Logan.

MR. WILLIAM JENKINS: While we're on this topic, I'd like to ask the Minister if there's been any speeding up in the issuance of the death certificate. Now I'm speaking from personal experience, because I know in 1969 when my father died, at that time you got the certificate from the City of Winnipeg. The province has now taken it over. My mother passed away last year, and if it hadn't been for the intercession of the Minister of Health, I would have had to wait at least a month. Now when I made the application for the death certificate for my mother, I was told that it would take three to four weeks. I asked them why the delay. Of course the answer came back, it was the city that held them up. Well, having sat on the school board with the present mayor, I phoned his office and I must say that he phoned me back in half-an-hour's time, and the delay was not in the handling of the death certificate by the city, but the delay was in the Department of Vital Statistics.

Being as we've had from I think, a \$2.00 fee to a \$5.00 fee, which is 150 percent increase and we have now a longer waiting time, I just wonder what seems to be the hold up, since the certificate is issued by the doctor, it goes to the funeral director, and it's turned over from the funeral director to the city and that transaction, the mayor assured me, in most cases took three or four days. Now why does it take another 27 days or so, because of the province?

MR. MINAKER: Mr. Chairman, the method of handling death certificates has changed in the past, I guess it's approximately a month, month-and-a-half. We have a new death certificate registration form which speeds up the issuance of a burial permit. It

now consists of two parts to the death certificate: one which a doctor simply has to sign indicating the identity of the person and the death of the person has occurred at what date; the other part of the death certificate indicates the cause of death, which can be interpreted later on after a burial permit is issued. But again, if the doctor delays the filling out of the form for the cause of death, that can cause a delay. But now the death certificate registration is mailed directly from the hospital to our Vital Statistics Department and they are giving that priority, to issue the death certificate or the request for death certificates as soon as received. We anticipate the turnaround time is at the maximum, eight days.

The other thing is, even though before, when you used to receive the death certificates from say, the City of Winnipeg, or the City of Thompson, they still had to be certified from the Vital Statistics if it was taken into court or for certain legal purposes.

I might point out that because of the fact that many deaths are now occurring, not in the location where the person normally lives, that the death certificates were normally issued from that location where they died and we feel this method will speed it up and it is our anticipation that it shouldn't be delayed more than approximately eight days before you receive the death certificates.

MR. CHAIRMAN: The Member for Logan.

MR. JENKINS: Well, I hope the Minister is right by the experience and the Minister of Health assured me that he had many complaints, since the changeover in the first of October when the province took over the central issuing of death certificates and you know, three to four weeks is not, and I've spoken to other people, they've had the same experience, and that is not a good record in consideration to what was there before. There are sometimes estates to be settled and bank accounts to be closed out that can't be closed out unless there is a death certificate and it causes an inconvenience to the people that are handling the estate. If the present Minister would look into it and see that the process is working because the first thing I was told, I remember reading the blurb that we got when the province took it over, that it was going to speed it up. Lo and behold with the first opportunity I had to test it, they told me it was three to four weeks and if it hadn't been for the intervention of the Minister of Health who I went to personally and asked him if he could speed up the process . . . even at that it took about 10 to 12 days which was longer than it was before.

MR. MINAKER: Mr. Chairman, the official turnover doesn't take place until April 1st, 1981, with regard to this new process and we anticipate that we will meet those objectives approximately eight days maximum. I might point out what was happening in some instances, not continually, but would happen is that information had been put onto the forms that were incorrect and the actual death certificate, the official death certificate could not be issued until they were corrected, with the process that has existed for a number of years.

MR. CHAIRMAN: The Member for St. Boniface.

MR. LAURENT L. DESJARDINS: Well, Mr. Chairman, I'm still a little mixed up as to the answer of what has been changed. We are talking about two things at the same time; it seems there is a burial permit and a death certificate. Now the death certificate if you had it at the time and you could get it through the funeral director and most of them while they were making funeral arrangements would mention this to the family and then get as many copies as they wanted, they would get that when they got the burial permit. So I don't know where my friend talks about the question of weeks. The only thing, is that at times people would not request one at the time, then it took a while because these papers went out and if they left in about a month or so, then they had a delay but that I think was the delay in the death certificate. The burial permit, what did the Minister say, the burial permit, the cause of death will go directly from the hospital and then you get a death certificate immediately?

MR. MINAKER: It will then be issued from the Vital Statistics Department. (Interjection)— Well, we don't go to the municipal agent any more.

MR. DESJARDINS: But don't they need something from the funeral director, a form from the funeral director filled and signed by the next of kin without giving all the information? You don't get that on the cause of death. You see the paper, the registration of death, is a long form like this that has to be filled, part of it by the next of kin giving all the information and then there's a section that is left for the medical, the doctor, the cause of death and the time and so on and if they're not too sure of the cause of death then there's an autopsy or post-mortem. The delay was mostly the medical profession. You could wait in the office of a doctor for three hours and then they'd say, well sign it and they'd lose it somewhere or forget to give it to you. Technically you could not bury anybody until you got a burial permit. But in fact some of them would lose those forms, you'd have to start all over, it would take months. But we're talking about two different things.

I might say the Minister said that sometime there was a question that wasn't answered correctly but I don't recall now but your Deputy Minister will probably remember that I brought him some examples of the asinine things. Some of those people in the office at the time would not use their brains at all, some of the things were minor things but some of them were answered correctly and they would send back to get an explanation that was already written on. That'll happen everywhere, you've got some people that are careless or are less intelligent.

But I don't what the Minister is saying. What is sent directly from the hospital? Another thing the Minister said that the death certificate comes from the place of death? It was always like that, it was always from the municipality; it was never where they come from. But what is it that goes to the hospital to the Vital Statistics and what happens after that?

MR. CHAIRMAN: The Member for Logan was actually trying to get in on this to clear something, I suppose.

The Member for Logan.

MR. JENKINS: What the Member for St. Boniface is saying is true. At one time you could get the death

certificates from the funeral director but you can't any more; under the new system, you can't get them from the funeral director. You have to go down and apply for them. He gives you an application and that is what I was told, told that by the funeral director. So that causes a delay of anywhere from three to four weeks and that is not good enough for people that have to close bank accounts and settle estates. It was not the doctor because I checked with the doctor right away to make sure that the death certificate was signed.

MR. MINAKER: Mr. Chairman, in answering the Honourable Member for St. Boniface first: The registration of death form is still filled out by the funeral director with the relatives and he gets the signature of the doctor indicating that the person has died. There's two parts to the form. On the other portion of the form is the cause of death; that could be delayed being sent into the Vital Statistics Department. However, once the registration of death has been filled out and signed by the doctor, then the funeral director can issue the burial permit as well. This has eliminated where in some cases in the past . . .

MR. DESJARDINS: The funeral director issues a burial permit? Oh gee, I'm away behind times.

MR. MINAKER: That now has eliminated the burying illegally of people in the past which has occurred under some circumstances prior to the doctor signing the certificate. Because what was happening is, the doctor, if he wasn't prepared to sign the certificate based on the cause of death, then . . .

MR. CHAIRMAN: The Member for St. Boniface.

MR. DESJARDINS: Excuse me, Mr. Chairman, to the Minister through you, the registration form prepared under the responsibility of the funeral director, you say the medical officer, the doctor signs. Well, he only signs that if the person is dead, not the cause, unless he knows it.

MR. MINAKER: That's right.

MR. DESJARDINS: If he doesn't, that will go directly. I see, okay.

MR. MINAKER: But if the doctor is hesitant and believes there is reason that there should be an autopsy and because of the cause of death, then he obviously will not sign that portion of the permit. Then further to that, that death registration is mailed by the doctor to the Vital Statistics Department who they in turn would issue the death certificates and if the funeral director requests the three copies or four copies then they would be provided to him; he can still order them.

What I had indicated with regard to the fact that where the place of death occurs, that the death certificate is issued, it could be that somebody is brought down from Thompson, Manitoba, to the General Hospital or the Health Sciences Centre and dies there, then it would be the City of Winnipeg and the old method that issued the death certificates, not the Town of Thompson where the person resided. So the family could be up in Thompson, so they would

have a delay anyway or could have. So it was the place of death and now what will happen is the hospitals will mail that form directly to our Vital Statistics Department who in turn will issue the death certificate.

I might point out that the death certificates that were issued by the City of Winnipeg and other towns where indicated were not sufficient for legal purposes. It indicated on there that they were not sufficient for legal purposes. In most cases banks would accept them, I believe, and insurance companies but if it came into a legal dispute they were not legal documents and you would have to get them properly issued from the Department of Vital Statistics.

MR. DESJARDINS: The main reason for that, that might come later on but a delay of a couple of weeks, that's not the important thing. I think the delay is important when people want to go ahead to get access to a bank or to hurry up and process the application for insurance benefits, that kind of stuff and a will. They certainly would be using a will.

MR. MINAKER: Mr. Chairman, I can advise that the policy of the Vital Statistics Department is that the funeral director can apply and they will be given preference in the issuance to try and keep them minimum. I hope that the Honourable Member for Logan will give the new system an opportunity to see if in fact it will be within the eight-day period.

A MEMBER: . . . to try again.

MR. MINAKER: I hope he won't have to, but the new system really isn't in place at this point until April 1.

MR. CHAIRMAN: 2.(e)(1) — pass.

MR. MINAKER: I wonder if the Honourable Member for Logan would like to try it on the birth certificate.

MR. JENKINS: No.

MR. CHAIRMAN: 2.(e)(2) — pass; 3.(a)(1) — pass; 3.(a)(2) — pass; 3.(a)(3) — pass; 3.(b)(1) — pass — the Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I would like clarification; what role does this department have in public health nursing?

MR. MINAKER: Mr. Chairman, the department is a field resource that delivers the social services, the public health nursing, family planning services, home economics services, vocational, rehabilitation, child and family services and mental health and mental retardation services. The public health nurses, of which there are some 178, of the total 750, are answerable to our department through the Assistant Deputy Minister, who has close liaison with the Minister of Health as well as the Minister of Community Services. The decision to add public health nurses are discussed between the two Ministers and arrived at, based on the recommendation of the Minister of Health directorate, where they feel that additional health programs should be either elevated or inserted into the program.

MR. CHAIRMAN: I wonder if the committee would allow me to back up. I passed through there so fast, I forgot to read the resolution on 2.

Be it resolved that there be granted to Her majesty a sum not exceeding \$3,405,700 for Community Services and Corrections — pass.

The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I'm looking at Page 74, Item 3.(b) under Health, Public Health Nursing Services, Provides consultative services to regional staff and monitors and refines program standards. Is that what we're talking about? Is that the liaison between Health and Community Services? Does that staff of \$175,000 monitor and refine the program standards of this department in this item?

MR. DESJARDINS: Mr. Chairman, isn't this the one where the policies and the programs are defined and arrived at in the Department of Health, and the delivery of service through this group is done through this department? That's all there is to it, isn't it?

MR. MINAKER: Is the Honourable Member for St. Johns on Page 74 of the Estimates?

MR. CHERNIACK: I'm on Page 25, but I'm referring to 74, at the bottom of that page where it speaks about Public Health Nursing Services, and here we're dealing with public health nursing and I see that under the Department of Health, the item there is a total of \$200,000, and it says, "Provides consultative services to regional staff and monitors and refines program standards."

MR. CHERNIACK: Does that mean that they are monitoring and refining the program standards of this Department of Community Services?

MR. MINAKER: Public health component, yes.

MR. CHERNIACK: Which means then, that the Minister of Community Services has no control over the monitoring and program standards of all these nurses, some 178 nurses or so? Therefore, all the responsibility for the refining of program standards is done by the Minister of Health, but the delivery is done by the Minister of Community Services. Is that right?

MR. MINAKER: Mr. Chairman, that's basically correct. There is close coordination between the Minister of Health and myself through the Assistant Deputy Minister, who is working with the field staff. I might say that the Honourable Minister of Health and myself are working towards achieving of the amalgamation of the health components of the regional system under the Department of Health over a period of time within the next year.

MR. CHERNIACK: Well, that helps a lot for me to understand. Is the Minister now saying that you are working towards a turning over to the Department of Health those aspects of Community Services which deal with health? Is that what the Minister said?

MR. MINAKER: We're basically working towards those objectives, yes.

MR. CHERNIACK: Well then, looking at this section, Regional Personal Services, which is spending some \$3.3 million more than it did last year and spending \$16 million in salaries, what are we dealing with now? Public Health Nursing goes out. What about Family Planning Services? Is that Health?

MR. MINAKER: Mr. Chairman, Public Health Nursing has all the major health programs that we have and deliver in the Regional Services.

MR. CHERNIACK: Well yes, but what about Family Planning; is that Health?

MR. MINAKER: Yes it is.

MR. CHERNIACK: What about Child and Family Services; is that Health?

MR. MINAKER: That, Mr. Chairman, that would come under the Child Welfare Program and would be under our department.

MR. CHERNIACK: What about Mental Health?

MR. MINAKER: Mental Health would be under the public health aspect or the Department of Health. Mental Retardation Service, Mr. Chairman, would be under our Community Services Program.

MR. CHERNIACK: A few years ago there was a good deal of talk about one-stop shopping — is that the expression — where people with needs of a health and community health nature would have one place to which to go to deal with their various problems. Is that where we were heading and are we still heading there or are we now dividing it up so that they go in different places depending on what the needs are? For example, I should think that The Child Welfare Act, Child and Family Services, should be closely related to Home Economic Services. I would think that they should be very closely related to Family Planning Services. Certainly the health of the family is related to the economic welfare of the family. If you look at the objective, say under Social Services Advisory Committee, the subject under 1.(b), it speaks about matters relating to the social and economic needs of the residents. But surely we've reached the stage of considering that social and economic needs also relate to the health needs and the health services provided to people. Are we going away from that philosophy?

MR. MINAKER: Mr. Chairman, even though the departments might be divided like we're supposing the staff would be still working out of the same facilities and would be working together, in the same manner that they basically are at the present time.

MR. CHERNIACK: Mr. Chairman, who will be responsible for the delivery of the program, and "delivery" to me means refining and determining the policy.

MR. MINAKER: Mr. Chairman, the Minister of Health would be responsible for the delivery of the health programs and we would be responsible for the delivery of the social programs.

MR. CHERNIACK: That means a family with problems, and most families that have one problem

have another problem, coming into the facility operated under this Section 3.(b), will turn to a public health nurse who may say you've got to have certain diets and then go to the Home Economic Services and say how do I acquire the means whereby I can achieve that diet? Is there going to be one director responsible, or are there going to be separate directors responsible? What is the division of the responsibility? I'm not so concerned about authority as I am as to responsibility for the delivery of the program; the danger I see that it won't be a whole problem dealt with together but rather, split.

MR. MINAKER: Mr. Chairman, at the present time there is one director that's responsible for the programs and it's anticipated that type of responsibility would continue. I might say, Mr. Chairman, if I could, that at the present time even under the present operations that it could be that someone comes in to see the public health nurse and she will refer him to some other worker in the office that relates to child welfare. It wouldn't matter whether they worked for the Community Services Department or the Public Health Department — there's two separate people looking after that particular responsibility.

MR. CHERNIACK: I've had a constituency problem which could well relate to this field. I really thought it came under Social Security but as we're discussing it I think it probably comes into here and I want to relate what I was informed.

A couple, male 23, female 25, both physically disabled from childhood, both on provincial welfare having been — what's the term, boarded? — and both of them convinced that they cannot work at all and therefore expecting complete welfare for the rest of their lives. They're pretty young people to even have that state of mind. What I felt was, there was a great need to rehabilitate their approach to living and to find the kind of occupations which they can, to some limited extent, carry on. The reason I believe it should be possible is that when I spoke to the man on the telephone I found that he had the intelligence and the ability to express himself in such a way that he should be able to undertake any job relating to telephone communications, such as an answering service or a soliciting opportunity. He had no trouble both locating me, having just moved into my constituency, he found out very quickly who his MLA was and he presented his problem rapidly, but he hadn't the slightest idea of how to handle his budget having spent his total allowance within I think it was four days, some of it really foolishly and he admitted that to me when we discussed it. He told me that he could never work and my impression was that maybe he could work an hour a week or an hour a day or have some kind of occupation, my concern being that when I asked him who cut him off — that was his complaint, he'd been cut off — it was his . . . I forget the term of the worker that does the administration, the financial advice or the financial overview of the moneys he needs. I asked what social worker was involved and he wasn't too clear although he had a name in mind. My question then became, what guidance is he receiving in terms of budgeting his money and in terms of trying to get involved in some kind of work that would be fruitful for him.

Now it seems to me that many of the things we're talking about here, public health, well, they're sick; family planning, that may well be a need on their part; home economics of course; vocational rehabilitation obviously, and mental health I think to some extent.

Now I'm concerned to know whether this projected separation of responsibility is going to make it more difficult to work with him because I must tell you Mr. Minister, through you, Mr. Chairman, the impression I got was that they weren't getting any help at all except straight welfare.

MR. MINAKER: Mr. Chairman, normally under circumstances that the honourable member describes the individuals would be referred to the home economist to deal with the budgeting problems. Further to that they would be referred to the rehabilitation services that we have and might end up with assistance to provide employment or to instruct them and counsel them on holding employment or they could end up in one of our work activity projects where they are taught basic working skills and employment skills but I might point out, are not work shelters. They are a program that last for approximately six months where they teach them life skills and other basic skills to retain a job and in addition to that they teach them some basic vocational skill and if in that instance the individual in question did not have the capabilities dealing with that type of a project might be referred to the mental retardation rehabilitation field of the occupational activity centers of which again are not workshop shelters but are basic training programs for moderately retarded individuals, with the objective in mind hoping to get them to some degree of self-sufficiency.

MR. CHERNIACK: Would that couple then come under this section we're dealing with now, Regional Personal Services, or would they relate to one person who would steer them through all these various channels as the Minister described or would they be shunted around from, go to so and so, and see so and so.

MR. MINAKER: Normally, Mr. Chairman, it would be a vocational rehabilitation worker that would handle that specific case and I might point out would fall under the category Community Services in that instance, rather than the Department of Health.

MR. CHERNIACK: All right, Mr. Chairman, so we say a vocational rehabilitation officer would then be the one to take them into every one of these various opportunities and how would the person come there, since, when I started making my inquiries I ended up under Social Security Services. Why is that?

MR. MINAKER: Probably what would happen, Mr. Chairman, is that the individuals would require income first so they'd naturally go to that position but the social workers, after an interview, should refer them to these other individuals.

MR. CHERNIACK: I just want to make sure; would they end up with one individual who is responsible now to see to all their needs and where would that individual be situated, under which section?

MR. MINAKER: Mr. Chairman, it would normally be one case worker but it could end up permanently with another case worker depending on whether it was a mental health or mental retardation worker. It would depend on the individual himself. In this case you say that the individual is not mentally ill or mentally retarded so I'd presume that they would stay with that worker.

MR. CHAIRMAN: The Member for St. Boniface is very urgent to get in on this to maybe help the committee — the Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, if I may, I think that when the government decided to divide the committee, the two departments, there is no doubt that this was a very difficult exercise. It was done before, then they were married again, and then it was divided in a different way and this is what the concern that we had, when this was done, because it's so close there is a duplication and it's very closely related. But now I'm concerned after the explanation of the Minister, because this year, if you're going to divide the two committees, this makes sense, the way it is now, because the programs are developed and monitored by the Department of Health. I'm not saying it's the best situation but all the delivery is done here and the Minister of Community Services is only responsible, the staff is his responsibility through the ADM or relates to the Department of Health very closely, and if you don't do that, if you start, the Minister is saying that they might start dividing that, then your central delivery system is shot all to hell, and that is what this is all about.

You know, public health is not necessarily for people that are sick. It's prevention, most of it, and a lot of it is prevention. And the system was, if I remember it correctly and I stand to be corrected, that the central delivery was that you'd have a group of people, you'd have a group captain, let's say, who would make the initial contact and then see what is needed and then send the proper people. But they work as a team and if you're going to divide that you're going to have duplication. There is too much duplication now. I think we were told there's an awful lot of duplication. Don't tell me there is no duplication because I know families who are dealing with five different social workers. You have a social worker for this, a social worker for that, another social worker for something else and that's not easy, and that existed in our day. We were just addressing ourself to that to try to do something about it but it is a problem and there, anybody that solves that will save many dollars and a lot of problems.

Now I would hope that this will not, if their going to keep two Ministers, well then I would hope that they will at least give this a try and not abandon the central delivery system that we have now and to make sure that it can be done, the Minister has the responsibility of the people in the field. But that doesn't mean that the people in the field can not talk. The public nurse could very easily talk with the directorate that will develop the programs. It is not necessarily the best but the other thing is that it's such a big load for one Minister. It seems to me that what they did though, there are other areas where they have mental health under one Minister and mental retardation under another one. I don't

particularly like that arrangement but the concern is now that you've made your decision to have two Ministers, I said two Ministers, to divide the department into two. Well, go very slow in thinking of abandoning something that was working and that is working fairly well. That is, that you'll have a central delivery system. Some of them get their marching orders, if I might use that, from another department, that's right. But that happens in a lot of the departments and at times there has to be very close relationship between the different Ministers.

You know, this government laughed at the idea of the time we wasted and they got rid of all the departments, the committees that we had, when we had HESP and that's exactly why we had HESP, a committee of Cabinet, where you had the different Ministers that were related. For instance, if you're talking about fitness now, you felt it was another thing. Take fitness and amateur sports and give it to somebody else and the role of the government in fitness is mostly in that and in sports, it should be mostly in amateur sports and always keeping their eyes on the fitness of the people, and there you can't do it alone. You need nutritionists, you have to talk to the Minister of Health again and the Minister of Community Services.

So I understand that the government decided to have two Ministers. This is not perfect but I would hope that they'll resist the temptation, like the Minister was telling us that they probably will change this and public health. The people in the field will go to the Department of Health and Vocational Rehab and, no excuse me, Family Planning and some of these things. So you're going to have more duplication, you are going to have more social workers and it's going to cost you a lot more money and you'll have to have two teams instead of one because now you go with one person. It could be the team captain. It might be a public health nurse. Does that still work like that and then you have, they see where the needs are. After talking to people, they need some advice, like the Member from St. Johns was saying, in preparing a budget or doing things, they'll be directed to the right people and that way you can get a handle on it. There's duplication up to a certain point, but the duplication is less amongst this group that delivers that service than the others that are delivering other services. So if anything, instead of dividing that, you should be looking at the possibility of bringing more of these things in this central delivery, where you have a child that might have trouble in schools, there's somebody from the Guidance Clinic, somebody from the municipality; there's somebody that has trouble on welfare, there's somebody there; somebody that has drinking problems, there's somebody else. You're bringing Public Health to help them realize what it is to keep the place clean, and there's no end to it.

This is a good start and I would be very disappointed if the Minister is going to divide it. I think you've got to make it work, you decide to cut it, and it can work like that.

MR. MINAKER: Mr. Chairman, I wasn't here at the time, but I understand that the Minister of Health in his Estimates indicated that he would like to see the Regional Health Services under his particular department. He has indicated that to me. We've had discussions on it, and that's what I was indicating to

the Committee. As far as any final decision on that matter, it has not been made, but I just wanted to answer you the way the status is at the present time. I know that the Minister of Health had indicated to the Honourable Member for St. Boniface, I believe, in his Estimates, that it was his desire to get these health services back under his department at some time in the future.

MR. DESJARDINS: Mr. Chairman, if I may to the Minister. He was very vague or I would have had the same reaction. If he tries to destroy the central delivery, I think that's wrong, and I think it can work.

MR. MINAKER: I'll take it under advisement.

MR. CHAIRMAN: The Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, the reason I brought that example, which is still before us, I haven't dropped it in my mind, but it is indicative of a very large problem. I guess the Member for St. Boniface and I were the only ones present who remember when we had a Welfare Minister and a Health Minister, and at that time, there was a great deal of discussion that the Welfare Minister should not be separate and apart from the Health Minister, because the problems were so closely related.

Well then, gradually, I think progress was made in the recognition that families in trouble often have a multiplicity of troubles, and that they must relate one to the other. The reason I use this example, which I think is a good example, the only thing that would make it a better example but a worse situation, would be the problem of a couple of children in the family with their own problems, that there has to be one central place where they report. People are so frustrated when they have to deal with government to find out to whom to turn. We MLAs and all MLAs, must have had occasion to say, "Well, who is your worker? Where is your worker?", and discover there is more than one worker involved in dealing with that person's problems.

Now our government groped for a while with the problem of one Minister having the responsibility that was just overwhelming, which it was when the Member for St. Boniface was faced with the entire problem, when his preceding Ministers were, and it seemed necessary to divide it. But that's why it seemed advisable to form a committee of the Ministers so that they didn't run into any problems of conflict each with the other, on a one-to-one basis, but rather were able to work through a central committee that would review all policies. That is probably better than one Minister having two assistant ministers, because that's another way of doing it. But a Cabinet system that we have is such that every Minister thinks he's equal to every other Minister, and there you create both competition and empire building between Ministers, but also between ministerial staffs. I say that with full awareness that that's stepping on toes, but nevertheless, there are bureaucratic competitive ideas that people acquire, power struggles. All of it can affect the more advanced approach to how you deal with problems such as we're discussing.

Now I too, feel that there's a concern about how you're going to split this up. When I look at Regional Personal Services and see the whole gamut of family

problems being covered there, and then being told that it may be split as to responsibility, but not as to physical location, I am really concerned. You know, discounting the people involved that I know — I'm talking about Deputy Ministers — whom I know and in whom I have confidence and I don't believe they are empire builders, nevertheless, another set of Deputy Ministers and staff of two departments, both responsible for the delivery of a very similar service could create more problems, not only the redundancy that might take place, but the destruction of a system which I think is important.

I would caution the Minister to be awfully careful. I don't know whether he meant it, or if it slipped out. He said, "The Minister of Health said he would like to take back the health matters", and they're discussing it. But it shouldn't be a question of whether he wants to take it back or not, because the minute I would hear a Minister say that — and I speak now with some slight arrogance of saying that — if I heard a Minister say that I would switch the Minister immediately to the other department from whom he wants to take the power or the responsibility, and say, "Now what do you think? Do you still want to give it up, rather than take it?", because there is competition right in every Cabinet.

This approach I believe, is the right approach, and I'm going to assume that until you change it, that you're going to maintain it and I hope you won't change it, but if you do, you'll hear about it.

Coming back to my example, I am now assuming that if the system is working as the Minister thinks it is working, that as of this moment, there is a vocational rehabilitation officer working with that family and working along all the aspects of budgeting, welfare needs, vocational rehabilitation and any health needs they have. I don't want to test it, Mr. Chairman, but I suspect that hasn't happened. Mind you, it's only about two weeks since I raised it. I don't know how long it takes. But what bothers me is, I think they're still working under Social Security Services. I may be wrong, and a few phone calls will tell me, but that's not important. The important thing is, what are you gearing your system to?

MR. MINAKER: Mr. Chairman, if the Honourable Member for St. Johns would, after the Committee, give us the information of the individual involved, we'll follow it up to see at which status that particular case is in.

MR. CHERNIACK: That case may solve itself. I want to know from the Minister, what is the instruction that permeates the system when these cases arise? Who is responsible to see to it that they are referred to that one central worker? Is it automatic, or does it need some special indication or somebody to trigger a problem, or is it automatically done? I'm not sure. I've looked at the staff, the SMYs there. It seems to me there's a substantial reduction in the one field where I thought this applied and that is under Social Security Services, Social Security Field Operations, there is a substantial reduction in personnel as I read it and now I want to know, is there sufficient staff to look after the needs I'm describing and am I right that it's in that department where I would expect it? I see that Regional Personal Services has a much bigger staff and a growth in staff but I'm still looking at Social Security Field Operations where I think my people are. That's what worries me.

MR. MINAKER: Mr. Chairman, there hasn't been a reduction. What has happened if the Honourable Member for St. Johns looks at the staff man years that we gave him and if he turns to Page 3, you'll find that the . . .

MR. CHERNIACK: My pages aren't numbered.

MR. MINAKER: If you take your staple at the front — sorry.

MR. CHERNIACK: That's much better.

MR. MINAKER: That the 27.5 that are shown transferred within the departments have been transferred. They were Employment Services components in that Social Security Field Operations and were transferred down to the Employment Services under Rehabilitative Services which show as 26. Now where the 1.5 went to, I'd have to get that information.

MR. CHERNIACK: All right.

MR. MINAKER: But at the present time our regional system is a multi-disciplinary system and it would depend in many ways on what situation the client was in. If it's one of income needs immediately, obviously the worker would refer them to the income security portion. If the person happened to be physically disabled, they might end up with the Society for Crippled Children and Adults in their Employment Services that they have in that particular area. So it depends on what the circumstances surrounding the individual are, where they are directed and who directs them.

MR. CHERNIACK: Mr. Chairman, that's what I pose is the problem. In this case, the example I've given you, which is a real example, it's not a figment of anybody's imagination. Where do they go? Do they go to one or another or another? Because you say it's a multi-discipline, I'd like to think that there is one person to whom they relate only. That's the important thing to me and that person has not only the knowledge and experience and skill but also the clout to say to some other person in whatever field they are needed, you've got to take this family in hand for this or another purpose. So clout may be even more important than the job or the training itself.

MR. MINAKER: Mr. Chairman, they can go to either seven regional offices or they can go to four income security offices that we have. It depends on where they head first and there they would be directed accordingly to the proper . . .

MR. CHERNIACK: They they directed to a person who has the experience, skill and clout to monitor their program in all aspects, is that correct?

MR. MINAKER: The only other thing, Mr. Chairman, is we don't force any service on any individual that comes to us. It's up to them whether they want to accept it but we would direct them to an area where they could be helped.

MR. CHERNIACK: Mr. Chairman, here is a problem as it came to me. A phone call on, I think it was the

fifth of the month from somebody who said, I have spent all the money I received on the first of the month. I have no money and my financial adviser, if that's the term for the worker that they were relating to, says I can't have any more. He says, what do I do? All right, that problem was money but I don't think that was a problem at all. The problem was how to handle money and the problem was that this couple, age 23 and age 25, have made up their minds that they will never be productive so I think the problem is also vocational rehabilitation. That doesn't mean getting physically better so they can do work, it means finding the kind of work they could do.

I'll bet this very government can use people who have the kinds of disability they have which are physical and I gather in both cases related to posture and spine and things like that but that voice that came to me over the telephone was knowledgeable, intelligent, loud and strong. I could just visualize a job right there, there may be other things, I don't know. So it's not a question of forcing them to take the service. I think it does reach that stage. Rather than force them to starve which is what they phoned me about saying we spent all our money, we have no more and we can't get any more; that's a compulsory dictation from government. I think they should be told we want you also to go to this vocational rehabilitative officer and we want you to have another check with probably the health people to see what your capabilities are and give them both the encouragement and the requirement that they do something about trying to relate to their budgeting needs and to their vocational possibilities. That's what I'm getting at, not that they can't be forced, I think that they can be directed. So I come back to it. Do you want the name and you will find out where they are at and maybe I'll find out for myself first and then give you the name if I feel it's necessary?

The reason I wouldn't want to give you the name is I wouldn't want them to get special service that is better than that which the people who don't know how to phone their MLA get. I often feel badly about people who, if they know how to reach an MLA, will get the service they need and if they're not sophisticated enough to know their MLA, they may flounder and I'd like to think that there is a direction. I'd sure love to see a direction from the Minister to all workers in the field; you are required to ascertain the various problems for each case and to see to it that somebody is responsible to follow up all those problems. I'd love to see a bulletin like that and you've got it I'll be very happy and congratulate you. If you don't have it, maybe you will have it in a week or so and then show it to me.

MR. MINAKER: Mr. Chairman, I would hope the honourable member would give us the name of the individual involved so we can see what has happened up to date at this present time, so we can have the full information on both sides of the story to see what in fact has unfolded. I'd be interested in knowing not after the fact that the Member for St. Johns has brought it to our attention but once we know we can now trace back what has happened over the past two weeks that he refers to from the department's point of view. But at the present time we are only hearing from what has happened to the

individual from his point of view, so that would be our main objective at this point in time of knowing the name of the individual.

MR. CHERNIACK: In a couple of days.

MR. CHAIRMAN: 3.(b)(1) — pass — the Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, just before we leave that, I'd like to give some advice. The Minister can do what he wants with it but apparently they've been talking about the division and it takes a long time between the two departments. I think it would have been much better, clearer and easier, if there had to be a division that one Minister would take the institution. For instance, the one Minister would take all the Manitoba Health Services Commission, the insured programs, Medicare, Hospitalization, Personal Care Home and these kinds of things and leave the rest because they have to overlap. There are so many things and then, well, it says it here, Community Health and Social Services in the community and leave the Minister there — that if anything, something should be transferred to your department in the field and the other Minister should take care . . . and there's plenty, there's a lot of money being spent there. It might be a little easier but they would have to worry about the hospitals, the personal care homes, everything — all the Manitoba Health Services Commission, Pharmacare Program, any of these. If they bring in, I think you've mentioned eyeglasses and that kind of thing, that should go in there. And the service in the community which is the coming thing more and more, could stay with one Minister then you wouldn't have this duplication. I think it would make a lot of sense.

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

The Member for Transcona.

MR. WILSON PARASIUK: I see a fairly large increase here and the Minister in his statement on Page 5 said that you will be asked to approve increased rates for homemakers and increased rates to purchase services from the Victorian Order of Nurses. Can the Minister indicate why we're getting a \$3 million increase in this particular item?

MR. MINAKER: Mr. Chairman, the main increase is relative. An increase in pay rates for employees paid through the Home Care payroll as approved this year and an increase in rates for services purchased from the VON and Community Therapy Services and the Home Orderly Services. Also, an increase in the number of persons receiving the services and an increase in the units of services needed to maintain persons with increasing care needs at home. I might point out that the total number of receiving home care this past year has been some 16,971 as compared to 15,592 in the previous year so there has been a considerable increase in the care caseloads. We feel that might be basically levelling off at this point in time. The average monthly caseload at any one time as of December 31st was 9,208 as compared to 8,149 last year. So these are the basic kind of increases we're having.

MR. PARASIUK: How many homemakers would you have in an average month?

MR. MINAKER: At the present time we have 1,682 homemakers as compared to 1,635 in the previous year.

MR. PARASIUK: That's the figures you had. When I first looked at this I thought there might be some crisis developing in Home Care. In previous years and this is drawn from last year's Estimates discussion — in the previous year, the year ending 1980, you had 1,560 homemakers per month and you jumped from 1,560 to 1,635 homemakers per month which is an increase of 75 on average. This year you're going from 1,635 to 1,682 which is an increase of 50 on average. But last year you only had 11 percent increase in funding for this item. You went from \$7.96 million to \$8.85 million to all intents and purposes rounding it off. This year you're going from \$8.85 million to \$11.79 million; an increase of 33 percent in one year for Home Care. If you say that part of that's accounted for by increase in pay rates, I assume that there were increases in pay rates for these people for the year previous.

So what we're finding I think is that all the statements made by my colleagues, the Member for St. Boniface and the Member for Seven Oaks in the past, actually are coming true. They said that this is a program that is being squeezed, that the impact of the freeze on nursing home construction will put tremendous pressures on this program, and that the past squeezes and cutbacks in the Home Care Program would lead to a whole set of bottlenecks which would ultimately lead to either a tremendous reduction in service or an explosion in costs, and that was an inefficient way of budgeting and establishing estimates over a three- or four-year period. From what we see here this would appear to be the case.

We have a 33 percent increase in funding for Home Care and if that's needed to meet need we don't disagree with that, in fact, we've been saying that need should be met continuously. But what we're finding in this particular year, the year ending March 1982, which is the Estimates year, is that all of a sudden past restraint has been thrown to the wind and the government is able to find blobs of money here, there and everywhere, for hospital spending, for home care spending, for personal care spending, and I think this is a very cynical approach to meeting need.

We had the Minister's colleague, the Minister of Health say that people have to be prepared to be overworked and underpaid, those were past statements, and now coming up to what probably is an election year we're finding that they can get a lot of increases and that's something that I think the Minister hasn't explained clearly. Why is it that last year we only had an 11 percent increase from the year before, and this year we're having a very significant increase of 33 percent? If it's done to meet need we have no objection, but as I said in the past comments of my colleagues have predicted this type of thing taking place if the government reduced the quality of care in the past. Now either the quality of care in the past wasn't sufficient and that's why a 33 percent increase is needed and if that's the case we say it's overdue but we applaud it.

MR. MINAKER: Mr. Chairman, at the time we put these Estimates together the Budget for last year

was overspent in the program. We have provided a 10 percent increase this year for anticipated over-expenditure at that time and also a workload increase of 5 percent to come up with this figure, \$11.5 million approximately.

MR. PARASIUK: Well what was the actual expenditure last year?

MR. MINAKER: I don't have the exact figure at the present time but the information I've got from Peter is that at the time we put these Estimates together was approximately \$1.4 million.

MR. PARASIUK: 1.4 million over 8.848.

MR. MINAKER: And there was an allowance of approximately a 10 percent and a 5 percent increase, giving 11.5 figure. So that's what accounts for the jump in the amount. We restrict the program because we feel like the honourable members do, that it is a good program, and it appears that our senior citizens want this type of a program.

MR. DESJARDINS: Mr. Chairman, let's make no mistake about this. We're not chastising anybody for these Estimates. We'll gladly pass this. What we are saying that last year and the year before, especially the year before, the two previous years, we said that this government was tightening the regulations on this and we were sure that wasn't the case. We've said that there should be more people, we said that then and they have to be ready for more because it would take a little while until all the freeze on personal care homes and all the other freezes would catch up and that is an example. That is an example, that's what my colleague is saying. We were said no, . . . and I could never believe that and it was said, I think it was last year, that we had reached the plateau. There were only so many people on home care and that has proven that now with these Estimates, and I'm pleased, because this is a lot cheaper program than a lot of other programs and then it helps people stay at home. It is a good program. It's a lot of money. But I mean, if you didn't have that, what would you have? There are some people, no doubt, that if you didn't have this program you would have to build many many more personal care beds. I think that this is one of the factors.

And then another thing that we are pleased to see is that there is going to be an increase for the staff, also a larger increase. Because one of the answers, well we have trouble, when they couldn't, that's what the people were getting, well we can't get the staff. It was difficult, now mind you, it's never easy to get that kind of staff. What they would like, some of them, is get the same patient for ever and ever, if he needs it or not, and you know, there is some of that. But I mean, the people that are really interested, it is going to be difficult and more of them would need the money so we're very pleased to vote this, because this is a good program. We're proud of it, but these are the kind of programs, this is what we're trying to say. We want you, we don't want to just crow and say you are wrong. We want you to, at least once in a while admit that when you got in power in 1977 and said, boy, this is not a good administration and this is throwing money at

programs now. You see you tighten it, you let people go, now you're hiring people and you're spending more money and you're catching up. And it's not easy when you deal with these people. So again, you know, we can't harp on that too much. My friend, my colleague made the point, I made it earlier, but this was a concern of us and we're quite satisfied that this has been . . .

I want to ask the Minister another, discuss something with the Minister. I'm sure the Minister must have been asked this question. A lot of people, relatives, want to take care of people at home. They want to go on the home program. In other words they want to be paid. That was something that I never liked when I was the Minister because I figured if he ever opened that up there is no end to it, but I'm starting to see that it has some validity not to pay, maybe if we took another approach and I wonder what the Minister thinks about that?

In certain areas if we said, all right, that service, in other words we would pay for the service. The service would not be, you're hiring somebody, does this person need this kind of care and if the parents, if the relatives would take him, it might be easier and would give you another, you'd have to be very very careful and I would suggest if you do that you're starting some kind of a pilot project. But some people, you see, some people, for instance, would gladly stay home instead of working, they can't afford it, so you bring somebody in to do this work and they would be satisfied to look after their own father and mother and so on, if they had some help. And there must be, it's going to be very difficult and, you know, you can't rush into it but I think that this should be looked at. I think it will give you other sources of volunteers, they're volunteers, although they are paid up to a certain point. The patient would probably get better care, would be better, because you know, it's not just to make sure that they eat. In time, a lot of these people are kind of lonesome and it would help if some relatives would do it providing we don't start saying, well okay, you know, this society now is going to start saying that you're going to pay for anything that you do for your relatives. Then the people want to get paid to take care of their kids, and their wives and so —(Interjection)— What are you laughing for? No, I think I've made my point and I don't imagine the Minister has any answer now but may be he'd like to discuss this and see what he thinks of it because I'm sure he has been asked the same thing many times.

MR. MINAKER: Mr. Chairman, I can discuss it with my colleague, the Minister of Health, as the Honourable Member from St. Boniface has indicated, it's a very gray area on when you select relatives to provide this service and to compensate them in some manner and it is a difficult one to deal with but one that we will look at because there seems to be some merit to what the Honourable Member suggests. The question is to define when in fact the need is there for the family rather than staying at home to look after the parent that they have to go out to work to meet their needs of income and that's where the big question mark comes.

MR. DESJARDINS: Mr. Chairman, in an area, if we didn't go that far at times the people might need a little help. Maybe they could work part-time or

something and that would save money and everybody would be more satisfied, you know. But now it's cut and dried and it was in our time because I certainly was afraid of it. It's cut and dried to your relatives, no. You know, you're not going to start that because we were afraid of what might happen and that if you change society, that all of a sudden everybody had to be paid for anything that they did. But this way some people are serious, are sincere, they are not trying to be rich. They won't get rich on that kind of thing but they would like to do a little bit but they just need a little bit and unfortunately and it's very difficult, you have rules and you have laws and sometimes that's all. You know, it's never gray; it's always black and white, either you do this yes, but that's not allowed and sometimes in the middle if there was more, if we had the chance to have a little more flexibility the programs would be better, it would be easier and it would be a lot cheaper too. So that probably should be the area they should look at.

MR. CHAIRMAN: (3)(c) — the Member for Transcona.

MR. PARASIUK: Yes, I'd like to add a dimension to the point raised by my colleague, the Member for St. Boniface. There are parents who have children who require ongoing care because of in the past, polio or other long-term illnesses like that. In some of these instances these are single parents, who really are caught in the position of not being able to go out to work, looking after the child, being put on social assistance and living out their lives on welfare in their own mind. Now maybe there is some advantage to us because of the CAP — Canadian Assistance Program — in terms of 50-50 cost sharing. But I wish there would be some way in which they wouldn't be seen as people on social assistance as opposed to people who are in fact providing a type of care that would have to be provided by the home care program. I think it adds a lot to their sense of worth and sense of dignity if they could do that. I have some personal experience with one family where that in fact occurred, where the mother looked after her child who had polio. She was a single parent and she basically was the woman down the street on welfare, for all of her life. And yet she did a far better job than a home care worker and home care workers do good work, but she did a far better job than any combination of home care workers could ever hope to accomplish. And I guess some people understood the situation and knew what she was going through and knew what the daughter was going through but at the same time there was still this notion that she was the woman on welfare down the street and I wish there was some way in which that particular problem, especially with respect to dependent children, if there was going to be any pilot attempt, could be looked at in terms of a person's self-worth and estimation of dignity.

MR. DESJARDINS: May I add, Mr. Chairman, that reminded me. I had an example of that. It might not be exactly the same thing but it's the same problem of if you had a person, an adult I guess, but a retarded person, who got a job and, you know, the job, he was getting paid not very much, and he walked all over the place. He delivered for

somebody, but he was at work. All the time he was very conscientious, but he was very limited in what he could do, so he was getting the very minimum, I don't know if there was a way to get less than minimum wages, I think he was. All of a sudden, the people that look at the rules, this man isn't working, you're not entitled to this, you're not entitled to that, and so on, and he was worse off than if he had stayed at home. I don't remember all the details but that's one of the examples. Now the main thing is, it's not the money, it's not that he's producing so much, but what it does for a person like that of having a job. He really thought that was something, that he had a bit of spending money. Mind you, he probably spent all his money on the shoes that he was wearing out, running all over the place and so on.

But those are the areas, if there was a way, and that's very difficult to arrive at that, because you have to make rules. But if there was a way, or even if there was a special fund for people like this in this department — I'm not talking about all departments — if there was some kind of an advisory board and if there was a special fund for any case like that, the Minister would have the discretion under the recommendation of an advisory board to look at things like this and to help things and in the long run to maybe spend less money. A little bit of flexibility. Have the rules, you need them, but provide something where there's flexibility, that a case like I mentioned and my friend mentioned, to go to the Minister and say, "Here", and somebody would look at it and say, "Yes, maybe we can do something". I think it would be a humane way of looking at it. I think in the long run, it would make a lot of people much better off, in fact, you might even save money.

MR. PARASIUK: I'd like to get back to the delivery of home care for a minute, to explore one area where I've come across some particular problems in delivery. This concerns the situation where a person goes into the hospital because they hurt themselves; usually it's an elderly person. They might fall out of bed, hurt themselves, they go into hospital for a while, or they get ill with the flu or pneumonia or what have you and they go into hospital.

The pressure in the hospital of course, is to get them out of hospital as quickly as possible, and they're sent home. Often they're sent home somewhat disoriented, and they're told that they can leave the hospital, and some of them don't want to leave the hospital, because they feel somewhat more secure in the hospital, but they're told that if you leave the hospital, you go home and there will be home care there. They get into the cab, go home, and there ain't any home care and at that stage they get panicky.

Now somewhere there seems to be a bit of a breakdown there. I've not come across breakdowns when a person is living at home. They apply for home care, they're panelled, they get the home care. There usually isn't any breakdown in communication then, it's part of an orderly process. People usually in those situations are patient enough to wait through that process of panelling.

But it's when a person is in the hospital and is sent home, that they run into this situation. Somehow there seems to be some balls dropped between the hospital which might be in one

particular region and the area in which the person lives, which could be in another region. I'm wondering whether in fact that's just an isolated case because I've had it happen to me a number of times now.

MR. DESJARDINS: Mr. Chairman, I'd like to cover another point and make my annual speech and my pitch for something I think is quite appropriate, and I'm talking about enriched senior citizens' homes. It seems that we're not moving fast enough in that direction. I say it here, because it is some form of home care.

We had a meeting at their request, some of the members of our caucus met with the — what do you call them, the Council of Seniors — or something — we didn't bring it up, they brought it up themselves, and that was one of the main topics. You see, the people, especially those types of people, want to stay in their homes; they want to be independent. It's a heck of a lot better to keep them in their homes in every sense. They enjoy life better, they're human beings, providing they have certain things, providing they know that if they need care in the hospital, they can go.

You have to educate and the medical profession have to educate themselves, and they're trying. They're moving in that direction, because it's always said, and even doctors used to say, "Well, it's a lot more glamorous looking after a young, good-looking girl than looking after some old people". It's hard and the hospitals don't want to them, because they say, "Oh, God, if we get them here, we'll never be able to get them out". It's a hassle to get them out, especially if there's no personal care home, and so on. So it is hard to get people like that. On the other hand they figure, "Well, I won't get in", they panic and they put in an application for a personal care home. They don't really want to go to a personal care home, but they're getting ready; they hear that it's so hard.

Now whenever we have new senior citizens' homes, if we provided for that, maybe an extra little room, where if it's big enough, there could be a nurse in attendance all the time. That's not very much, and maybe some kind of an orderly that can help these people. At one time, when we started this Home Care Program, I never understood that and I suggested that it should be changed, and it was changed. But at one time, people in those homes would not get home care. People who just move into a senior citizen's home, they're very happy, and they want to show their suite, and everything is fine. The relatives, the family of these people are happy; mom and dad are happy, and it's home, it's not an institution.

But all of a sudden, there's more calls, and they can't feed themselves and they have trouble doing certain things. They're not bad enough to go in a personal care home yet, but it is their home. It would be a lot cheaper because they're concentrated in that area. You could have a nurse or something on call or on duty, you could have more of those facilities like on Smith, where there's a cafeteria. At least it might take care of their breakfast, but they could go and have a meal fairly cheap. I think we could subsidize that instead of — it's a different level of government — subsidizing to the tune of \$3 million, a restaurant on Parliament Hill in Ottawa for

people that are getting around \$50,000 and so on, or more. I think we certainly could do that, I think it's well appropriate here because it's a form of home care, it is organized home care in an area, and that's another piece in this overall care that we give these people. They would stay there longer, so therefore they would occupy maybe a bed in the hospital or surely a bed in a personal care home later.

They need a little bit of help. It's a bit like what we were talking about before. It's all or nothing. You graduate here. Okay, well we've gone. We've started programs. We've been the envy of other countries, and here in Manitoba we've been the envy of other provinces. This is the thing. Now, somebody will say, "Well, hey, there's a limit. With inflation and so on, we've got to cut down". This is not expensive. You spend money to save money, because there's no choice. If they can't take care of themselves and make their meals and that little bit of help that they have, what's the next step? You're not going to abandon them. You're not going to let them die. You'll have to find a place in a personal care home. Then they're in an institution. They are no longer at home. We said and you are saying the same thing, we want to keep the people in their homes as long as possible. Just a little bit of help, especially when you have these large senior citizens' homes, there's many people there, you have a nurse, it wouldn't cost you that much, that's not the end of the world. Maybe an orderly or whatever, a nurse could get to a doctor fast and maybe even have some home care workers doing certain things, maybe changing bulbs and that kind of thing, the kind of person that would give certain services to these kinds of people.

Now we all give lip service to this. We started, that is something we were going to go at with a vengeance and you know, with the restraint, there was no time for a new program, but I wonder now. Apparently we were told that there's no problem now, there's no reason for restraint any more. Everything is set. The Budget is all set. Nobody owes any money. This might be the time to look at it.

MR. MINAKER: Mr. Chairman, I guess there's sort of a general resistance to start to build health care into residences like senior citizen apartments. I think to locate a nurse or an orderly there, then the concern might be that there would be demands for more nurses and orderlies, and then they would develop into some level of personal care home. Maybe we're going about it in a different direction, in that we have increased the elderly day care programs at personal care homes, where citizens can go to the facility to receive day care. Or we will provide home care to any senior citizen facility, where we deliver the service there, rather than retain the person on staff within the home. So we are doing it to some degree, but we resisted the idea of putting somebody on staff right there in the senior citizen apartment or home.

MR. DESJARDINS: No, Mr. Chairman, you're not doing it at all. Those are other programs, very good programs. You have a day care for the elderly that the Minister was referring to, I believe; this is very good. That is something else, and most of those people that you have day care for the elderly, maybe that's changed, where people that were living not in a senior citizen home, but with other people in a

home. The reason for that, there's many. First of all, it's to give them an outing, and then organized form of recreation. Some of them will go a little further and give them a bath, because they're living with relatives, with a daughter or somebody that can't move them around, they wouldn't have any of that. Then during that time, it gives also the people that they're living with, will also have a chance to do a bit of shopping. What do you call that, respite treatment? Okay. Some of them will even have beds. Somebody will go away on a holiday and keep them for a little while.

That is a very good program. It's just like a jigsaw puzzle and you need all the pieces. I don't want to knock that program. That's a very good program. Most of the people in the area go once a week. If there's not too many demands they might go twice a week. But what about the other days? It is not the same need. I'm talking about the people who are in the personal care. All right, forget the nurses if you don't want to start that. Give them a cafeteria. Provide a place where they could go down for their meals; they won't have to cook. Some of them — now it wouldn't have to be in all the homes — you could have different degrees of different needs of senior citizen homes, but it is a step.

Right now, you have a home and then you have a senior citizen home. What's the next step? Okay. Either a funeral director, or they go to a personal care home. I'm saying that if you have an enriched senior citizen home, the advantage is they're still in their home. It is not an institution. The cost is a lot cheaper. They're paying for it, the service that they're getting there. They have subsidized housing I think, but they still pay something, whereas if they're not in there, they're going to go to the personal care home. You have to build more personal care homes. You have a larger demand. Or you might say, "Okay, we'll treat that like a home. When the person is sleeping, they'll read a book". You think that's cheaper? You think, "So what if there's a demand of the nurses?" If there's a nurse part-time, or if it's a big place and there's enough people that are sick, so if you have one nurse for about 120 people, that's not expensive; a hell of a lot cheaper than building one bed of a personal care home. But the services are not necessarily nursing. I think they should have a nurse on call. That'll save a call to a doctor in many instances. It'll get people to help them take the drugs instead of going to every drug store and having their own little drug store in their suite. Then you will have a homemaker who will help them with — you have Meals On Wheels now. It would be a lot cheaper if there was in certain areas, if you could do it and there was a big enough group that they have a cafeteria. On Smith, doesn't that work well? Hasn't it got a cafeteria?

The Minister I think, misunderstood. He said, "Well, if we want to introduce new health care." Maybe I shouldn't have said nurse. Let's leave it at home care, some help. An enriched senior citizens' home where somebody that'll help them, not necessarily do it all because these people have to be active — you can't just do everything for them — that's not what I'm suggesting, but help them do little things that they can't, that'll be the difference that they could still stay there and probably the most important would be a place where they can have

their meals — some kind of a cafeteria where they can have their meals because they no longer can cook and they're not eating well, they're worried, they are going down, the family are worried — they're going to start making application for a personal care home. So the programs that you have are good ones. I congratulate you on those but they are not replacing this at all. The only thing that you're going to have, you go from that and when you can't do it you're going to go to a personal care home.

MR. CHAIRMAN: 3.(c)(1) — pass; 3.(c)(2) — pass — the Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, now we have the list in front of us. I think that's Age and Opportunity Centre, Brandon Civic Seniors, Meals on Wheels and new senior centres, those are the ones, eh? Were there any others that have been discontinued under this last year? Well there's one new one, new senior centres — that's a new program this year. Am I on the right . . .

MR. MINAKER: Mr. Chairman, we've increased our funding by 13 percent to Age and Opportunity this year and we will be increasing our funding to the Brandon Civic Senior Citizen from 22 on to 24.3. In addition we increased the Home Welfare Association Meals on Wheels from 28,000 to 30,500. The senior centres that we're talking about is new funding for new senior centres in rural areas. We are now getting requests from different locations.

MR. DESJARDINS: Is that kind of a day care which you were talking about?

MR. MINAKER: No it will be basically drop-in centres similar to the Age and Opportunity Centres.

MR. DESJARDINS: Oh, for the well elderly.

MR. MINAKER: Yes, right, this will be for the new centres outside rural Manitoba. We've allotted \$30,000 for that, not assigned to any particular centres.

MR. DESJARDINS: That's very good, but my question was, are there any others that were there last year and that are not there this year? They had three last year, those first three and now you have the fourth one, right?

MR. MINAKER: Right. We've added the \$30,000.

MR. DESJARDINS: Okay, that's all I wanted to know.

MR. CHAIRMAN: 3.(c)(2) — pass; 3.(d) — pass.

MR. DESJARDINS: Mr. Chairman, then is that the . . . yes, that's the next one that I have on that list eh? Again the same questions, were there any that you've discontinued this year? There's one new one, the Thompson Crisis Centre that you mentioned before. That was there — well I don't think it's a new one but . . .

MR. MINAKER: Mr. Chairman, the Thompson Crisis Centre was funded through a grant last year for the

first time, a special grant when the request came in and now we have it shown in this year's Budget at 49.2.

MR. DESJARDINS: And there's none they had to discontinue?

MR. MINAKER: Not that I'm aware of other than at the present time we have indicated to the Four Nation Confederacy that when we receive word from the Provincial Auditor that their accounting procedures are in order and they have control of their accounting procedures then we will be providing them with the grant that they normally receive from us.

MR. DESJARDINS: Mr. Chairman, in other words you're holding back on that one?

MR. MINAKER: Until we receive . . .

MR. DESJARDINS: Oh yes, well that's something else. The money is there, it's just that you want to make sure that it's well spent. But there is nobody else under this that were funded last year that aren't this year for any reason?

MR. MINAKER: Mr. Chairman, I can read them off to the honourable member if you want to tick them off.

MR. DESJARDINS: No, I have them.

MR. MINAKER: Oh, have you got them all . . . No they're identical as far as I'm aware of. We haven't dropped any. When I looked down the 1980-81 they match up with what's there for 1981-82.

MR. DESJARDINS: All right, my last question, the volunteer . . .

MR. MINAKER: Mr. Chairman, I'm sorry, the only other one that would be out of here now was that last year I believe the Noon and After School grants were indicated under there I think at that time \$240,000.00. That now has been lumped into the Day Care Program.

MR. DESJARDINS: The Volunteer Centre of Winnipeg — you have a reduction of \$13,000.00. What is the reason for that? Is that because you're doing more in other fields or what?

MR. MINAKER: Mr. Chairman, it's my understanding that was a three-year program. In the initial years they needed more funding and it was a three-year program that was being reduced.

MR. DESJARDINS: Kind of a start-up grant.

MR. MINAKER: Yes, start-up grants and it was reduced this year. That was made clear to the Volunteer Centre at that time.

MR. CHAIRMAN: 3.(c)(2) — pass; 3.(d) — pass.

Be it resolved . . . Just before I do this I maybe should clear up something. If we look on the centre of the page 3.(a)(b) and (c). Now those have no figures on either the extreme right or the extreme left

so I officially didn't pass that and I think that was correct not to have — okay.

Resolved that there be granted to Her Majesty a sum not exceeding \$31,887,200 for Community Services and Corrections — pass.

4.(a) — pass — the Member for St. Boniface.

MR. DESJARDINS: Somewhere I have on this same list of the external agencies, I have one under Child Care Institutions for \$6,675,000 — that's the one with Sir Hugh John and so on. Where do I find that? I'm sure it's under 4. here — it's under Child and Family Services, but where? —(Interjection)—

MR. DESJARDINS: 4.(c). Oh, it's part of that \$24 million.

MR. MINAKER: Yes.

MR. DESJARDINS: And the \$24 million is Maintenance; is composed of what is done by the department and what you are commissioning people to do for you which are these four here — four institutions, right?

MR. MINAKER: That is correct, Mr. Chairman.

MR. CHAIRMAN: 4.(a) — the Member for St. Boniface.

MR. DESJARDINS: Oh excuse me, I'm on 4.(c), so pass it.

MR. CHAIRMAN: 4.(a) — pass — the Member for Transcona.

MR. PARASIUK: This is a fairly large item here, Child and Family Services. A number of things come to mind very quickly. First, there's been a lot of play in the media about the whole question of children still being sold over the border. I don't know if the government's investigating that whole question. Is there any truth to some of these statements that we still have some type of black market in babies with respect to adoption south of the border — illegal adoptions? And if that's the case, well first I think it's important to determine whether in fact there's any truth to that rumour or not. That's the key thing to begin with.

MR. MINAKER: Mr. Chairman, the subject matter or the particular individual in question is presently being investigated by the Attorney-General's Department in coordination with our department.

MR. PARASIUK: There's one case being investigated?

MR. MINAKER: That is the only that we are aware of at this time and it was drawn to our attention by Peter Warren.

MR. PARASIUK: So that one is being investigated and that's the only one that you've had brought to your attention now. Have there been others brought to your attention in the past few years in this regard or is this something that just came out of the blue?

MR. MINAKER: Mr. Chairman, this just came out of the blue and we have no reason to believe that there

are other situations similar to this existing in Manitoba at the present time.

MR. PARASIUK: So this case is being investigated right now and you don't have anything specific to report on it.

The other one major matter here and I guess I'll just raise it right now — the whole question of the Child Welfare to Treaty Indians — both on reserves and off reserves and there's been a lot of dispute on this particular item and debate on it. What's the present status of this item?

MR. MINAKER: Mr. Chairman, at the present time the Tripartite Sub-Committee on Indian Child Welfare have been meeting I guess over the past year and are into relatively final stages of an agreement where the Native people would look after their own children on reserves. There had been indications from the federal department that they would provide the funding for this particular care. To date the money has not been committed by the Federal Government. We have not seen the agreement that I think has been generally agreed upon by all three parties. The phase would be that they would bring the agreement to each party that's involved. They would bring it to our government for our Cabinet to review the proposed agreement. Similarly it would go to the Federal Government for their review of the agreement and similarly to the Four Nation Confederacy.

I did have a promise from the Honourable Minister Munroe when I was in Ottawa on December 8th or 9th I believe it was of last year, that he was committed to sign an agreement by March 31st of this year. I don't know whether that commitment will be met or not. I have also written to him on that particular subject confirming what he had said verbally to us at that Minister's meeting.

The Tripartite Sub-Committee I believe has been progressing quite well and it's just a matter now for the Federal Government to come forward that they are prepared to fund the particular program.

MR. PARASIUK: Just so I can get a clear understanding of this, does this mean that the recommendation is that child welfare would be provided on reserves by the bands themselves? They would hire, fire, train the people, administer that whole program?

MR. MINAKER: That is correct, Mr. Chairman, or by tribal councils that they would have this authority. There are finite details which I have not seen in this proposed agreement but basically what you say would be parts of the agreement. At one time the discussion was that we would provide training for their particular staff.

MR. PARASIUK: We have a mechanism through the Legislature for the public monitoring, the provision of child welfare services generally throughout the province. What type of monitoring provision would there be with respect to the delivery of this type of program on reserves? Would that just be an internal thing done through the tribal councils, through the bands? Would the Federal Government monitor it, would the Provincial Government monitor it, or was it just a complete transfer of responsibility over to the

band or tribal council authorities with a sort block grant of funding and that's it?

MR. MINAKER: Mr. Chairman, under Section 7, The Child Welfare Act, the Minister has the authority to establish child welfare committees where Children Aid Societies do not exist and that would be the particular piece of the legislation that would be used. They would be monitored in the same way as we monitor Children's Aid Societies at the present time.

MR. PARASIUK: What is the situation now and is there any change proposed with respect to the provision of child welfare services to Treaty Indian children off reserves?

MR. MINAKER: My understanding is that 60 percent of our facilities are now servicing reservations in co-operation with some of the tribal councils. On other situations it's where the chief may call us in or where a doctor might refer us to some child abuser or whatever.

MR. PARASIUK: What I'm asking, are child and family services to Treaty Indian people who aren't on the reserves but come into Winnipeg — they either come into Winnipeg from northern or rural communities in Manitoba and there might be a touch of continuity there but where I think there might be no continuity whatsoever is when people are coming in from Ontario — Kenora and places up there where they're coming in. Who provides those types of services? Some of these people are fairly transient. The children are involved. Who picks that up? Whose responsibility is it to provide the service, first, and secondly, who picks up the cost?

MR. MINAKER: Mr. Chairman, we provide the service. We don't let people die on the street or starve on the street. Then we trace back their residency and if we find that the family in question or the individual in question has not been off the reservation for at least one year, or they have supported themselves for at least one year, then we consider them a Treaty Indian and we bill back to the Federal Government — the same basic policy that existed for the past number of years.

MR. CHAIRMAN: 4.(a) — the Member for Transcona.

MR. PARASIUK: You mean the same policy of non-payment.

MR. MINAKER: We're doing the same thing you used to do.

MR. PARASIUK: That's right.

MR. MINAKER: We get at least 50 percent back under CAP.

MR. PARASIUK: Now we've got an item here of \$30 million which is larger than most departments, this particular appropriation; now it's going up to \$34 million. This is larger than most departments as such and we're trying to expedite things in the Estimates process but at the same time this is a very large amount of money. Can we get an indication from the

government as to roughly speaking, how many children would this \$34 million expenditure relate to? I'm not looking for anything exact, I'm just looking for something that's a ball park figure. Are we talking about 2,000 children or 3,000 children, or . . . ?

MR. MINAKER: At any one time, Mr. Chairman, the average number of children in care each month at the month end would be in the order of approximately 3,000 or roughly 3,200.

MR. DESJARDINS: That's with the different child . . . the Children's Aid Society and the Institutions.

MR. MINAKER: That would include all the regional areas that do not have Children Aid Societies as well as Children Aid Societies, and the Jewish Child and Family Services.

MR. PARASIUK: Okay, for the year then, if you're doing that on a monthly basis, a lot of these would be repeats but in terms of sort of the accumulated caseload for the year, would it be fair to say 5,000?

MR. MINAKER: I guess, Mr. Chairman, whether or not you include families that might be under supervision that have their children at home.

MR. PARASIUK: Even that, what's the magnitude of effort? How many people are we talking about here?

MR. MINAKER: Mr. Chairman, anywhere in the order of approximately 7,500 to 7,800, it varies.

MR. PARASIUK: I'm just trying to get some idea of what's actually being spent here then on a per person basis. I'm going to even round that off to 8,000 and then we're starting to talk about something in the order of really \$4,000 per person as a type of expenditure in this area, you know, on a very rough ball park basis, we're talking about \$4,000 per person. Now, that would, I guess be for some instances institutionalization, maintenance, external agencies, so \$4,000 strikes me as being a fairly high amount. I wonder what would a social assistant payment, say if a single person was on social assistant for the year, an adult, what would that person be paid for that year through social assistance?

MR. MINAKER: Mr. Chairman, it would be somewhere in the order of about \$5,000.00. It would depend on where they rented the facility and other items.

MR. CHAIRMAN: 4.(a) — pass; 4.(b) — pass; 4.(c) — pass; 4.(d) - the Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, the only question I want to ask that the reason why Knowles Centre has had a bit of a reduction, not a large reduction but are there less case there, the caseload dropped or what?

MR. MINAKER: Mr. Chairman, the reason for that is that last year we had in there \$100,000 in there for that psychiatric facility that Knowles had indicated that they were prepared to look at and to develop and that did not come about last year and we do

have, I think, a small amount of money this year, that we hope will be instituted this year. Knowles had requested that it be delayed for at least a year because they wanted to straighten out other situations at the school.

MR. DESJARDINS: The new program that didn't start.

MR. MINAKER: The new program that didn't start. So that's the reason for the \$100,000.00. We do have a proportion to mount in there for this year.

MR. CHAIRMAN: 4(c) — pass; 4(d) — pass. The Member for St. Boniface.

MR. DESJARDINS: Mr. Chairman, under (d) that's a very important thing, that's on the Children's Aid Society and the Jewish Child and Family Service and so on. Now those are all an increase. Is that for an increase in caseload or is it just an increase in cost in staff and so on mostly and . . .

MR. MINAKER: Mr. Chairman, that's basically staffing cost and what we have is that the Children's Aid Society of Eastern Manitoba, we have three new SMYs and in the Children's Aid Society of Winnipeg there are seven new SMYs and \$150,000 for increased rental costs.

MR. DESJARDINS: The increase in staff man years, especially the Children's Aid Society of Winnipeg, is that to handle a bigger load or is that where they're overworked or more care . . . ?

MR. MINAKER: I think it's a combination of increased load and more complex load that we were advised because of the centre core in that particular problem.

MR. DESJARDINS: There is something new here, Mr. Chairman, I'm talking about the Parent Aid Demonstration Project. I haven't the faintest idea what that is? Could you explain it?

MR. MINAKER: Mr. Chairman, that's a project which is an outgrowth of developmental program activities at the Health Sciences Centre which initiated follow-up research in the early 1970s in the situations where children had been admitted to hospital for trauma or unknown origin. And from this activity a child abuse team or committee was developed to assess, determine, and review treatment intervention in child abuse situations and members meet voluntarily at the Health Science Centre. Now this basically is to deal with the parents and it is being funded 50 percent by the Federal Government and 50 percent by ourselves but we receive 50 percent back through CAP. So in actual fact they are putting up three-quarters of the program. And they're very high on it and they feel it has great potential and we're doing it as a pilot project.

MR. DESJARDINS: The concern when this had kind of started, I think the thought at least, you know, before you came into power then it really got going after and the concern that I had, if I remember, now that you mention this, that this was delivered but in

the city and we were worried about the people of child abuse in the rural area. This was done, isn't that the one that was done by one, was that the Children's Aid Society that was one of the societies that was handling this program? I recall faintly there that the people were asked to do it for everybody but then it seems that the service wasn't provided for people in the rest of Manitoba.

MR. MINAKER: Mr. Chairman, other child-caring agencies have that program and not to the capacity that this is and this is an off-shoot of that program. It's a separate program from what you're describing.

MR. DESJARDINS: The one I'm describing was last year and this is something new, or isn't that the same group?

MR. MINAKER: I've been advised that this is a new part of that group.

MR. DESJARDINS: You're increasing, you're covering more people? Oh, well that's fine because that was our concern last year that some people were out of it. Okay, fine.

MR. MINAKER: Mr. Chairman, so that there is no misunderstanding. This is a concentrated effort in the City of Winnipeg and this isn't available at the present time outside of the City of Winnipeg.

MR. DESJARDINS: I think you've taken another step. I think at one time it was only the Children's Aid Society of Winnipeg at that, and now it's the next step and can the Minister see that this will be expanded and taking advantage of the expertise that we have with these areas because I understand Dr. Machray is one of the best and I feel that he's been wonderful. Would he be available, will that team be available to at least advise other people in the rural area that aren't covered?

MR. MINAKER: Mr. Chairman, they are available to provide that service at the present time to do that and again we'll be evaluating this service and the program evaluation is being provided by social . . .

MR. DESJARDINS: It's kind of a pilot project that you are progressing with?

MR. MINAKER: Yes, and the program evaluation is being provided by Social Planning Council of Winnipeg so we will be looking at that.

MR. CHAIRMAN: 4.(d) — pass; 4.(e) — the Member from Transcona.

MR. PARASIUK: Yes, I just want to know why Seven Oaks Centre for Youth is broken out when you also have institutions like Knowles Centre, Marymount Incorporated, Sir Hugh John Macdonald Hostel.

MR. MINAKER: Mr. Chairman, it's a simple explanation. It's the only one that are civil servants. The other ones are agencies. These are actual civil servants of MGEA. (Interjection)— Right, we run this one; when we split the child welfare away from Manitoba Youth Centre.

MR. DESJARDINS: Isn't that the one that changed the name; what was that before?

MR. MINAKER: No, you're thinking of Doncaster Centre where we opened up and —(Interjection)— oh, this is the home for girls. This is where all the child welfare reception takes place in the City of Winnipeg.

MR. CHAIRMAN: 4.(e)(1) — pass; 4.(e)(2) — pass.
Be it resolved that there be granted to Her Majesty a sum not exceeding \$34,085,100 for Community Services and Corrections — pass.

MR. DESJARDINS: Mr. Chairman, I just noticed that Henry just woke up. I wonder if it would be the right time to adjourn the . . .

MR. CHAIRMAN: Committee rise.

SUPPLY — ENERGY AND MINES

MR. CHAIRMAN, Abe Kovnats (Radisson): This committee will come to order. I will direct the honourable members attention to Page 54 of the Main Estimates, Department of Energy and Mines. Resolution No. 57, Clause 1, Administration, Item (a)(2) Salaries — pass.

The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: I wasn't sure whether the Minister had finished his statement. I know he was talking at 4:30, but so be it, he can probably carry on shortly at any rate, but I'm quite prepared to yield the floor to him if he wanted to carry on.

I wanted to just merely comment about the figures just so that there'd be no confusion in the Minister's mind as to what I am referring to when I talk about the decline and the output of the mining industry. The data that I have used is the standard data compiled by the Conference Board in Canada using Statistics Canada data on the value added of the mining industry. In other words, this is the standard procedure used in tabulating the real output of each industry sector. If you don't use this particular method you get duplication, you start duplicating the output of each industry.

So therefore, Mr. Chairman, I wanted it to be quite clear that the data we're using are the standard data that's published — I'm not talking about forecast information, Mr. Chairman, I'm talking about historical information and it's obtained in the Quarterly Provincial Forecast. They have the forecast for '81, but they also have the records for 1979 and 1980 and, of course, they published a historical supplement to this report. The real domestic product, as they refer to it, which is the value added estimate, does indicate, I've checked the figures again, does indicate a decline of 25 percent in annual average output of the mining industry in Manitoba in the past three years compared to what occurred in 1970 to 1977.

I would refer the Minister, I'm sure he gets this report or can get it, to look at the February 1981 addition of the Quarterly Provincial Forecast Conference Board of Canada. On Page 53 it indicates the numbers, \$83 million, this is 1971 constant dollars, \$83 million was the output for 1979, \$93 million was the output for 1980, and then the

forecast, which I'm not making a big thing out of, is a slight decline, it's a 2 percent decline to \$91 million.

I want to also comment, Mr. Chairman, that I want to make it clear that I did not suggest that the mining industry was above the output of the past three years, while we were in office because of some particular policies that we followed.

My point is that the output of the mining industry in Canada and Manitoba is largely governed by international markets, by world markets, by world prices for metals and minerals and I think the Member from Inkster made that point, and I repeat that is the most critical factor. So I reject any suggestion that new policies of this government have done something to turn around the industry. As I said, Mr. Chairman, the datas show a reduction in output, not any resurgence.

I might just relate to the introduction to this latest report of the Conference Board in Canada when they talk about what is going to be happening to the mining industry as a whole in Canada this year. They state that a cutback of drilling operations is now widely expected. World markets for iron, copper, nickel and most other metals are weakening as industrial activity stagnates in consuming nations. Then it goes on to talk about production of asbestos and structural materials closely tied to the pace of the construction, which is forecast to remain depressed in 1981.

Overall, the real domestic product of the mining industry is predicted to drop by over 3 percent this year. Now that is for Canada as a whole, but as I said they've indicated a 2 percent drop for the Province of Manitoba. So, I say, Mr. Chairman, we are at the mercy of the international market for the base metals that we produce; namely copper, zinc and nickel and I think at the provincial level we can have some impact, but I think that impact tends to be marginal.

The critical point that we would make also, Mr. Chairman, is that the important thing is that we obtain for the people of this province the absolute greatest return from the nonrenewable resource. I think it's not just good enough to have people working; it's not good enough to have an output of the industry; it's most important that we look at the value that is accrued to the citizens of this province, and I know that the people of Manitoba want their governments, whatever party is in power, they want their governments to capture as much of that wealth as they can for the people of the province.

I also appreciate the fact that private investment needs an incentive and I appreciate the fact that these investment dollars will come in if there is an ability to make profit; I understand that, we understand that on this side of the House. But at the same time to only be looking at rates of return and profit margins for the private sector is not good enough. We have to look at what kind of return that industry will provide for the people of Manitoba which incidentally also get involved in putting a lot of infrastructure in place. I do not wish to be negative or pessimistic about any industry in Manitoba, Mr. Chairman. I would hope that in the years ahead we will have more mining activity than we have today. There is an opportunity to assist in the economic development of the province through this one

industry sector, but I cannot accept blanket statements that we've had a sudden resurgence in the past three years because of the policies of this particular government. This is what I reject. I do not reject the mining industry; I want to see it grow; the New Democratic Party wants to see it grow, but we also want to see a fair return back to the citizens of Manitoba through royalties, taxes, etc. I again remind all of us that probably the critical factor here will remain the value of these metals on world markets and that's something that neither the present Minister, nor past Ministers of Mines have had any control over.

MR. CHAIRMAN: (2) — pass — the Honourable Leader of the Opposition.

MR. HOWARD PAWLEY (Selkirk): Mr. Chairman, I want to deal with the issue of Trout Lake and the mine at Trout Lake, and the transaction that took place. Can the Minister advise me what is Hudson Bay Mining and Smelting earning for its \$28 million expenditure? Does this amount guarantee that no further other moneys will be required of the original partners, Granges, or the Province of Manitoba?

MR. CHAIRMAN: The Honourable Minister.

HON. DONALD W. CRAIK (Riel): Mr. Chairman, well, first of all I'm not sure I heard clearly what the Leader of the Opposition was asking? Maybe I'd better get that clear. But secondly, this was all before the committee on Economic Development when the Manitoba Mineral Resources was involved or will be involved in presenting its report, and since this is a Manitoba Mineral Resources undertaking I think the time to pursue that line of questioning is when they're before the committee.

MR. PAWLEY: Mr. Chairman, I would hope that the Minister would be co-operative in the committee, the question is very simple. What was received on the part of Hudson Bay Mining and Smelting for its \$28 million investment? What was received by way of interest? Did it receive a working interest in the mine? If so, what percentage of working interest? I'm sure the Minister has that information.

MR. CRAIK: Well, Mr. Chairman, that has been presented on a number of occasions. I think the HBM and S is 44 percent, Manitoba Mineral Resources is 27 and Granges group are the remainder, whatever that number works out to.

MR. PAWLEY: Mr. Chairman, then can the Minister advise whether Hudson Bay Mining and Smelting will be charging the other two partners a fee for processing the ore in the mill?

MR. CRAIK: Mr. Chairman, I'm not going to follow this up very much further, but certainly, yes, there is a working arrangement. It's a joint venture arrangement between the three parties and there is a fee paid, of course, for the processing of the ore built into HBM and S participation in this, but I don't have all the details of the agreement before me and I think that when Mr. Koffman and his group are before the committee, that's the time to be presenting it.

MR. PAWLEY: Is the Minister prepared to table that agreement at this point?

MR. CRAIK: Mr. Chairman, I would think so. I'm not even aware of the fact that it wasn't tabled and I would think that it's the sort of document that should be, but again we should arrange to do that before the committee. If the Leader of the Opposition wishes to pursue it by way of Order for Return or Address for Papers we'd certainly have a look at it.

MR. PAWLEY: Can the Minister advise whether or not Granges received any cash payment or any other consideration for its sale of interest to Hudson Bay Mining and Smelting?

MR. CRAIK: No, I'm not aware, Mr. Chairman, and again if there are further questions I think it would be very valuable if the Leader of the Opposition would put them on the record and then we'll make sure that when the committee does convene and the report is presented that the information would be available.

MR. PAWLEY: I would be prepared to do that. If the Minister doesn't have the information now he could either receive it dealing with his Salary or the information could be provided during the committee.

Can the Minister then also accept as notice what the government received insofar as its consideration in respect to its sale of interest? Is the retained interest of Granges or the government a carried interest to the point of production or are they to be faced with some other obligation, financial or otherwise, somewhere else down the road?

Mr. Chairman, I'd like the Minister to indicate who acted as consultant to the government in respect to the transaction that they did work out with Hudson Bay Mining and Smelting?

MR. CRAIK: I can answer the one question, the last question, since it does pertain to the government, Mr. Chairman, and that is with regard to the consultant. The government had no consultant retained on this transaction. That doesn't mean that Manitoba Mineral Resources did not have someone retained.

MR. PAWLEY: Mr. Chairman, I would ask the Minister, in view of the fact that his government has been in power since '77, if the Minister can advise of any new mine that has been opened up during the Minister's term in government since '77?

MR. CRAIK: Mr. Chairman, it would be my intention in this procedure to take the questions and develop the information as they go along rather than jumping up and down and answering them one at a time. If the members opposite, including the Leader of the Opposition of course, wish to follow that I'll get as much information as I can for them.

MR. PAWLEY: Mr. Chairman, there are a few points I would like to also address to the Minister pertaining to Flyer arising from the question period this afternoon. I gather from what the Minister indicated this afternoon that he considers the matter pertaining to the hiring of the new president to be a matter of responsibility for the board and I couldn't

dispute the Minister's claim in this respect. However, the First Minister received a letter on February 5 . . .

MR. CHAIRMAN: Excuse me, are we talking about Flyer Industries? Did I hear Flyer Industries?

MR. PAWLEY: Yes.

MR. CHAIRMAN: Under this Energy and Mines?

MR. PAWLEY: Well, Mr. Chairman, I understood we were still on 1.(a). Have we moved from 1.(a)?

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: A point of order, Mr. Chairman. This comes under the Manitoba Development Corporation, which appears before the Economic Development Committee of Cabinet; it doesn't come under Energy and Mines.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Chairman, in fact this afternoon the Member for Inkster dealt at some length on the question of Flyer and this is the Minister that is responsible for the Manitoba Development Corporation. I believe you were in the Chair, you didn't call the Member for Inkster to order this afternoon pertaining to Flyer and we have to look to this Minister, surely, Mr. Chairman, to deal with questions of this nature. I don't know why the Minister, if he doesn't have the answers to the questions that I wish to present to him, that is a matter that he could accept as notice and could return to us during discussion of the Minister's Salary.

MR. CHAIRMAN: To the honourable members, I just can't see any association or connection with Flyer Industries under the department that we are discussing and that's my only point of order.
The Honourable Minister.

MR. CRAIK: A point of order again, the same one. I have no hesitation in dealing with that matter; I would welcome it, but I think in the interest of following some kinds of rules or procedure of the House that topic ought to be raised under some appropriate title that we're examining under the committee stage and this is not it. The Leader of the Opposition, who has dealt with these things many times before, knows there are appropriate opportunities in this House, let alone the committee, to deal with this but Energy and Mines is not Flyer Industries.

MR. CHAIRMAN: I would strongly recommend to the honourable members that the item under discussion is Energy and Mines and it's the Administration of Energy and Mines, and Flyer Industries to my way of thinking, even though I might have allowed it this afternoon in error, I don't think it really comes under discussion at this point.
The Honourable Member for St. Vital.

MR. D. JAMES WALDING: Mr. Chairman, to the same point of order if it's still before the committee.

I believe it is true that the present Minister is the Minister who reports to the Manitoba Development Corporation. I don't see the Manitoba Development Corporation as having any appropriation by the Legislature for it. It then becomes a question of where does this Minister answer questions for that particular responsibility that it has. It may not come under Administration or Administrative Services of Energy or Mines but, Mr. Chairman, I'd like to hope that there will be some opportunity within this department, even if it's the Minister's Salary at the end, where the Minister can be questioned on this particular subject.

I cite, if I may, another example and that is the Attorney-General's responsibility for the Manitoba Liquor Control Commission, which does not appear under the Department of the Attorney-General as you are aware, because there is no money expended by the House for the Commission. What has been our general practice is that the item is left until the Minister's Salary, the very last item, at which time the Minister has been quite willing to answer any questions that members might bring up. If you wish to rule that any questions on MDC should be addressed to this Minister under his salary as the last item, I'm sure that would be acceptable, but what my Leader is attempting to do, I believe, is to put forward a few questions that might well be answered under the Minister's Salary.

MR. CHAIRMAN: To the honourable members, I don't think that I could take it on myself to rule that MDC is to be discussed under this particular item under any circumstances. I would hope that the mention of the Attorney-General and the Manitoba Liquor Commission doesn't lead to some further debate on that particular subject, and it wasn't meant to be humorous.

The Honourable Member for St. Vital.

MR. WALDING: Just as a matter of clarification on your ruling. Are you saying that we may not ask questions on the Manitoba Development Corporation under any part of Energy and Mines or only under this particular line under Energy and Mines?

MR. CHAIRMAN: I can't see, to the honourable members I can't see under any circumstances where I could allow discussion on the MDC, Flyer Industries, under the subject that is under discussion.

MR. WALDING: Mr. Chairman, I know that we're not supposed to direct questions to the Chair, but I put it to you that consideration must be given to allow the Opposition the opportunity to ask questions of the Minister on his responsibility for the Manitoba Development Corporation. Since I do not see the MDC anywhere else in the book, it would appear the only opportunity we have to question the Minister on that particular responsibility would be under this item and specifically under his Salary.

MR. CHAIRMAN: To the honourable members, I've got to completely agree that MDC has to be discussed somewhere rather than limiting any kind of discussion, but I can't allow it under this particular subject.

The Honourable Minister of Recreation, Sports and Fitness.

HON. ROBERT (Bob) BANMAN (Ia Verendrye): On the same point of order, I would just like to point out that unlike the Manitoba Liquor Control Commission, which does not report to any committee of the Legislature, the Manitoba Development Corporation reports to the Economic Development Committee and the members have had ample opportunity in the committee, as a matter of fact that report has been passed, to question the Minister as well as the Chairman of the Board with regards to the whole operations of Flyer and everything else. The member opposite have passed that report. I'm not arguing that maybe somewhere in the Estimates during the Minister's Salary that can be discussed, but surely not under the item that we're on right now.

MR. CHAIRMAN: The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Chairman, I think with all due respect that what we are dealing with is the Minister's Salary. Part of that —(Interjection)— Mr. Chairman, we are dealing with 1(a) . . .

MR. CHAIRMAN: Order please. I'm going to have to make some rulings and if I can't hear what the question is or the subject under discussion it's going to be even more difficult for me to make rulings.

The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Chairman, though we are dealing with the general subject matter under the Estimates of Energy and Mines, we are dealing with the Minister's Salary \$20,600, we're dealing with 1(a) is my understanding. If I'm incorrect then I would beg to be corrected, but my understanding is that we are still dealing with 1(a) —(Interjection)— 1(a)(2), which is Salaries and we're dealing with the Administration. Is it being suggested that none of the Salary, none of the Administration costs relating to this particular item is undertaken. (Interjection)— Well, Mr. Chairman, I would appreciate if we had an opportunity to deal with matter as properly as we should be expected to be able to deal with it. Much of the administration of the Minister's office, I'm sure, involves his responsibility for Manitoba Hydro, involves his responsibility for Flyer, involves his responsibility for the Manitoba Development Corporation. So, it's not that we can deal with one item in isolation from other responsibilities pertaining to this Minister's responsibilities. This Minister is not only responsible for Energy and Mines.

Once we move into specific areas under Energy, under Mineral Resources, then I would understand the concerns that are being expressed, but we are dealing under the heading Administration and under Administration this Minister along with his staff, his executive assistant, his secretaries, are certainly involved in undertaking tasks and responsibility for the total Minister's responsibility including Manitoba Hydro and including the Manitoba Development Corporation.

MR. CHAIRMAN: The Honourable Minister.

MR. CRAIK: Just to be of assistance to you, there is also an item in the Estimate Book under Development Corporations, and if it were to appear there is no vote there or Capital Supply. There are

any number of places that are more logical than the one that the Leader of the Opposition is attempting to use at the present time.

MR. CHAIRMAN: To the Honourable Minister, you mentioned Development Corporation? Under this item? —(Interjection)— Under this item I just can't make a ruling.

The Honourable Minister.

MR. CRAIK: If I can be of assistance to you and I'm sure that most of the members of the House recognize that in years past the MDC has always come under Capital Supply. It has always been discussed under Capital Supply. There is no vote as far as I know under Capital Supply for the MDC, but that is the normal place where MDC comes under discussion.

MR. CHAIRMAN: Well, under no circumstances can I allow the type of debate that's being suggested on Manitoba Development Corporation under this item. I would have to rule it out of order.

The Honourable Member from Brandon East.

MR. EVANS: I'd like to get some clarification, Mr. Chairman, because I heard what you said, I heard what the Honourable Minister has said. It was my understanding that at least when we get to the end of the debate, the last item being the Minister's Salary, that's my understanding, but when you're on the Minister's Salary you are discussing all responsibilities of the Minister. You may not be discussing the Manitoba Development Corporation in detail; you may not be discussing the administration of the MDC, the borrowing of the MDC, or the lending by the MDC, but surely when you're on the Minister's Salary members of the House are entitled to talk to the Minister or discuss with the Minister or ask the Minister or comment on anything that he is responsible for as a Minister of the Crown. As a Minister of the Crown he is responsible for — (Interjection)— Mr. Chairman, I appreciate we're not on his Salary. I'm trying to get a clarification if members would listen. I'm stating when we get to his Salary, I'd like to get an indication from the Chairman, which I know is at the end of the debate on the department, I understand, but when we're at that point surely there are current matters that the Minister is involved with. He is the Minister responsible for the Manitoba Development Corporation, while not wishing to debate the MDC in detail or to look at its last year's report or anything like that, which has been properly dealt with in the committee as the Minister of Fitness and Sports stated, that is correct. But surely when you have a Minister, who is being paid and who has as one of his functions from day to day, week to week, responsibility in that area and there are current problems that may be arising, I think we should be entitled to discuss some matters that pertain to the Minister's current activities and his responsibility for any organization or agency of the government.

MR. CHAIRMAN: Well, I'm going to have to backtrack it just a little bit because I would have to agree somewhat with the Honourable Member for Brandon East. I'm not sitting on the fence when it comes down to making an absolute ruling, the

Minister's Salary, what the Minister gets paid for as part of his responsibilities. I can not allow any Energy and Mines to be discussed under Manitoba Development Corporation. When we get to Minister's Salary, what he gets paid for is part of the Manitoba Development Corporation. He will not have any staff at that point to give him the assistance to the questions that are going to be asked at that time, but I would believe that that would be the time that the question could be asked or brought forward.

The Honourable Leader of the Opposition.

MR. PAWLEY: Mr. Chairman, yes that is acceptable to us. I had thought that it would be just as appropriate to deal with it when we are dealing with the Administration within the Minister's own office, but if that is your ruling we are prepared to certainly work with you on that and pose those questions under Minister's Salary.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. LEONARD S. EVANS: Thank you, Mr. Chairman. I gather then that we are on 1.(a)(2), Salaries. I would like to ask a specific question of the Minister in respect to administration of his department. I wonder why there is a separate Administration item under this particular Resolution when there are other moneys shown under Administration for mineral resources. In other words, Mr. Chairman, it would indicate to me that there is some bifurcation of the administrative setup in this relatively new department. We realize that Energy has been brought together with Mines only a year ago. Maybe the answer is that you still have two separate administrative groups within the department, but as I read it the government wants under this item, 1.(a)(2), \$141,500 for salaries for administration. Yet you look under Mineral Resources, Administration there's another \$258,300 required, \$228,600 in salaries. There too, the description is Administration and Management, I know, pertaining to Mineral Resources, and yet you have an administration here related presumably to the Minister's office, presumably just for Energy. So it seems to me that we have a divided administrative function and I wonder if the Minister could verify that is the case, or whether there have been some changes made in the organization of the department so that no longer exists. But as it is now, I suspect you have two administrative officers for example, in this regard.

MR. CRAIK: Mr. Chairman, with regard to the last question, it does show only that there is not an administrative item under Energy. The department has been undergoing reorganization, but the Administrative Services — and I'll supply the Member for Brandon East with an administrative chart — it has just undergone reorganization and the administration is under one directorship now for the department. What is missing here is an allocation of Administration to the Energy Section, but the administrative organization chart will indicate to the member what the structure is for the department.

I would also indicate at this time that on the earlier question the Leader of the Opposition asked, what new mines had been opened? Of course, the Trout

Lake Mine has been, in the last three years, and although the Member for Inkster would want to take credit for the discovery of the Trout Lake Mine, he's going to have a lot of difficulty doing that, because he's got competition. The Granges group and so on are going to out-shout him on that one for taking the credit.

The others would be the Spruce Point deposit, which is Hudson Bay Mining and Smelting; the Rod Mine at Snow Lake, which is HBM and S; the underground at Ruttan has been opened in that period of time; the smelter at Snow Lake, which again is HBM and S, has been put into operation in that period of time; the new investigations on the San Antonio and now the New Forty-Four Mines have not been opened of course, but are as indicated in my opening comments; the other one would be the Western Gypsum Mine, which is undertaken by Western Gypsum Ltd.

MR. EVANS: We have received the press statement that the department has undergone some reorganization. I wonder if the Minister — I think this is the appropriate item, Mr. Chairman, — could now explain to the House in some detail, well, not too much detail, but in some depth, what is the meaning of this reorganization and just how does the new operation jibe, so to speak, with the breakdown of the figures that we have before us. In other words, is the newly reorganized department now to be understood in terms of the items that we have before us in this Estimates book, or is it to be otherwise? Perhaps the Minister would take this opportunity to enlighten the House on the new reorganization of his department.

MR. CRAIK: Mr. Chairman, perhaps the members could go on to their next questions and I'll have copies of the organization chart for Energy and Mines alone, duplicated and distributed before I answer this last question.

MR. EVANS: Maybe this could be discussed later as well. This was a specific regarding the new secretary of the Manitoba Energy Council, perhaps we could discuss that under the Energy Council, but it pertained to this reorganization. This is why I was going to ask this matter now, but I understand a person known as a Mr. Harry L. Mardon will now succeed Mr. McDonald as secretary of the Energy Council and will continue to retain responsibility for energy information as branch director. I just wondered where Mr. Mardon's salary would be shown. Is it under General Administration now? I guess it would be with the Manitoba Energy Council salaries, \$40,100.00. So I am quite prepared to wait until that time, if we want to debate it.

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

MR. A.R. (Pete) ADAM: Thank you, Mr. Chairman. I would like to make a few comments on the energy policy of this government. It's no secret that I have been critical of the position taken by this government over the past three years in regard to an energy policy for Manitoba and Canada. I have made my opinions known over the past three years in this Legislature, in this Assembly, as well as outside of

this Assembly over the past number of years, Mr. Chairman.

I'm sure the Minister will recall that I did ask in Committee for an assurance from him that the request for a higher price for energy, which this government supported, would result in self-sufficiency and that was the argument that was being put forward by the government and the Firt Minister, in that if the price of energy rose to close to the world price that we would suddenly become self-sufficient in oil resources, in nonrenewable resources, Mr. Chairman, and that position has been repeated on a number of occasions by members of the Treasury Bench and the different Ministers whenever that question has been put forward. I also ask the Minister, if he could assure us that in fact the oil prices were allowed to move almost to world level, could he assure us that in fact those funds that would be transferred from the public to the multinational corporations would find their way into exploration?

Mr. Chairman, the Minister told us at that time that there was no way that he could give us that assurance and I agree with him. I agreed that there was no way that he could give us that assurance because we know very well that is not what is going to happen, because, Mr. Chairman, there is no relationship to high prices of energy and self-sufficiency. The only way that you could become self-sufficient with high prices is if people stop using it, but it did not necessarily follow that high prices would find more oil.

I also ask the Minister if he could assure us that those funds that we paid for the higher price of fuels would not be diverted into other non-petroleum industry and that is where the major concern, Mr. Chairman. The Minister wasn't able to give us that assurance either so I have been critical of this government's position on oil and I will continue to be so.

I have made statements in this House in the past three years and I have made many statements out in the constituency as well, particularly during the last Federal Election, Mr. Chairman, and I have said that the policies, that what was happening in the oil industry today, would be the biggest swindle being perpetrated on the people of Canada in the history of Canada, past, present and future. I believe that I was correct, Mr. Chairman, although I may have to qualify that now. I may have to qualify that because since then I have found out much more information about what is happening in the transportation system, in the railway system of this country and I find now that we may have a larger scandal, a bigger scandal, in the transportation of railways. Now, Mr. Chairman, I don't intend to . . .

MR. CHAIRMAN: Order please. Order please. The item under discussion is Energy and Mines and I would remind the honourable members that it is Energy and Mines under discussion. I can't see where we're going on this particular item. If you're going to use it for comparison, I'd be happy to allow it but I think that we're getting off the subject and I would ask the honourable members to please stick to the subject.

The Honourable Member for Ste. Rose.

MR. ADAM: Mr. Chairman, I assure you that transportation is one of the biggest users of energy in this country.

MR. CHAIRMAN: Order please. I would agree with your last statement 100 percent. It has nothing to do with what we are discussing at this point.

The Honourable Member for Ste. Rose.

MR. ADAM: I am speaking about self-sufficiency. I am speaking of self-sufficiency, Mr. Chairman, and if you will recall my comments I was speaking of the price of oil and how it relates to self-sufficiency. So that is where the tie-in comes because those sectors of our economy that use up a lot of energy resources are naturally tied into the overall package and that is how I relate that to my discussion. But I did say, Mr. Chairman, on several occasions outside of this House that what has happened was the biggest swindle being perpetrated on the people of Canada that we will ever see and we are only seeing the tip of the iceberg.

In July, the 23rd of July, and I'm going to remind the Minister again because he hasn't tabled my report yet that he said he would — Mr. Chairman, on the 23rd of July, 1980, I asked the Minister if he was aware that a study was being taken place on the oil industry and whether or not he would look into that before bringing in energy authorities and whatever it was that we had before us at that time, I think it was Bill 114, and the Minister knew nothing about it or he pretended to know nothing about it. Mr. Chairman, I'm not sure and I'm not going to accuse the Minister of knowingly trying to hide the fact that there was a study, I would not say that, but, Mr. Chairman, I happen to believe that the Federal Government at the time knew about it and they knew what was in the report. In my opinion they knew what was in the report, that it was a scathing attack on the oil industry of this country, and that they would not make it public in spite of the fact that people were asking for that report because of what was happening at the time between the Clark government and the Lougheed government trying to come to an agreement on the pricing of oil in this country. Why was not that report made public, Mr. Chairman?

I asked the Minister on July 23rd and he was not present, but the First Minister accepted a question on his behalf. Mr. Speaker, I did not receive a reply until the scandal broke loose, until this scandalous report was made public. So I ask the Minister now, in light of what we know now, because I do believe, I said I'd qualify my remarks that this was probably the biggest scandal that Canada would ever see. It may just be the tip of the iceberg, Mr. Chairman, because the report says we were overcharged \$12 billion. That could be just as well \$90 billion. (Interjection)— Oh, you know, that was only up to 1973, that was only from 1958 to 1973, Mr. Chairman. What has happened since then? What has happened since then, Mr. Chairman? How many more billions have been swindled out of the people of Canada and the people of Manitoba and the farmers of this province and the small businessmen and the workers, Mr. Chairman, —(Interjection)— Mr. Chairman, what we have seen is legalized robbery — that's how we can describe it, legalized robbery, or you could describe it as extortion percent profit. Members opposite there and they all chant the same tune. Oh that's fine, that's fine, let the public be ripped off, let the farmers be ripped off, Mr. Chairman. Farmers are a big user of petroleum resources, Mr. Chairman; they have to

have oil because they have to have tractors, big tractors, Mr. Chairman.

A MEMBER: They're going back to horses.

MR. ADAM: They couldn't go back to horses though, they couldn't go back to horses and farm the acreages that they farm today. Besides if they wanted to go back to horses, where would they be able to find the horses? there is no horses. There's a lot of jackasses in Ottawa but there's no horses. (Interjection)— The Minister of Wildlife says that he has a lot of horses. Nevertheless, Mr. Chairman, this is a very serious problem I have criticized and I think rightfully so, and history will bear me out, Mr. Chairman, that what I say is correct and we will find that out, that the policies of this government is that the rich shall inherit the earth. It is they who will use the depleting resource, as those who have the wealth will be able to drive and those who do not have the price to buy the gasoline will use those mopeds that the Minister is providing legislation for today. He mentions vehicles that will be — I think they call them scooters.

The Minister has presented us a bill to deal with mopeds and that, so that people who want to use them to conserve fuel, and this is what is happening with the policies that this government is following, is that the rich will be able to use the — it doesn't matter whether it's \$5.00 a gallon. When the fuel runs out they will peddle, Mr. Chairman. That may not be too long if we don't have a turnaround and a reappraisal of where we're heading. It's only since the price of oil has increased that the western world has started to run into economic problems. That is where the major inflationary factors come from is on energy and that has a ripple effect throughout the economy.

So I put those comments on the record and I want to say also that I am critical, that not only are we being swindled by the policy or what has been in place for years, and that seems to be continuing, but now we have the province wanting to piggyback and getting on the bandwagon and getting their free ride on the ripoff by piggybacking from time to time whenever the price of oil increases. The Minister sits by unabashedly and he's quite content to in the past three years increase the provincial retail tax, the gasoline tax. If we converted back to gallons from approximately 18 cents that it was to approximately 23.5 cents per gallon, or roughly 4.5 cents a litre. He is quite happy, he is unashamedly doing it. He has no remorse, he doesn't blush. I find that difficult to understand, Mr. Chairman, I don't know how he sleeps at night, whether he dreams about what he is doing to the people of this province to the people that he's elected to represent, Mr. Chairman. I find that astounding that that is the policy that he wants to follow.

Mr. Chairman, if we had a policy whereby the excess profits were turned back into a fund that would be used to find new resources, new energy resources, new exploration, whether it would be done publicly, I would hope that it would be done by the public, but if it's not that way, that is fine, as long as we have assurance that those funds that we're paying today will be used for that purpose and that purpose only, not to buy shopping malls or shopping centres or circuses down in the United States or

anywhere else. But if we had a policy where there was a fund set up whereby we could explore into new forms of energy, alternate forms, I would go along with that. I don't object to paying with higher prices for oil. I agree with the Member for Brandon East when he says that the bulk of the oil that we're using today has been there for 30 years and it was sold for less than \$3.00 a barrel or around \$3.00 a barrel in 1960-61, and now getting \$16, \$17 a barrel for it, making fantastic profits because it didn't cost that much. The cost of production hasn't increased that much, it's only the maintenance of the pumps and the belts and whatever they use to pump the oil.

So, Mr. Chairman, I have a concern that it's fine that we have PetroCan and it's fine that PetroCan is getting into the action in order that we have a window on the industry, so that we can see what is going on, that is fine, but my concern is that with PetroCan going into the conventional crude, I have some concerns there because I know that conventional crude is only good for a few years, they call it sweet oil, and sooner or later, Mr. Chairman, we will have to move into the heavy oil, to the arctic oil, to the offshore oil, which we know is going to cost more. So I'm concerned that PetroCan not invest all its efforts into conventional oil, but rather move into those tar sands, that is the oil of the future.

Again I want to say, Mr. Chairman, that I do not want the oil companies to start buying uranium mines or buying up coal reserves with our money. I don't want them to buy up those other things with our money. That is not the way to become self-sufficient, because 10 years down the road, Mr. Chairman, we will have to move to another form of energy. We will need uranium; we will need maybe coal and we will wake up to find, Mr. Chairman, that these guys own it, that these multinational oil companies own these resources, and that they bought it with our money that we are now paying them for. We are now giving the money to invest in those other forms of energy that we will need in the future and if we want it back we will have to buy it back and therefore we will have to pay for it twice. We will have to pay for it now and we will have to pay for it when we want to buy it back, and we will have to pay it at the then world price.

That is why I have been critical of this government's policy on energy and I shall continue to be critical of their policy on energy, because they are doing a disservice to the people of Canada and they are doing a disservice to the people of Manitoba and history will bear me out.

MR. CHAIRMAN: (2) — pass — the Honourable Member for Brandon East.

MR. EVANS: I want to thank the Minister for having given us the outline of the organization of the department as he promised. I believe this is the appropriate place to ask a number of questions with regard to the organization.

As he indicated the Administrative Services, although they are shown separately in the Estimates Book, are now under one head more or less and that the funding really of a general administrative services for the department would be the money shown under his General Administration, which we are now

debating, plus the administration items shown under Mineral Resources.

I have some questions with regard to some of the particular agencies but I see these are listed in the Estimates Report so I won't ask those at this time, except I was going to question the Minister on one thing that strikes the eye right off the bat. Again, I can defer this but, that is, why you have a senior advisor of Economic and Policy Analysis in addition to what seems to be another economic's branch, a research branch or a section within the department? At least looking at the Annual Report, it seemed to me that there was an economic's branch. Is this position, a senior advisor, Economic and Policy Analysis over and above that particular economic's branch or is that branch there under this particular box?

MR. CRAIK: Mr. Chairman, I guess principally because on the Minerals' side it's fairly specific and restricted interest that has to be brought to bear there and fairly specialized and not quite as general and broad as what is required on the Energy side, and as a result of the history of development and the history of the topics that have to be dealt with there, the two have been retained separately. The party on the Energy Economic's side they are more or less dealing almost exclusively with items related to energy, naturally NEB presentations, calculations and so on; whereas the one on the Minerals' side has dealt with almost exclusively with the minerals historically, metallic minerals, and the party that's in this position is also on a part-time assignment to the Federal Government and dealing with the Law of the Sea Conference and so on. So as a result of that preoccupation, the two have been at this point in time kept separate.

MR. EVANS: I appreciate that, but what I was trying to ascertain, Mr. Chairman, and again I know we're going to discuss the Mineral Resources Division in more detail later so we're just taking a quick look at the overview, whether this box on the extreme left, senior advisor of Economic and Policy Analysis, whether that box stands for the entire section or whether this is a position apart from the Economic and Policy Analysis section? I know in the Annual Report of the Mineral Resources Division of the Department of Energy and Mines, year ending March 31, 1980, on Page 3, there is reference to an Economic and Policy Analysis section. I'm wondering is this the same — this is not referred to in your chart here as a section, it's referred to as a senior advisor, so what I'm getting at, is there a section on Economic and Policy Analysis respecting Mineral Resources apart from a senior advisor?

MR. CRAIK: Mr. Chairman, I'll just say that my understanding of it is that in addition to the senior advisor there are two other economists involved on the Minerals' side in this box on the left-hand side that the member refers to.

MR. EVANS: Could the Minister tell us the name of the senior advisor? I'm not being critical of the arrangement, I'm just trying to seek information and clarification.

MR. CRAIK: It's Dr. Singh, Dr. Sobharam Singh.

MR. CHAIRMAN: (2) — pass; (3) — pass; Item (b) — the Honourable Member for Rupertsland.

MR. HARVEY BOSTROM: Mr. Chairman, I was standing before you were making your past remarks.

MR. CHAIRMAN: I'll just make one final remark concerning people standing in their place to be recognized. I'm happy to recognize anybody standing in their place, but I would ask for just a little bit of co-operation. If you're standing in your place, face me, so that I know that you're ready to speak. If you turn your back on me, I'm not expecting you to be prepared to speak and that is for all of the members. The Honourable Member for Rupertsland.

MR. BOSTROM: Thank you, Mr. Chairman. I have a few questions regarding the Granges property or the Trout Lake reserves as was discussed briefly earlier tonight. I would ask the Minister if he could give us a report, perhaps not tonight, but at some point in his Estimates, perhaps before we get to the Mineral Resources section. A report which would provide us with an indication of the reserves that are presently known to exist on that property. I know that it was reported that there were some 3 million tons of reserves on that property. I would like to know if the found reserves or known reserves have increased since this figure was presented and also the grade of the reserves. I'm told that there was a grade of 3 percent copper on that property, I'd like to know if that is the same now or changed? I'm told that the amount of copper that would be available from that site with those known reserves would have amounted to some 180 million pounds based on that kind of a grade. The value of the reserves in place at that time, the value of those known reserves, would have been in the neighbourhood of \$180 million.

I'm also told that there has been an estimate made that the ore in place could have been worth as much as \$900 million if one were to extrapolate from the known information to project the amount of ore in that area from the information known about mines in that general area. In other words, Mr. Chairman, if one knows the nature of mining development in that area it's projected that there could be substantially more ore in that area. I'm wondering if the Minister and his department are aware of the future projections that have been made and what are the present estimates of known ore in that area?

I'm also told, Mr. Chairman, that based on those projections that there would be a potential profit from that ore body of \$450 million. Now if that is correct, and I would ask the Minister to give us an answer on that, whether or not that's a correct assumption, whether or not that is a reasonable estimate because if that is an accurate estimate, Mr. Chairman, it would appear that the people of Manitoba were sold short when HBM and S were allowed to buy in for some \$28 million, it's been reported, as the amount which exchanged hands.

I would ask what other considerations the government took into account in allowing the company in this case to purchase a 44 percent share in an ore body that was estimated to be worth in profit terms \$450 million, why they were allowed to purchase 44 percent of that for \$28 million? It doesn't appear to me that this is a very good business arrangement. I understand the government

had the option of holding on to 44 percent of that particular mine under the arrangements that they had with the exploration companies and the development that had taken place to that point in time. If that were the case, Mr. Chairman, the government's share of that potential profit would have been in the neighbourhood of \$200 million. So I would think that in view of that, in view of the difference between the projected profit, that the government had the opportunity to take part in of some \$200 million, why they would allow that portion of the profit to slip away to another company for a figure of \$28 million. I would certainly be interested to know what other considerations the government had in mind when it made that business arrangement with that company.

I would ask the Minister if there is any question about the projections that I've just mentioned in my remarks here, about the projection of reserves below the 1,000-foot level, which would indicate the value of the reserves as I've estimated them, and I would like to know if the government would be prepared to provide the Manitoba Legislature, the people of Manitoba, with an engineering assessment of all the pertinent information because I think, Mr. Chairman, that the people of Manitoba are entitled to know what exactly is happening with assets which they own and which the government disposed of. I think there are serious questions here which must be examined and where all pertinent information should be made available.

Finally, Mr. Chairman, I would ask the Minister and his staff, if they could, to indicate to us whether or not the HBM and S and Granges' interests are subject to royalties in effect from time to time. In other words, Mr. Chairman, if it is determined that the potential profit from this site is equivalent to that which I've been told is a reasonable estimate of the potential profit, is it possible for the government at some future point in time to realize from that mine a more reasonable return on that potential profit through the imposition of royalties? I would ask specifically, Mr. Chairman, if the royalty in this case has been waived or fixed under some present arrangement; if the government has signed an arrangement with the mining companies involved where the royalties have either been waived or fixed? I think if they have, Mr. Chairman, that this is an exception that would set a precedent in Manitoba and I would hope that the government has not done this, because I really think that they have sold out the interests of Manitobans in this particular mining venture. I do not believe it was necessary for the government to give up their 44 percent share in that mine to reduce their interests in that mine and in so doing to reduce the income, the potential profit, the potential surplus to the people of Manitoba from the extraction of those resources.

Mr. Chairman, I'd be pleased to know if the Minister has any information available tonight or if he could indicate when he could give us some information on this matter and answer the questions that I've put to the committee.

MR. CHAIRMAN: (3) — pass — the Member for St. Johns.

MR. SAUL CHERNIACK: Mr. Chairman, I was in the other committee but I've asked my colleague and I'm

told that we have not yet had an SMY allocation of this new redistribution of responsibility. I wonder if the Minister could give us now the number of personnel involved in each of these boxes and the comparison from prior to this rearrangement in each case.

MR. CRAIK: Mr. Chairman, there is no change under the item we're on. It's the same as it was before, that's under 1.(a).

MR. CHERNIACK: Mr. Chairman, the Minister obviously misunderstood me. I was asking if he could give us now the breakdown on all of the various boxes so we'd get the whole picture of this redistribution, all of whom come under the Deputy Minister's jurisdiction.

MR. CRAIK: Mr. Chairman, we're under 1.(a) and I can tell you what's under 1.(a). If you want 1.(b), 1.(c), 1.(d), I'll have to go through it and give you each one.

MR. CHERNIACK: Mr. Chairman, it's not an unusual practice for it to be done in that way and many departments do have it ready, available and distributed so that we could assess it in advance. But here we're dealing with a Deputy Minister's Salary and the Minister has given us the opportunity to see the change in the department. As one looks through the entire Estimates of this department, one sees substantial increases in many of the Salary items which would indicate increase in personnel not just increase in the salary level. Therefore it would not only be helpful but it would be proper I believe at this time in discussing the Deputy Minister's responsibilities, to know the numbers of personnel that come under him and it would fit in very neatly with this chart that was distributed today, so I ask the Minister to give that to us knowing as I do that it can't be much of a problem. It's just a question of flipping pages and giving us the numbers.

MR. CHAIRMAN: (3) — pass — the Honourable Member for St. Johns.

MR. CHERNIACK: I'd like to know who reports to the Deputy Minister. I see here according to this chart that all these various authorities and boards would appear to be reporting directly to the Minister. I doubt that very much. I should think the Deputy would be involved in all of their work. I'd like clarification of that and who reports to the Minister.

MR. CRAIK: Well, it's as it indicates, Mr. Chairman, the Manitoba Mineral Resources which is the Crown corporation body that has been involved in separate mining operations from the department, reports as it always has, to the Minister. Although you get some cross-over between your Deputy on many of the topics that may be involved, it basically does report to the Minister and operates very much as a separate Crown entity. The Oil and Natural Gas Conservation Board has the Deputy on it. As a matter of fact the Deputy is the Chairman of it and that has been the case I think for some time, perhaps for the last 15 years, as long as I can remember.

The Mining Board is the same and the Energy authority on the other side is, at this point in time in

formation and as I indicated in my opening comments I expect within a week or two, to indicate the makeup of the Energy authority with names and so on. But that will be primarily a body that will be made up of senior public employees because it is, in the final analysis, the body that has to deal with allocation and represent direct government interest in the event of an allocation requirement.

The Energy Council, on the other hand, is a citizen body and the makeup of that has not as yet been completed either and again I would hope within a week or two to be able to announce the complete makeup of the Energy Council but it will report. The Energy authority undoubtedly will have the Deputy of Energy and Mines involved in a senior category in the Energy authority and the Energy Council will operate primarily as in conjunction with the Energy Information Branch and there is a secretary of the Energy Council who is a staff person in the department. But again their role will be primarily to act in an advisory capacity on conservation and other policy items that deal primarily in the conservation area with the public and the Advisory Committee will be made up of a fairly wide cross-section of people who have been involved in energy items for some time but again entirely from the community.

So under Energy Council we expect to have only a staff person in the department as a secretary with no other staff and under the Energy authority there may be some staff requirements there that have not been established at this point in time. I'll check on that; I think there's perhaps one or two there and indicate to the members the breakdown of what's there under the specific item. I will in the meantime, attempt to get the totals under the old and new structure and any specifics as we come to them.

MR. CHERNIACK: Mr. Chairman, it would appear from the Minister's description that although his Deputy may be a member of one or other of the boards or in some cases the Chairman, nevertheless each of these organizations will be reporting direct to the Minister, from what he said. But it seems to me it would be a rather unusual setup. It would appear that he has to be in communication with either five or eight organizations, depending on whether the energy authority is responsible for the Electric Energy Marketing Committee and the Allocation Committee or not, the chart does not give that clearly to me, and therefore as I say, it would either be five or eight different bodies reporting, not through the Deputy Minister, but directly to the Minister.

Is that a correct summary of what the Minister said?

MR. CRAIK: Well, a more accurate summary I think, Mr. Chairman, would be that the Deputy Minister is involved in three out of those five, in those boards, and the two in which the Deputy is not involved directly are the Manitoba Mineral Resources and the Manitoba Energy Council.

MR. CHERNIACK: So it would appear that the Energy Council and the Manitoba Mineral Resources will be reporting direct to the Minister, without going through the office of the Deputy Minister, whereas the others will be again reporting direct to the

Minister, but the Deputy will have an input as a member, and that seems to me to be again somewhat different, because the Chairman would — you know, Mr. Chairman, I'm having a little problem with the gentleman over there, who is insisting on interrupting while I'm speaking and look at his glaring face, as he reacts to everything that is said. It would be helpful if he did it more quietly and in a subdued manner, so that we can conduct ourselves here with some semblance of order.

Mr. Chairman, it seems to me somewhat unusual for this kind of direct relationship between a Minister and each of the various boards, but every Minister has his own way of operating and I assume this Minister is happy to operate in this way.

May I then ascertain from him, does the Advisory Committee report to the Manitoba Energy Council, or is it a separate direct — reporting direct to him, having comparable status? The line to me is not that clear. In other words the line would go, if they reported, it would be the Manitoba Energy Council and then a line straight down to Advisory Committee, and the fact that it appears to be bracketed makes it confusing to me.

MR. CRAIK: No, the design of it, Mr. Chairman, is that it reports to the Energy Council.

MR. CHERNIACK: Thank you, Mr. Chairman.

That means then that properly speaking, the line ought to be vertical so that it shows that connection and not the bracket.

What about the two boxes under the Manitoba Energy Authority? Do they report one to the other or both to the authority or are all three of equal status in relation to the Minister?

MR. CRAIK: I didn't get the full —

MR. CHERNIACK: If the Minister would look at his ADM Energy Division, then clearly the lines would indicate that all four boxes below that, report directly to the ADM Energy Division. This kind of configuration does not occur under Manitoba Energy Authority and that's why it's confusing to me to know whether the difference in the way the lines are drawn, is a difference in reporting or whether they're the same as the bottom line under ADM Energy.

Now does the Minister understand my question?

MR. CRAIK: Well, Mr. Chairman, I see what the member means, but simply one is horizontal and the other's vertical and they're both intended the same. One runs up the side of the boxes and the other one is across the top and all the organization charts I've seen, I've never drawn any distinction. I think it's simply for draftsman convenience, the way it's drawn.

MR. CHERNIACK: Then, Mr. Chairman, since the Minister would indicate that it's the same as the, say the bottom righthand corner, I would then assume that the Allocation Committee reports to the Electrical Energy Marketing Committee, which reports to the Manitoba Energy Authority.

He's shaking his head, so again I'm confused.

MR. CRAIK: Well, Mr. Chairman, no, it's like a mechanical system. Running vertically up the side,

you've got the plenum and you have all the offshoots, you see, and the plenum is the main feeder off of it and that's how it works. But it's the same across the top here as the — opposite of the bottom ones.

The intention is, I suppose to be specific about it, the Allocation Committee and the Energy Marketing Committee report to the Energy Authority.

MR. CHERNIACK: Mr. Chairman, the engineer in the Minister threw me when he used the word, I think he used plenum, which is a word that's not familiar to me and the Minister of Economic Affairs is then making his great contribution and I would be happy to teach him a little English and mainly manners, Mr. Chairman, there's much he could learn in that respect.

Mr. Chairman, coming back to the Deputy Minister — he's still talking, Mr. Chairman, I'll wait till he's through. I think he's through, Mr. Chairman.

Coming back to the item of Salaries, in which the — the item that was before us, what increase is there and how many persons are involved in the administration.

MR. CRAIK: Mr. Chairman, there are 5.26 under that item and that's the same as last year. The total change in the department, of the two, Energy and Mines is five SMYs and I can give you the breakout of these as we go by, which I think might be the appropriate procedure to follow. But under this item, 1.(a) Item, there's 5.26, I can give you the breakdown of the others, but if you add them all up the change is five SMYs more.

MR. CHERNIACK: Mr. Chairman, since the Minister indicates that he has the information readily available and he would seem to prefer doing it item by item, I wonder if he wouldn't consider giving it all to us now, so we'll have it before us. We could easily write it into the boxes and have the information and then there wouldn't be the need to keep asking it on every item. I wonder if the Minister will reconsider his plan as to do it, and give us all the information now.

MR. CRAIK: Mr. Chairman, I'm quite willing to do whatever is convenient for the Committee. The 1.(b) is 10, 1.(c) is one, 1.(d) is one, 2.(a) is 10, 2.(b) is seven, 2.(c) is 11, 2.(d) is three, 3.(a) is nine, 3.(b) is 12, 3.(c) is 56, 3.(d) is 43.2, 3.(e) is 12.06.

MR. CHAIRMAN: (3) — pass. The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I thank the Minister. It's helpful to have it. The only question that arose quickly going through this is the Item 1.(c), where the Minister said one, it would imply an increase from 17,900 to 40,000 salary. I wonder if that's correct. It would appear to me that it might be two, rather than one. —(Interjection)—

Mr. Chairman, does that then mean that the item of 1. is correct, there is only one person who is now earning 40,000 when the previous —(Interjection)— I heard the Minister say part of a year. Is he implying that the left hand column, the year ending this month was 17,900 for part of a year and the 40,000 for the coming year is one salary for one person. Is that what he is saying?

MR. CHAIRMAN: Could I just suggest to the honourable members that we're almost to that point where we can discuss it in complete detail if we just pass these previous items. Would you allow me to pass the items that were discussed so that we can get down to that Item of (c)(1)?

The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, I for one would not only allow you, I'd encourage you to do it if we can only get the answers out of the Minister. The reason I asked is that he said one and the arithmetic didn't jibe, but by all means if it makes it easier then we can go down and wait for that and then he'll have to explain that.

MR. CHAIRMAN: All right. (3) — pass. Item (b)(1) Salaries — pass; (2) — pass; (b) — pass. (c)(1) Salaries.

The Honourable Member for St. Johns.

MR. CHERNIACK: Thank you, Mr. Chairman. Now would the Minister please explain the difference between \$17,900 for the current year about to expire and 40,000 which he's requesting for next year?

MR. CRAIK: Mr. Chairman, it's a re-classification that has taken place here. There was a junior person involved in the Estimates shown for the last year, the current year, and for the '81-'82 it is re-classified. There has at the time on the drawing of these Estimates, been in that position a person who was classified in the SO-1 category who is not the person who is there now but was classified in that category of position and who has now become the Director of Conservation and Renewable Energy Branch and that is that person's salary level. So at the time of the drawing of this it was shown as equating to the SO-1 category, although that's not the category of the person that is currently slated to be in that position.

MR. CHERNIACK: Mr. Chairman, what is the salary that is planned to be paid to the one person on the Manitoba Energy Council and what are the qualifications expected for such a person and the responsibilities he holds?

MR. CRAIK: Mr. Chairman, the classification is Planning and Program Analyst 4, and the one shown is SO-1. Planning and Program Analyst 4 is a lower classification in terms of salary level than what is shown here. Mr. Chairman, I'll see if I can get the — I don't have it right here offhand.

MR. CHERNIACK: Mr. Chairman, while we're getting that information, could the Minister indicate the qualifications and the responsibilities of that task?

MR. CRAIK: The way it's structured, Mr. Chairman, it's the same person who will, on the organization chart be the Director of the Energy Information Branch, and will also be the secretary of the Manitoba Energy Council, so those boxes that are shown under the Energy Division are represented by one and the same people, so the responsibilities will be to act as secretary to the Energy Council but also to act as the overall Director of the Energy Information Branch including the new Energy Information Centre.

MR. CHERNIACK: Mr. Chairman, I'm not that familiar with these forms. Is there a separate item for the Energy Information Branch in the Estimates that I haven't noticed?

MR. CRAIK: No, it's split between Items 2.(b) and 2.(c). The people that are involved in the Energy Information Branch come out of both the Conservation and Renewable Energy section and the Canada-Manitoba Energy agreement. Part of it is cost-shared with the Federal Government so they come under those two different items.

MR. CHERNIACK: I'm somewhat confused as to the need for an information branch that relates, I gather, to Energy Council as clerk or secretary to Mineral which is another Item where I don't quite see where information is involved in that at all. Now, the Energy, and the Minister is saying that there are bits and pieces. There are various personnel who make up the Energy Information Branch that are in each of these, or in some these, other departments. Is that correct then? And, the person that's designated as the salaried person under Manitoba Energy Council is then sort of a Chairman or Director of this small group of people. Is that the plan?

MR. CRAIK: That's probably fairly close, Mr. Chairman. Just to repeat the Conservation Renewable Energy Group under 2.(b) are entirely under the Province's — well they're all under the Province's payroll, but they're not cost-shared whereas some the people in 2.(c) who are also working in this area come under the Canada-Manitoba agreement and work in areas which tend to overlap their Energy Conservation areas, but they're all involved in the business of operating the Energy Information Centre and communicating with the public generally on the programs that are available under the Canada-Manitoba agreement and the general information distribution that comes under the Energy Information Centre and the person that is the Secretary of the Energy Council because of, at this point in time in particular with the close liaison required between the public group that will be acting in the advisory role in co-ordinating information, and this will be one of the major responsibilities, the person that is the Energy Information Head will also act as the Secretary of the Council.

MR. CHERNIACK: Well, Mr. Chairman, it appears now that for the purposes of giving information to the public there are certain portions of the cost which is being shared by the Canadian Government, and frankly I'm surprised at the program that under the Canada-Manitoba Energy agreement, includes the giving of information to the public and now I'm becoming concerned about the fact that the department under the Energy side dealing with Conservation and Renewable Energy which apparently needs to have an information branch will come under the responsibility of the person who is to act as Secretary to a citizens' committee. I gather that the Manitoba Energy Council has not yet been formed but it is presumed to be a committee of citizens who are being asked to meet and discuss energy needs or energy problems or energy production. I'm not clear on what it is, but we now find that the Secretary to that citizens' council will

also be in the employ of the government and of this Minister in the dissemination of information.

I don't suppose there need be a contradiction there but one wonders whether his information isn't to be given to the Energy Council or whether the information he gives will emanate from the Energy Council. So, since we're under this Item, I want to know whether the Energy Council will be under the direction of the Minister through the Secretary or whether it will be independent absolutely and free to make public whatever its thoughts, decisions and recommendations are. Now, relate that to the, I'm sorry but the name escapes me of an organization which was formed by the previous government which is a citizen's group dealing with the environment which was free — the Environmental Council, I believe. Is it that kind of a structure? Will the Manitoba Energy Council be completely independent as to its work, as to its thinking, and as to its policy formulation or will it be working under the direction of the Minister through the Secretary of the Council whose salary we've not yet determined?

MR. CRAIK: Well, Mr. Chairman, basically an organization that is this size has to depend on some cross-over of abilities from personnel and it's probably one of the happier stages in the development of any organization when you can be this size and growing and hopefully not growing too large but retaining their efficiency and their dedication and their interest. I don't think there's a great deal of concern about whether they fall under (b) or (c) in here because the numbers are small enough that that doesn't have to be raised as a concern.

The Energy Council is principally an advisory council but at the present time as I've indicated in the energy field, there is a great amount of information that is already available in the community but hasn't been brought to focus in one facility that can act as a clearing house and I would expect that this council will have representation from many of the areas which have been developing an interest over the years in this energy field including energy information, and one of the first things it'll have to dedicate itself to is making sure that there isn't too much duplication in the community with regards to getting information out to people. All the members, I think, know of the interest level that exists in the community at the present time and the attempt, and the early attempt will be to have this council look at how best to make information available and act as an input into the operations of the information centre.

Secondly of course, and on the long term, what it should be is a sounding board to the Minister, and an advisory council principally to the Minister, and a board to which the Minister can refer the different programs, particularly in the conservation field that are going to be entered into by the government, and act as a consultative board for the Minister and for the government in the various programs.

So that's the intent. If it ever does become stereotyped and if they ever get to the point where they feel they're being used as a vehicle by the government simply as a rubber stamp, I hope they'll decide to self-destruct, because that's not the intent of the council, nor should any council like this become that. And whether or not they become that,

time will tell, but that's certainly not what's intended for them. The intent of that group being brought together is to bring to focus what is a tremendous ability in the community at the present time, but to bring it into a focus for the provincial interest.

MR. CHERNIACK: Mr. Chairman, I must say that when I first looked at this chart and I read the information bulletin which we received today, the word, or the name Parkinson came to mind very quickly, and I would endorse the Minister's — in the hope that the growth will not be too great and will be contained, but certainly it looked like Parkinson's law was taking hold and a new Minister and a new department was starting to grow rapidly.

The comments he made about the energy council, I think are very important, it being a body which seems to have very worthwhile purposes, and which would be very quickly frustrated if its recommendations and reports were not available to the public as immediately as they would be made available to the Minister. I would like to think that what the Minister said this evening will be a clear instruction to the council to act independently, freely, and to express its own point of view. He says he hopes if it isn't done that they will self-destruct, that's another problem in society, that organizations formed seldom self-destruct, people in jobs seldom consider their jobs redundant, and they go on endlessly, very often and it is up to government to destruct, not to wait for self-destruction to take place.

In the interval, while I was listening to the Honourable Minister, I note that the person we've been talking about whose salary we don't yet know, is an old friend of mine, socially I should say, whose political judgment I have great doubts about, but nevertheless who is sitting over my shoulder I noticed, and who will therefore be able to look down on me, but nevertheless I would hope that because his political orientation is very clear to so many of us, that his role as secretary to what I now consider to be a completely independent organization will not be influenced by his own political ideas or economic ideas, both of which he knows I don't agree with too much myself, but nevertheless obviously he is the choice of the Minister.

When we speak of information to the public I really thought that he was originally retained to act as the, I don't know, speech writer, spokesman, for the Minister, and we wondered previously whether he wasn't being redundant in terms of competing possibly with the Information Services Branch, whose role it is to disseminate information about government. So I think the answer would be no, that they are ostensibly giving factual information only. The role that I understood he was playing, or hired to play for this Minister, was one of serving the Minister's own role and own function, and I really hope that there will not be any conflict between the double job given to him. I can see the possibilities of that because now that we've established that the Manitoba Energy Council is supposed to be independent of thought and reporting in the public good, that there won't be any confusion between that role and the role which I accept that he would be expected to play as the spokesperson for the Minister, as the person who prepares whatever information the Minister needs to carry out his own

role which may not be that independent one of that of the Energy Council.

So that I would say I hope very much that we can see, in the future, that there is a clear distinction in his mind and in his Minister's mind as to the conflict that may exist between the two roles. I may be imagining a conflict, but from the way the Minister spoke, there is clearly, a separation in his mind between the role of the Energy Council and the role of departments that work for and under the direction of the Minister and therefore are accountable to develop the programs set out by the Minister as being a political decision program as compared with that of the Manitoba Energy Council.

Then, Mr. Chairman, it seems that the Manitoba Energy Council is being charged in the budget for the payment of the salary of a person who will be doing other things as well. As a matter of fact, as we look at this chart, he will be relating to the Manitoba Energy Council, the top right hand corner of the chart, and he'll also be down under ADM Energy Division as Director, Energy Information Branch, and really that's two roles he will be playing.

I trust that we can rely on the Minister to see to it that those two roles are separate and apart and not confused in any way.

MR. CHAIRMAN: (1) — pass; (2) — pass — the Honourable Minister.

MR. CRAIK: I think that this is something that should be dealt with, since it involves an individual which I don't find particularly appetizing but it doesn't seem to bother the fellows across the way, —(Interjection)— well, Mr. Chairman, when the government changed three years ago, I remember inheriting a person out of the Planning and Priorities Committee, as a matter of fact kept a large number of people out of the Planning and Priorities Committee who came out of —(Interjection)— Mr. Chairman . . .

MR. CHAIRMAN: Order please. I think the same courtesy should be extended from one to the other as from one to the other.

The Honourable Minister.

MR. CRAIK: Thank you, Mr. Chairman. I'm prompted to say this because I can't really think that these people across the way are really quite as small-minded as they're indicating on this particular item, but they are. I saw the report in the Winnipeg Sun and I could hardly believe it, that the Leader of the Opposition's comments about this same individual could be so small-minded. And if I had been the individual involved, I'd have gone to the Human Rights Commission. This position was bulletined well in advance and posted before the Winnipeg Tribune folded. It was under advertising for two or three weeks in advance. This party applied. He says it's a choice of the Minister. This person was chosen as a result of having applied for the job through the usual process. And it's this small-minded group across the way that have the audacity to get up and say, that fellow's going to be the first to go, he's going to be the first to go, unless he's misquoted in the Tribune, and I say they show what they really — whether they respect the Human Rights Commission or not. And we'll see, Mr.

Chairman, but we're not going to see for a long time because they're not going to have the chance to do what their small mindedness would bring them to do, Mr. Chairman.

I want to tell you a story, I recall inheriting one of their planning and priorities people who had been one of their candidates and who I happened to regard very highly as an individual, even though I disagreed with his philosophical stripe, and I said to him, as far as I'm concerned I respect what you're doing, I think it's important, we know where each other stand, and you're perfectly, as far as I'm concerned, invited to carry on doing it. And he said no, I don't think so. And he gave me the reasons why, and it really didn't have a lot to do with the fact that we had a strong difference philosophically and that wasn't the reason he left. He did leave. He left because he felt he wanted to, he'd been in government for three or four years, and he said, as far as I'm concerned, he says I think I should. I think it's time and I'm moving on for my own good reasons.

I point that out, Mr. Chairman, because I'd like to think that these self-serving comments made by the Member for St. Johns, — I know that this guy is nice, but he knows I disagree with him philosophically and he's looking down on me, — this kind of nonsense is not what we need in this Legislature. The kind of comments we need from the Leader of the Opposition are not the ones that we get out of the Winnipeg Sun that really show . . . I shouldn't say it's not what we need, Mr. Chairman, because as this side of the House, we really do need those kinds of cheap shots because it really shows what they are, that they have no more regard for the Human Rights Act, when they passed that Act and brought about that Act, it really shows what they really feel about the Act. Actions speak a lot louder than words, Mr. Chairman, and I want to tell you that these self-serving comments and palavering around are really nothing more than an indication of the small-mindedness that's across the way.

MR. J. WALLY MCKENZIE (Roblin): Mr. Chairman, on a point of order, may the honourable members take their chairs. They're speaking from a standing position in the House?

MR. CHAIRMAN: The honourable member does not have a point of order.

The Honourable Member for St. Johns.

MR. CHERNIACK: Mr. Chairman, let me make it clear that I do consider that the person we're talking about who I said is a friend of mine and I mean it that way, nevertheless, has a political orientation and an approach which I think, Mr. Chairman, could be, unless carefully separated between the role of serving the Minister and serving the council, and must be — now let me, Mr. Chairman, make this clear to the sanctimonious talk given to us by the Minister, whose leader called into his office, not his office, into an office in this building, before he was made the Premier of this province, three persons; fired them out of hand without any notice whatsoever, kicked them out. The Minister of Education, and he knows what I'm speaking of, fired a person who had Civil Service position bulletined, who had the tenure that was needed, he fired him,

told him to get out the same day, by Order-in-Council. That's right, but they used that device to get rid of people very handily. And for them to be sanctimonious as they are, doesn't suit them very well. All right. That, Mr. Chairman, is all I think that is needed in order to remind them that their callous approach, the way they dealt with human beings, for him to talk about the Human Rights Act means that he, himself, is denigrating it.

Now, Mr. Chairman, —(Interjection)— I have no respect for the Minister whom I am . . .

MR. CHAIRMAN: Order please. Order please. To the honourable members, I don't know how I allowed this to get to this point. We are on Energy and Mines and I've got to apologize. I just don't know how I allowed it to get out of hand. But I would hope that maybe we can get back to the subject under discussion, Energy and Mines.

The Honourable Member for St. Johns.

MR. CHERNIACK: Specifically, Mr. Chairman, we're under 1. (c) (1) and we have yet to learn the salary payable to that person. The whole thing arose, Mr. Chairman, if I beg to remind you, that there is a change from \$17,900 to \$40,100 and I thought it meant two personnel, and I learned it meant one, and apparently the amount is wrong. I then learned who was involved, but I did establish with this Minister that the Manitoba Energy Council will be made up of citizens who will have independence from the Minister and will be able to make whatever reports they want to make in such a way that they will be public and not to be in accord with the policy of this Minister. I believe he established that, and it seemed to me proper, and I still think it's proper to point out that the person who will be the sole employee of this council, acting as secretary, has a role which I think could come into conflict with that independence and that is the role of Information Branch, and as such I think it's valid to make the point that it has to be clear that the two roles which may be in conflict do not in fact merge together into one.

MR. CHAIRMAN: (1) — pass — the Honourable Minister.

MR. CRAIK: Mr. Chairman, I want to put on the record the fact that the Member has referred to other cases, which in all cases were Order-In-Council appointments, not Civil Service appointments.

MR. CHAIRMAN: (1) — pass — The Honourable Member for St. George.

MR. BILLIE URUSKI: Mr. Chairman, it was interesting to hear the present Minister indicate as to how they intend to handle their political appointments, in terms of making sure that the positions that they wish will be Civil Service bulletined positions. And how do they handle those they don't like, Mr. Chairman, well, they just abolish the position.

I would have thought, Mr. Chairman, that this Minister, in hiring the individual that he did, and the individual himself would have not wanted to be in a Civil Service position, after for years publicly deriding the Civil Service in this province, anything that the

government had done was bad, and now to be associated directly with the Civil Service, I would have thought it would have been beneath his own dignity to want to get into a classified job. He, himself, the individual would have wanted the Minister to say if he wanted the employment to hire him on a contract position. But for the Minister now to get up and say and be — one could say sanctimonious — about the position that he has given this individual and saying, look, this is a Civil Service position, Mr. Chairman, it certainly goes beneath what this Minister, I believe, would stand for. I think he has certainly, in my opinion, gone below what I would have thought he would go in terms of the positions that we are speaking about.

MR. CHAIRMAN: (1) — pass; (2) — pass; (c) — pass; (d)(1) Salaries — pass — the Honourable Member for St. Vital.

MR. WALDING: Thank you, Mr. Chairman. The Minister indicated to me this afternoon that it was under this section that he would be willing to answer questions on Hydro.

I wonder if I might begin by asking the Minister if he could bring us up to date in reporting on what progress has been made on the western connection, and his negotiations with the two neighbouring provinces to the west.

MR. CRAIK: Mr. Chairman, I think the questions that were asked by the Member for Fort Rouge in the House have brought about a periodic updating on the work that's going on on the Western Electric Power Grid, and there isn't a great more to indicate to the member in terms of the general question, and his question he is asking is a very general one.

The work is going on on a weekly basis. The discussions and examinations and calculations and the look at the options are continuing on with that degree of intensity, and there have been meetings of the Ministers approximately once every three weeks or two weeks for the last several months, the last one being the middle of last week, and we keep them scheduled for approximately once every two or three weeks because that is the rapidity at which information is being presented for examination by the working committee.

I would indicate in overall terms that the technical feasibility study was completed last fall. The economic cost benefit study was completed before Christmas as well, last fall. The pricing studies have been going on ever since then, and the pricing negotiations are the ones that are preoccupying most of the attention of the committee and the Ministers at the present time. I would say that it's going ahead at this point in time, progress is being made, and as long as the negotiations are under way, there isn't a great deal of value in the public interest, I don't think, in dealing with the specifics of the negotiations except with the general intent that might be contained behind Manitoba becoming interested in this in the first place, which we have indicated before, and that is that the sale, dedication of new plant, has to stand on its own. It can't be subsidized by the ratepayers in Manitoba. It has to provide an economic return to the people of Manitoba. It has to serve the regional benefits of the region which is the Prairie Region. There has to be benefits for the other

partners that are in it as well. Some of them occur earlier in the time spans that have been examined, and others occur later, depending on the point of view of the individual party, each of the three parties involved, and with all of those in mind, there has to be an overall formula developed principally involving the pricing, the terms, and the overall term, the amortization period, and the lengths of the terms of agreements and so on. So those are the sorts of things that are going on and progress is being made.

MR. WALDING: Mr. Chairman, I thank the Minister for the information; he has given us a little information that we didn't have before, and I realize that negotiations are usually not carried on in public, and we are not asking as to who said what to whom at the last meeting and the meeting before that. But, Mr. Chairman, we are vitally interested in Hydro and its development and we on this side, despite what we are criticized for at times, don't want to take a doom and gloom attitude, Mr. Chairman. We are interested in this vital resource that belongs to all Manitobans. We would like to take part in discussions for its use. We would like to be in a position to comment intelligently upon the varying possibilities for its use, and we would like to be prepared by having all of the information that is available to enter into a meaningful debate and discussion amongst ourselves and with the government and with the public generally on the ways that we are going with this particular resource of ours, and that is one reason, Mr. Chairman, why we have been asking the Minister for copies of the reports. It is very difficult for us to discuss the matter intelligently and to gain our own appreciation of the position that Manitoba should be taking without knowing the details involved, the economic feasibility, the conditions upon which a prospective export sale is being predicated.

I understand that there was first of all a technical study having to do with transmission power. The Minister has indicated to us that was finished in September and that there was an economic feasibility study which I assume could come only after the technical study into transmission, and that now has also been completed.

The Minister mentioned pricing studies and I am not quite sure what that means. I would like to ask the Minister whether there have been any other studies done. Does he have any other reports that pertain to this particular area?

MR. CRAIK: Mr. Chairman, I guess there are a host of reports. Whether or not they're formalized reports or interim recommendations on different options, of course like any other project like this, get prepared during the course of the examination, and get torn apart, put back together again and changed and altered and as it goes on there's proposals made and alterations made to those proposals after examination by the other parties and so on, so there are any number I suppose of reports, if you like, that have gone on during the course of it, but the principal reports or the engineering reports start within the cost benefit study. They were done at the start of it and I presume in due course that all of these would become available although they would have to be made available by the Premiers after they've dealt with the recommendations of the Ministerial committee, and as they did last year,

when the original report, the system study report was made available, which isn't a bad report to use as a basis for observation for anybody that wants to get a first go-around look at the whole concept, because basically it hasn't changed somewhat. The assumptions that were made in the second go-around were that the whole operation would have to be self-sustaining on the basis of a sale of a specified term, and the original study included the integration of systems to a certain degree that took in benefits of another type which were a reduction of reserves in all of the three provinces, and so on, and so forth.

Those reports I presume, the engineering and cost benefit study reports will eventually be tabled as public documents. If there are other formal reports that take on the resemblance of being a formal report, they would probably become available as well. What they are, in particular at this point in time, is probably too early to say.

MR. WALDING: Mr. Chairman, the Minister mentions assumptions that were made originally and later changed. I would like to ask him about assumptions that appear in the two latter reports that he mentions. First of all the transmission study I understand was done by Teshmont which I also understand must be the basis for an economic feasibility study, that if you are to assess whether something is economically feasible there must be a basis for whether a line is economical to build, how much it will cost, and that presumably will vary depending on where the line is built.

So I'd like to ask the Minister if he can tell us what the assumption is as regards the positioning and the cost of the proposed transmission line to the west.

MR. CRAIK: Mr. Chairman, there were about 10 different routings that were examined, and in the overall studies and that has been narrowed down somewhat to probably three alternatives and a base case for comparison is a direct line from the Nelson River through to Southern Alberta, and with a tie in Saskatchewan of course, acting as a base case for comparison and then alternate routings that come south in Manitoba and then more directly west. So that some time in the future when there is a need to reverse the flow of the power, the energy from west to east, rather than from east to west as it will be in the early part of the operational alignment, that the connection would be in the southern part of the province, rather than in the north, when that reversal occurred. And then there are refinements to that southern connection that look at one or two alternatives in that southern area, but in any of those cases it doesn't dramatically change the cost benefit ratio, and as a result it doesn't tip it from being a cost benefit of less than one to being greater than one, with any of those. They all turn out to be cost benefits which are greater than one.

MR. WALDING: Mr. Chairman, I thank the Minister for that information.

It is as he has said, as I assume that there would be choices reduced to perhaps one, two or three, a rather small number. I have seen in estimates of cost in the region of \$1.2 billion for a transmission line. I wonder if the Minister is in a position to confirm that and if so, which would be the route that figure would

apply to, and in that case would that be the cheapest alternative as far as the routing of the transmission line is concerned, and if not perhaps he could advise which one would be?

MR. CRAIK: Mr. Chairman, at that point that when we get down to the dollar figures, I am really not in a position to give an indication other than very, very general terms, and mainly because the estimates that have been done, will no doubt be revised and there may be some small changes in those estimates.

The other, is that the most confusing part is to define what year's dollars are being discussed, if it's the year of introduction of the service, or in 1980 dollars or in 1981 dollars, and so on, and there is real danger of right dollars being used with the wrong year. Besides that, there are any number of estimates for the different alternatives that has to be refined.

The number that the member uses, I think, is higher than the number that is generally assumed for any of the alternatives, using 1980 dollars, but I wouldn't want to go further than indicating that.

MR. WALDING: Mr. Chairman, I wasn't asking the Minister for a figure that was down to the last 10 cents. I believe I mentioned to him that the figure I had seen was \$1.2 billion.

Now if it's within \$5 million or \$10 million \$50 million of that, then as a rough ballpark figure, is \$1.2 billion in the sort of range that is being considered for the different options? If it should be 1.15, Mr. Chairman, I'm not going to quibble at this stage. If the Minister wants to confirm that the figures given are in terms of 1980 dollars or 1981 dollars or 1985 dollars or 1971 constant dollars, I will accept whatever it is, with that particular stipulation. You know, if he would like to give me that figure and make it clear, I will try, Mr. Chairman, not to use the wrong figures in the wrong context or the wrong dollars in the right context, or however he put it.

I'd like to point out, Mr. Chairman, that surely, if the Minister says that there was a cost benefit ratio, that figure must have been arrived at by being based on something, and it's presumably based on one or more options for a route for a transmission line, it must also be based upon a certain cost of a transmission line. If a transmission line could be built for half the cost, presumably that would alter the cost benefit ratio, or if it cost twice as much it would also affect it.

When I'm asking the Minister, can he give me a reasonable approximation of the sort of figure in 1980 dollars that the economic feasibility study was based on?

MR. CRAIK: Mr. Chairman, in 1980 dollars the figure for the transmission itself would be less than \$1 billion.

MR. WALDING: I'd like to ask the Minister whether that would include the tie into Saskatchewan, which I understand is a substantial amount of dollars, when you tap into a DC line.

MR. CRAIK: Yes, Mr. Chairman, it includes all the pertinences that go with the conversion requirements, whether it's Manitoba, Saskatchewan or Alberta.

MR. WALDING: I thank the Minister for the information, other than the figure that I'd had mentioned, that's the first authoritative figure that has been suggested to me as the possible cost.

The Minister mentioned that the possible choices were down to three. Could he indicate which is estimated to be the cheapest route?

MR. CRAIK: Mr. Chairman, I indicated that the base case, that was used was just simply a straight line from production to consumption and that is the cheapest of the alternatives. The others do have benefits though that they bring that the first base case doesn't, but beyond that it's likely that the longer term view and the other unevaluated items, such as surplus exports out of other systems through the Manitoba system into the U.S. and so on, will eventually bring about a decision that the more expensive southern alternative in the total, would be the desirable alternative. But the direct line from production to consumption is the cheapest and that's the base case that was used.

MR. WALDING: I thank the Minister for that information. It would seem logical that a line to the west or to the south-west from the source of the power would be the cheapest, particularly since it is likely to cross less expensive farm land or less farm land in such a case.

I wonder if the Minister could tell us based on that base case, which he mentioned at a cost of something less than \$1 billion — can he advise us what the cost benefit ratio is, under those circumstances?

MR. CRAIK: No, not offhand, Mr. Chairman, I can't and I can't undertake really at this point to provide the member with the information, except in very general terms, that in all cases, as I indicated the cost benefit was great than one.

MR. WALDING: I wonder if the Minister can be any more accurate than that when he says more than one, does he mean as much as two, or are we talking about something between one and two.

MR. CRAIK: No, Mr. Chairman, I can't be any more specific than I've been.

MR. WALDING: Mr. Chairman, I'd like to ask the Minister what other assumptions went into the economic feasibility study, that resulted in the figure of more than one for a cost benefit study.

MR. CRAIK: Well, Mr. Chairman, I suppose there has to be two sides of it to come up with a cost benefit study; cost of service alternate within the individual provinces had to come into it; costs of the displacement energy, energy which it was displacing in the individual provinces; the length and term of the agreement; the assumptions about financing; assumptions about alternative routes which we've already talked about; all of those had to go into the mix. Assumptions about the sale which were restricted to firm power sales and without evaluating benefits that may accrue as a result of using the system for surplus sales, either east or west and assumptions that referred to reducing the reserve requirements in each of the provinces, were not

entered into. The calculations basically were approached on pretty much a stand alone type of a basis — would it be economically viable to displace energy in the other provinces with energy produced in Manitoba, for that specific purpose, and those were the general conditions. So assumptions as I've indicated on all of those important items have to go in and many more which would have to come out of examination of the detailed studies themselves, but those would be some of the important items that would have to have assumed values put on them in calculating the cost benefit ratio.

MR. WALDING: Yes, Mr. Chairman, I thank the Minister for pointing out those generalities for us.

I'd like to ask him about one specific, whether there was a particular figure given to the load factor on the line.

MR. CRAIK: What was the question, Mr. Chairman?

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

MR. WALDING: I'll repeat it, Mr. Chairman.

I'd like to ask the Minister whether one of the assumptions made in the economic feasibility study had to do with the load factor on the line.

MR. CRAIK: Yes, Mr. Chairman.

MR. WALDING: I'd like to ask the Minister if he can tell us what the assumed load factor was.

MR. CRAIK: That's not finished, Mr. Chairman, because there is still some examination of different load factors, but I think the one generally used is a 50 percent load factor.

MR. WALDING: Mr. Chairman, I'd like to ask the Minister whether a higher load factor would tend to increase or decrease the cost benefit to Manitoba.

MR. CRAIK: Well, it's not a cost benefit to Manitoba that's in the calculations, Mr. Chairman. The cost benefit studies refer to the region.

MR. WALDING: Mr. Chairman, I'll amend the question to the region rather than to Manitoba.

MR. CRAIK: Mr. Chairman, it would be more appropriate, is it beneficial to Manitoba to have a higher or lower power factor involved in the Manitoba system, the lower the factor the better.

MR. WALDING: Mr. Chairman, what I'm getting at is the cost benefit figure that the Minister gave which he said was based on a 50 percent load factor. I want to know what effect there will be on the cost benefit if the load factor is raised.

MR. CRAIK: It probably would show more benefits for the region, but as I pointed out we are talking about Manitoba's interest I presume at this time and the lower that factor is, the more beneficial it is to the Manitoba system.

MR. WALDING: Can the Minister explain why a lower load factor on the line would be to Manitoba's benefit?

MR. CRAIK: Because it's a water system, Mr. Chairman.

MR. WALDING: Do I understand the Minister to be saying that if the load factor is lower then there would be more power for Manitoba to use either for its own benefit or in other sales outside the province?

MR. CRAIK: Mr. Chairman, without getting into that, the lower the power factor, the more beneficial it is to a water system or a system that is principally water, which of course, Manitoba is. The higher load factors are more adaptable to completely thermal systems that are in place and can be operated full time with the water system, the lower you can keep it the better it is for the characteristics of the system, or more closely identifies with the characteristics of a water system.

MR. WALDING: Mr. Chairman, I'd like to ask the Minister again, having to do with the load factor, that if the load factor were to increase above 50 percent would this reduce the cost benefit?

MR. CRAIK: The member will have to be somewhat more specific, Mr. Chairman.

MR. WALDING: Mr. Chairman, I'd like to ask the Minister, whether in the Economic Feasibility Study or any other study that he has, it is indicated that the cost benefit study comes about based on a load factor of 50 percent and that if the load factor were to go up to a higher figure, 60, 70 percent, that this would reduce the cost benefit to the whole system because Manitoba would then have less power to sell to the Americans and that this would have a financial impact on Manitoba.

MR. CRAIK: I suppose, Mr. Chairman, I would have to point out at this time that it seems to me the average price on the American sales, particularly those entered into by the former government was NSP at some six mills on part of it plus a rider on the rest of it, are yielding an average of about 15, 16, 17 mills. I would simply point out to the members that there isn't much likelihood of power being sold on the grid at prices anywhere near as low as that, so the member can do his own arithmetic from there on in, I suppose.

MR. WALDING: Given the Minister's reasoning then, Mr. Chairman, we ought to expect that the highest load factor possible would be to the benefit of Manitoba, since we would be selling more of the expensive power. The Minister told me in answer to a previous question that it would be to Manitoba's benefit to have the lowest possible load factor.

MR. CRAIK: Mr. Chairman, there is also the matter of price. It may be very beneficial to Manitoba to have a higher load factor providing you can get a higher price, but it could be very expensive to provide the backup requirements to be able to deliver with a higher load factor.

MR. WALDING: Mr. Chairman, I'd like to ask the Minister whether the estimated growth in the load demand growth was one of the assumptions that went into the calculation of the cost benefit?

MR. CRAIK: Yes, Mr. Chairman.

MR. WALDING: Mr. Chairman, I'd like to ask the Minister if he can tell us what the assumption was of the anticipated load demand growth.

MR. CHAIRMAN: Repeat the question, please.

MR. WALDING: Mr. Chairman, I'd like to ask the Minister whether one of the assumptions in arriving at the figures and the cost benefit figure of something over one, whether one of the assumptions had to do with a demand in forecast, load demand growth over the next while, and if so, what is the figure?

MR. CRAIK: Well the answer, Mr. Chairman, is yes, there were assumptions made about Manitoba's load growth and I'm not in a position to indicate the assumptions that have gone in to the calculations. At the present time I can indicate to the member that a load growth factor in Manitoba at around three percent compounded is one that is currently receiving a fair degree of emphasis.

MR. WALDING: I thank the Minister for that information. It was a similar figure that I had heard, Mr. Chairman, which again would appear to indicate the amount of power that Manitoba would have available for export. I refer the Minister back to Manitoba Hydro's Chairman's Report of last year where he indicates that the long range load forecast is for an average growth rate of four percent over the next ten years, which he also said had historically been at about 7 percent.

Now I'm questioning the Minister whether a figure of three percent is not rather on the low side, and if it should be that Manitoba's economy should pick up, or we should have industry move into the province, Alcan set up or some other growth in industry, whether this would not increase the expected growth rate and so have a profound effect on the amount of power that we have for export, and would this not affect the cost benefit to a western connection?

MR. CRAIK: It could, Mr. Chairman, there are assumptions that have to be made in all of these things. It doesn't necessarily follow that an industry of that size would necessarily impact but there could be influences. The off-oil program could have some influence, you have to make assumptions on whether or not the off-oil program that the Federal Government's entering into is going to have any significant impact on resistance heating and so on. But as I say, currently 3 percent receives a wide degree of support as the compound growth rate.

MR. WALDING: Mr. Chairman, this growth rate is obviously key. And it is referred to in many cases by those people who have reviewed Hydro's progress in the Seventies and by Hydro itself in making its planning projections for the Seventies. You will probably be aware, Mr. Chairman, that we had some three or four years in a row in the early Seventies when the growth rate in Hydro demand was up around the 10 and 11 percent range which was simply unprecedented in Manitob Hydro's history. However I am informed that Hydro doesn't make its

long term projections only on the last year or even on the last three years. It tends to take a much longer view than that.

However I am also informed that the present growth rate of down around 4 percent is the lowest that it has been since the decade of the Thirties when it was consistently more than that. The question I am raising with the Minister is, is he not being very pessimistic himself, or his consultants being very pessimistic about the future of Manitoba's economy in making these sort of calculations on a predicted growth rate in Hydro demand of only 3 percent. If it is to be a mere 3 percent then perhaps the calculations made as to the amount of power available for export will in fact be borne out, but if we are to see an upsurge in the economy of this province, we are to see an increase in demand with more jobs being produced, more businesses coming into effect, if we do in fact see some sort of policy for economic development in this province, which in itself will spur economic development, that is going to increase the demand for hydro power in the future, certainly above this very pessimistic 3 percent, and that in itself is going to upset the Minister's figures on which this supposedly beneficial cost benefit ratio is based.

So that is one reason, Mr. Chairman, why we have a particular interest in this matter, that we don't expect that the economic conditions in Manitoba will support only a 3 percent growth. We expect it to be considerably more than that. We would hope that it would go back to those early years of the 1970s when we saw so many Manitobans working, so much economic activity in this province, we expect to turn that around in fact, very shortly, Mr. Chairman, but that's out of your hands and my hands as well, but we see that coming.

The point that I'm making to the Minister is that he himself is putting forward a pessimistic figure, yet at the same time they are saying that the economy is going to improve and that they are trying to attract these mega projects and mini projects and many other forms of economic development to this province. I'm suggesting to the Minister that the figure is probably unrealistically low and that the government here has two opposing policies which both cannot be true.

MR. CHAIRMAN: (1) — pass; (2) — pass; (d) — pass — the Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, I was hoping the Minister would respond to the remarks that I had made, particularly on the basis of the 3 percent and whether he feels that this is a reasonable assumption for economic development in this province.

MR. CHAIRMAN: (d) — pass.

The Honourable Member for Brandon East.

MR. EVANS: Mr. Chairman, I'd like to, on a point of order, and guidance for yourself, I have some questions on the business of interprovincial connections with Saskatchewan and Alberta and some other questions pertaining to Hydro but I was wondering, is it possible to ask those questions under 2. Energy, where we're dealing with Energy Management? I could save my questions for tomorrow or another day, or if not, we can continue

on tonight. I was just wondering, are we going to adjourn after this item and carry on tomorrow or the next day, and if so, is it possible to ask questions about hydro exports, the cost of bringing power to Alberta, the cost of thermal power production in Alberta, etc., and a number of questions under the next item, Energy Management.

MR. CHAIRMAN: Well to the honourable members, we started on this line of questioning under Manitoba Energy Authority, which is Manitoba Hydro, and if there's any additional questions on that particular subject, I think this is the place to ask them, unless you want to wait until the Minister's Salary.

MR. EVANS: With all due respect, Mr. Chairman, the Manitoba Energy Authority isn't simply concerned with hydro-electricity. That's only one, as I understand, only one element of its function and in fact that's clear from past explanations by the Minister, and it's also clear from the chart, you know, so this Manitoba Energy Authority isn't solely dealing with the hydro electricity problems. It deals with presumably the whole range of energy, you know, so I don't think we should get hung up because there happens to be an Energy Marketing Committee here, that that's the only area that we could discuss hydro electricity.

MR. CHAIRMAN: No, I understand that, but I had allowed the Honourable Member for St. Vital to proceed in that line of questioning, and I would think that if there was any additional questioning of somewhat the same background, that it would be allowed at this point, unless you want to wait until Minister's Salary.

The Honourable Member for Rupertsland.

MR. BOSTROM: Well on the same point of order or whatever you're ruling on, I see that under the Item No. 2., the item consists of activities pertaining to energy supply and demand, and I would think that, that would be broad enough to allow discussion of hydro matters and hydro electric connections to other places, whether it be Alberta or U.S. or wherever.

So that all our member is suggesting here tonight, is to facilitate the work of the committee, rather than us sitting till midnight listening to questions, that perhaps we could pass this item, if it's in agreement that committee rise and we pursue these matters of interest under Item No. 2. another day.

MR. CHAIRMAN: I'm not against it.

The Honourable Minister.

MR. CRAIK: Mr. Chairman, if you're going to go about it and follow, I suppose, strict rules, the Energy Authority, specifically the Energy Marketing Committee is under the Energy Authority, the only time the province gets involved in decisions regarding the hydro, is in the agreements that are outside of the province, whether it's to the U.S. or to anywhere outside Manitoba's boundary and that of course, is specifically in the Energy Authority Act. So technically what we're dealing with, we're dealing with it under the right heading.

I would presume you've got a number of other things regarding energy, supply and demand and

conservation, you might want to bring in under energy. I leave it in your hands, but we're in the proper category now for dealing with it.

MR. CHAIRMAN: I would have thought so and I would recommend that if we want to carry on at this point, it's open and you have your opportunity of asking your questions at this point.

The Honourable Member for Brandon East.

MR. EVANS: There are many people who have a great interest in the production of electrical power in Manitoba, including many who are electrical engineers and many who have taken time to look and make estimates of costs of production in this province. And it's been suggested to me by people who have no connection whatsoever with the government or with Manitoba Hydro, but who are electrical engineers, who are concerned about the welfare of Manitoba, who are concerned about the future development of hydro electricity in this province, it has been suggested that Alberta power, that is the thermal power that can be produced in Northern Alberta, will be roughly two-thirds of the generating cost of the Nelson River power.

In other words, it's been suggested to me and I'd like to get the Minister's comment on this. This is very disturbing. In fact if this information that has been relayed to me is correct, it means that there's no possibility of selling Manitoba power to Alberta unless we give it away, because this has come from more than one source, Mr. Chairman, that there are now under construction, and maybe the Minister is knowledgeable of this and can enlighten us, that they are now under construction two or three major thermal power plants to be constructed or are being constructed at the mine mouth, that is at the very site of some coal mines in the vicinity, proximity of Edmonton. And that the power costs of these thermal plants, which are located at the mine mouth, would be roughly two-thirds of what people estimate to be the cost of producing Manitoba Hydro electricity on the Nelson River.

So if that is the case, it seems to me that from the utilities point of view, and we know that there are several private utilities in Alberta, there's Calgary Power in the south, but I guess it would be the City of Edmonton utility and the Canadian Utilities Company Limited, and I believe these are the companies that are now engaged in building thermal plants in that part of Alberta, in fact I understand that each one of these thermal plants is larger than Limestone. I understand they're roughly 375 megawatt units. And if they can produce power at two-thirds of the cost of Nelson River, I say, how on earth is it possible for us to sell our electricity to that part of Alberta?

On top of that, Mr. Chairman, there is the matter of transmission costs and the transmission costs are going to run into the billions of dollars. I believe a DC line to Alberta will be well over \$2 billion, well over \$2 billion, so that has to be put into the hopper as well, so considering the fact that the development of thermal power is now taking place in Alberta by these utilities that I mentioned, and considering the fact that there is this heavy transmission cost, how can the Minister be so assured that we are going to be able to export power from Manitoba to Alberta. And I wonder if the Minister could comment on that.

MR. CRAIK: Mr. Chairman, I don't know if the Member for Brandon East was here earlier, but we did deal with some of the items, specifically that he's asking about now, including pricing and so on of the alternative connections and so on.

MR. DEPUTY CHAIRMAN, Jim Galbraith (Dauphin): The Member for Brandon East.

MR. EVANS: Well, Mr. Chairman, without the Minister going into detail, will he confirm very specifically, yes or no, is it correct that these major thermal plants, I think each, I'm told each of these are larger than the Limestone facility, roughly 375 megawatt units, are these now being built in Alberta?

MR. CRAIK: There are plants that are in the approval stage in Alberta that will be built and undoubtedly, presuming that they pass the various regulatory procedures that they have to go through and they aren't competitive in terms of, they're not displacing what would be provided by way of the Western Power Grid, but rather would be additional capacity that is going to be required, because the Alberta growth rate is probably about the highest there is on the North American continent still and is quite different from the growth pattern that is occurring elsewhere.

So although they are proceeding at this present time, they don't displace what's happening here. In terms of size they're smaller than — the member has referred to them being larger as Jenpeg, as far as I know anything that I have heard of is smaller than Jenpeg.

MR. EVANS: Can the Minister indicate whether — and as I said this is the information given to me by some electrical engineers, who are citizens, who have no connection with the government or Manitoba Hydro, but are interested in this. They ascertained that the Alberta thermal power can be produced at considerably less than the generating costs on the Nelson. Does the Minister have that impression? I don't expect the Minister to have detailed information, but surely since we're spending a lot of money on a report, in fact I understand the report has been completed although we are not privy to that report, unfortunately, and I'm sure this would have been considered by the authors of that report.

Is it correct that the Alberta thermal power is produced at considerably less than the production costs of Nelson River generation?

MR. CRAIK: Well, this subject is one that is receiving an awful lot of attention and at the present time in doing these evaluations, all I can tell the member at this point is that there has been quite a change, quite a dramatic change in the cost of thermal plants in the last few years, because of the environmental requirements and so on, that have been placed upon them. And there is a lot of speculation in some quarters at the present time of the capital costs of the thermal plant and that of a water power plant, are probably very close right now. And when you consider that the fuel requirement on a water power plant is somewhat less than that of a thermal plant, — I shouldn't say somewhat, but an awful lot less than the thermal plant, it opens the question as to whether there is any capital, with

there being little capital cost difference between the two. It does bring about quite a different complexion on the question.

If friends that the member refers to are talking about their experience from a few years back, a few years ago, they probably would have a fair amount of evidence to go on, but the current evidence is with present environmental requirements becoming more stringent at all times, on thermal plants that the capital cost may in fact, not be very much different.

MR. EVANS: Well, Mr. Chairman, I wonder if the Minister could tell us precisely who would Manitoba Hydro sell the power to in Alberta. Is the proposal to sell it to the Alberta Government, or is the proposal to sell it to either the City of Edmonton utility or Canadian Utilities Limited?

MR. CRAIK: It, Mr. Chairman, would go through to the various utilities in Alberta, through arrangements that are made internal in Alberta and of course, which we don't get involved in any way, simply that it goes into the Province of Alberta and then becomes distributed to the various utilities there.

They have a Utility Planning Council, or a name such as that, that currently does the planning in Alberta when they undertake an expansion, and although a plant may be built by one utility, it's usually done on a co-operative, — I shouldn't say usually, but on larger plants at least, that are under consideration, in order to bring larger plants on stream there is a co-operative approach to it through the Utility Council, that does some distribution of the energy coming out of the plant.

Now we don't get involved in what happens within Alberta, but any energy going in from Manitoba would be distributed in a manner I suppose, not unlike what happens at the present time, or if they brought on a large plant of their own.

MR. CHAIRMAN: The Honourable Member for Brandon East.

MR. EVANS: Well, I can appreciate that a Utilities Council would want to plan and co-ordinate and so on, but I believe, Mr. Chairman, that Manitoba Hydro has to sell this electricity, if this should come to pass, it has to sell the electricity to some corporate body. I'm sure the Minister's not suggesting that the electricity be sold to the Alberta Energy Planning Council or whatever it's called. There will have to be a contract made with some, it would seem to me with some utility in Alberta, or perhaps with some agency of the Alberta Government, but it seems to me — the reason I'm asking this, Mr. Chairman, and it's a very important point, and that is these utilities are in the business of making money, they are in the business of ensuring that their revenues exceed their costs, and I am suggesting that the thermal power that is now coming on stream is very competitive and may be too competitive for Nelson River power, particularly when it's transported hundreds of miles on a DC transmission line. I am saying these utilities ultimately will have to make up their minds whether they are going to pay a price that is reasonable to them.

What concerns me, Mr. Chairman, is that if it is correct that we cannot lay down Nelson River power at a competitive rate, that we may have to sell it

below cost, and that would be a tragedy as far as I'm concerned. It would be unfortunate if we end up virtually giving away the electric power of the Nelson River.

So, I say to the Minister it's important for us to know, I mean the press statements that we get is that this agreement is imminent and things are going to happen soon. Surely if that is the case, the government of Manitoba, or this agency, this Manitoba Energy Authority which has the marketing committee etc., and surely after the report has been completed as it has been completed, although we are not privy to it, there must be some knowledge, some information as to precisely who in Alberta will be purchasing this power; who will be making that decision. Surely the Minister knows that. Is it the City of Edmonton Utility, is it a Canadian utilities company, is it the Government of Alberta or some agency of the Government of Alberta. It seemed to me that there should be that information available to the Minister. Surely the experts, the officials have gone into this matter.

MR. CRAIK: It will certainly, Mr. Chairman, be to an entity in Alberta brought about by the actions of the Alberta government in conjunction with the Alberta utility, so Manitoba Hydro would be selling to an Alberta entity. But as far as the details on that are concerned it's too early, at this point in time, to go into that any further, but it would be to a single agency in Alberta.

MR. EVANS: The discussions and negotiations that have taken place between Manitoba and Alberta and Saskatchewan have involved who, precisely, Mr. Chairman. Whom have the Minister and his officials been dealing with? Have they been dealing with the Saskatchewan Power Commission with regard to that province, and have they been dealing with these utilities; like in Saskatchewan it's the Saskatchewan Power Corporation, that is the utility which happens to be owned by the government. Have the Minister and his officials been negotiating and dealing and discussing with utilities, or has there been no discussion with such utilities, such companies, directly involved in the distribution of power and sale of power; there's been no involvement with utilities, I presume the answer is the only involvement has been with the government officials.

MR. CRAIK: Mr. Chairman, as far as Manitoba is concerned the marketing committee is made up of both government officials and Manitoba Hydro officials and negotiations were initiated by government action. They came about from the three Premiers at their meeting three years ago, in the full recognition that a Western Power Grid was going to have to be brought about with some sponsorship by the governments. There have been, at the negotiating table — I suppose negotiating table is as apt a description as any, although it is maybe more proper to call it the examination stage — the people involved in it have represented the utilities, I guess, directly from Manitoba and Saskatchewan, and Saskatchewan government officials, and Alberta. The various utilities which number somewhere in the order of about four, I guess, or five, perhaps more smaller ones, have not been directly involved at the negotiating table. Those discussions and the agency

and entity and other things that are to take place in Alberta have been discussions that have been carried on within Alberta only. I am not familiar with what may have transpired there. They have not been directly involved with us in the negotiations that have gone on.

MR. EVANS: I appreciate what the Minister has said, but what I would like to know, whom in Alberta have we been discussing this matter with, I mean precisely which agency, what kind of officials? I gather it hasn't been the utilities, but whom precisely have we been talking to. We've had to have been talking to somebody. Whom do we talk to in Alberta, that's what I'd like to know? I agree they can have their own counsels and discussions among them but whom precisely are we discussing with?

MR. CRAIK: The direct contact at the government level is the Utilities Department in Alberta. Of course they have a number of consultants and others that they have involved with them, with their staff people, economists, and engineers and others who are operational with them in these examinations.

MR. EVANS: If I heard the Minister right, he said the Department of Utilities in Alberta. Mr. Chairman, I have a number of other questions I could ask, and some I could perhaps ask under the Minister's Salary or somewhere in these estimates, but I, for the life of me, find it difficult, although I am a great Canadian nationalist and believe in interprovincial trade and so on in Canada, including trade in electricity, it seems to me that it's like taking coals to Newcastle to try to sell energy to Alberta. If any province is energy rich in this country of ours it has to be Alberta; coal, natural gas, oil. And of course with these thermal sources, coal particularly, you can produce a great deal of electricity and it seems to me that the economics are just not there. It would be fine, I am not against the export sale of power to Alberta, why should we be providing the price is right and the deal is right for Manitobans? I don't see the economics of this because we have to build the transmission line, we have to sell in a market that has the same peak period as we do, their peak time is the same as our peak time in the winter. It would seem to me — and the line is not there — Mr. Chairman, that it would make greater economic sense to try harder to sell to the United States of America. I know there are problems there and I know there have been some discussions, but as far as I'm concerned this government has been remiss in not making greater efforts in selling to the United States. There are already lines to the border; the lines are in place, as I understand it.

The other feature of course is, and the Minister knows this, that their peak is in the summer time, whereas ours is in the winter and their peak therefore compliments us, and this common knowledge; but I repeat it because it's critical in making a determination about the economics of the export of Manitoba power.

I suggest, Mr. Chairman, that greater efforts have to be made by this government and by this Manitoba Energy Authority, and particularly their Marketing Committee which has now has the responsibility for negotiating export sales in accordance with the legislation we passed in this House last year. I think

that ultimately it will make more sense. I recommend to the Minister and his Department that they spend a lot more time on possible export sales to the United States, because I really believe that this is the area where we should have some potential, and I am not expert whatsoever in this area, I don't pretend to have a lot of knowledge, but I would gather that there is a greater need for energy south of the border than there is in the province of Alberta.

Having said that, the ideal of course is to utilize the electrical energy within the province of Manitoba itself. That is the ideal that we use it for our own purposes, for our own industry, for our own industrialization in Manitoba, and for the benefit of the householders in Manitoba. It's rather interesting, Mr. Chairman, that all of the industries that the government has talked about that could come about, the so-called mega projects, are all rather dependent on the Hydro electricity that we've already harnessed and can harness, and that therefore, there's a recognition obviously that this is one of our perhaps greatest assets at the moment in terms of natural resources.

At any rate, if it does make some sense to export, then I think that the obvious place of greatest concentration has to be with the American states to the south of us. Having said that, I recognize this involves Federal participation and Federal approval and agreement but, inasmuch as, the province of Quebec is very much active in hoping to sell its surplus south of the border — it has the James Bay Project now developed — inasmuch as it expects to sell a great deal to American markets, I am sure the Federal Government will not stand in their way. I trust that the Federal Government would not stand in the way of the Province of Manitoba if it was deemed to be in our interests to do likewise, that is to export south of the border.

I would wonder if the Minister would like to comment on that point. It's a very important point of policy, and that is let's get on with the job of trying to export more to the United States.

MR. CRAIK: Mr. Chairman, I don't agree with 90 percent of what the member is now saying, and I think he really has defeated his own argument. He mounted a great case for not being able to compete with a mine mouth planned in Alberta, but he says that we can export to the United States and one of your biggest mine mouth plants in United States is in North Dakota, not too far from here. Is he going to export into that market? They're feeding power into the same area where you want to get into in the United States. The pure fact of the matter is until you break out of the circle that surrounds Manitoba, which is fairly low priced power, you can't get into a high priced power market area. One of the best places at the present time, with a growth rate to back it up, is the province of Alberta. It also happens to be Canadian, and I guess that's where the difference comes in. We have adopted the policy that it's in Canada's long-term interest, perhaps not short-term, but in Canada's long-term interest, to keep the energy supply in Manitoba. The connections to the United States are valid and valuable. We would like to have seen the likes of the ManDan Line proceed and I think probably it will, but the Nebraska Public Power District, for instance, has experienced what's happened elsewhere in the

United States, their load growth has fallen off and they don't require the power until sometime further down the line.

I want to say more pointedly that anyone who negotiated a power agreement, like the former government negotiated in 1976, certainly doesn't have any grounds upon which to stand up and tell anybody else how to negotiate a power agreement. I sat through National Energy Board hearings personally, as a member of the Opposition in 1976, listened to that debate, and never saw one member from the government ever show up, not a Cabinet Minister, not a soul ever showed at those NEB hearings in 1976. They didn't have one iota of interest in what was happening when they signed that NSP agreement. They still don't know what they signed in that NSP agreement, and they haven't got a soap box to stand on for three minutes, and stand up and start telling somebody else what to in regard to power agreements with the United States.

I hope they sit down and look at that sometime, because they are going to get hit with that, and I am going to go after them the next time I get a chance on the hustings to tell the people exactly what they did; tell them why they made arrangements to sell power to the Americans at 8 cents a kilowatt hour less than they sell it to the consumers in Manitoba. That was 8 mills less than the rate that they sell it in Manitoba. That's what they arranged to do. In fact, they sold it cheaper than that. They signed an agreement that sold energy in the US for 6 mills, and they turned around and whacked the ratepayer here with 22 mills; right when we were under wage and price controls they did it. They stand up and start advocating how somebody else should enter into power agreements. That is the government that has the worst record of the energy handling that this province has ever seen in its history, a complete abdication of responsibility. They drove up the power rates here in three short years by 100 percent, right when wage and price controls were dictating 6 and 7 percent increases for everybody else, they whacked the Manitoba citizens with 20, 25 percent increases three years in a row, Mr. Chairman, and they stand up here and tell us how we should set up and run an electric utility. A complete cop-out from responsibility. That's exactly what they demonstrated when they were in government.

So anything they have to say and advise the people of Manitoba on with regard to the production of electrical energy should be taken with a grain of salt, Mr. Chairman, and when they're advocating now that we ought to get in to agreements in the United States rather than Canada, just stop, read the 1976 agreement, and show us what they did to protect Manitoba's interest and I think they'll come away not repeating that story again in this House.

MR. EVANS: It must be getting late for the Minister to be getting involved in such highly partisan statements.

Mr. Chairman, any idiot knows that if you are expanding the power system of Manitoba Hydro and you're developing what the Minister knows is very costly power on the Nelson, particularly compared with the old Winnipeg River plants which were developed decades ago, that it costs money and it costs inflated dollars, you know that, and you can't do that without increasing the rates. For anyone on

that side to sit there and say we were guilty of raising the rates, at the same time developing the Nelson River, which incidentally goes across three administrations, the Campbell administration, the Roblin, well, I guess, the Weir, four administrations if you like, but certainly three political parties and the Schreyer administration, and the hydro rates had to go up to pay for high cost Nelson River. If you could tell me it could be done cheaper than it was done, then you know less than I give you credit for, because the Manitoba Hydro as a publicly owned corporation is a non-profit corporation, it provides power at cost and it has done so throughout its history and we all know that, that the rates would reflect the cost of construction.

As far as the Minister's criticism of the deal of power exports to the United States — I was not directly involved in that — but I asked him to talk to some of the people that still work for him in Manitoba Hydro because we were getting advice from probably the same people he's getting some advice from today, some of the senior planning officials in Manitoba Hydro. The Chairman has changed but all the other officials are still there, the same expertise that was there when we were in office is the same expertise that's there today.

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

MR. WALDING: Mr. Chairman, when my colleague was making his last few remarks I heard shouted remarks from the other side about increases in Hydro rates and the stabilization for five years. I wonder if gentlemen opposite think that it was because of them or their policies that there was no increase in Hydro rates for five years? Mr. Chairman, it simply was not.

Why has it been that Hydro was able to keep its rates stable for five years? Simply because of the capacity that was put in, in the 1970s. — (Interjection)— Mr. Chairman, when gentlemen opposite have finished their laughing I would be very pleased to tell them, because most of them there were not at the Public Utilities meeting of two years ago when Hydro appeared and gave us their projections for the five years, and we were able to question them quite carefully on them. What we found was that for the first year there was no increase; for the second year there was an increase; the second year there was a decrease which cancelled out the increase. The fourth year there was to be an increase and the fifth year there was to be a decrease, the net effect being that after five years, Manitoba Hydro anticipated that its rates would be no different from what they were.

In other words, by Hydro's own estimates, there would be in effect, no increase in rates for five years. Because why? Because the generating capacity was put in place when money was borrowed at 6, 7 and 8 percent, something which would be impossible to do if they were still building Churchill River Diversion or Lake Winnipeg Regulation, or even Jenpeg — and someone shouted Jenpeg — I'll come back to that in a minute. So that is the reason, and this government's claim that by its actions it froze the rates for five years is simply not true, Mr. Chairman.

There's one other thing too, about the so-called rate freeze by this government, and that is one of the

reasons given by the government at the time for taking unto itself the foreign debt exchange rates, or was it Manitoba Hydro's reserves were down to, I forget, \$20 million perhaps, and —(Interjection)— I'm corrected by the member at the back for five years, he may be right, I don't know what it was. But it was anticipated that along with its no increases in rates over five years, that there would be a reasonable increase in Hydro's reserves — and I don't have the figure in front of me, I cannot quote it — perhaps \$50 million. One of the reasons given by the government for that freeze was that it was to enable Hydro's reserves, its stabilization, and it has another reserve, contingency, I believe it calls it, up to somewhere around \$120 million was the figure given and this was intended to take five years.

Well, Mr. Chairman, it so happens that Manitoba Hydro has made a considerable amount of money over the last couple of years. The last time I looked at the report for the year ending 1980, Manitoba Hydro's reserves were up to \$140 million-something, in round figures \$140 million. In other words, the reserves have reached a point in just over two years, say three years, that the government intended it to rise to in five years. So the effect that we are having, Mr. Chairman, is that Hydro is not able to reduce its rates to Manitobans because of the freeze that was put on by this government.

We suggested last year to Hydro that maybe they should go to the Public Utilities Board or that the Minister reporting should go to his Cabinet colleagues and say, look, let us take off our freeze so that we can benefit Manitobans at a time of double-digit inflation, allow Hydro to reduce its rates, and perhaps encourage a few more Manitobans to change from fossil fuels to a renewable fuel basis.

The Minister mentions a contract that Hydro signed back in 1976 for the sale of power. That was also, Mr. Chairman, a contract for the purchase of power. It so happened that it was what's called a diversity exchange which allowed us to sell power to Minneapolis on a very complex basis, Mr. Chairman. I have a copy of the agreement that I would be willing to show to any member that is interested, and as most inter-utility agreements are, it is a very complex document; it provides for certain operating costs and various other contingencies, but what it means is that we are entitled to sell them the power under those particular circumstances in the wintertime, as my colleague has pointed out, we are entitled to buy power from them in the summertime, which again as surely everybody knows, is the most economical use of our power facilities and their power facilities. When they have excess power they can supply it to us, when we have excess power we can supply it to them.

Even as of a couple of years ago, the Tritschler Commission reported that on an average basis, we had sold our surplus power on an export basis for something like 1.5 cents. Now I say on an average basis, Mr. Chairman, because Manitoba Hydro sells its power on an interruptible basis and the price can vary depending on whether it's for a few hours during the day, whether it's an overnight rate, a weekly rate, a weekend rate, and it often happens, Mr. Chairman, as probably members know, that Manitoba Hydro will buy power from the south during the hours of darkness, when it's cheaper for

their utilities because they're thermal utilities to keep their generators running and burning oil, they are prepared to sell us their excess power very cheaply. At the same time that Hydro is buying this power overnight, it closes down its own water generators, stores the water in the forebay, and then the next morning Hydro phones its sister utility in the States and says, do you want to buy your power back, we'll sell it to you at a higher rate. It happens all the time.

These sorts of negotiations for interruptible power continue on a basis as frequently as several times a day. Manitoba Hydro will sell power for a few hours, for a day, for a week, and they are experienced at it, Mr. Chairman, they've been doing it a long time. I believe that they do it very well. I believe that they get the very best rates that are possible and they are responsible for a great deal of revenue flowing into Manitoba Hydro's coffers that otherwise would simply not be there.

One other point, Mr. Chairman, much of that negotiation that I mentioned is done by utilities that have been doing this sort of thing for decades. Mr. Chairman, utilities are not babes in the woods when it comes to negotiating with each other; they have a lot of experience; they know what they're doing; they've done it many times before. What this government has done has been to take over that job from someone with the experience of Manitoba Hydro and it is this Minister's negotiators who are simply babes in the woods when it comes to negotiating with utilities in other parts of this continent. And Mr. Chairman, I have been told and I cannot quarrel, that this government through the negotiations it has been doing, has become something of a laughing stock amongst utilities; that the government's negotiators will go and start negotiations, find themselves in some difficulty they don't know, they have to go running back to Hydro and say, what do we do now? What's our response, what do we do? Hydro has to give them the answers, they go running off again to the utility and sit down at the bargaining table.

Now, Mr. Chairman, what confidence can we have in a group of neophytes who are quite out of their depth at negotiating to do this negotiating with people that have been at it for many many years and decades, who know what they are doing. Mr. Chairman, I wonder if we are really getting the very best deal for Manitoba to put our trust into those people who are doing that negotiation.

Mr. Chairman, Mr. Justice Tritschler had quite a bit to say about government interference in Hydro's affairs. The government found much to quote from Mr. Justice Tritschler. They don't seem to have said very much about that matter at all. In fact they seem to be doing exactly the opposite, from what Mr. Justice Tritschler recommended them to do.

Mr. Chairman, we might find ourselves, in a matter of months or a year or so, in a position when we might be asking Mr. Justice Tritschler to look into this particular aspect of the government's involvement in Hydro and perhaps for \$2 million, or maybe we can arrange a little bit cheaper price than that, perhaps he will tell us what he thinks of this government's involvement in Hydro's affairs.

MR. CRAIK: Mr. Chairman, there's not much in the way of questions to answer. I find it passing strange that the Member for St. Vital has the courage to get

up and use the Tritschler Commission to support an argument — and of course he looked like he was going to but he really didn't do it because he knows he can't, because the Tritschler Commission does make the recommendation in there that has brought about the fact that we're discussing this item under the Manitoba Energy Authority; and the Tritschler Commission, amongst other things, suggested from having examined the experience of the last government, that it might be helpful if a government knew what it was doing because it obviously didn't under the former government when it came to making agreements outside of the Province of Manitoba, in particular. It's pretty evident from the former government's track record and from the Tritschler Inquiry Commission that the government wasn't even capable of analyzing the information that was being provided to it by its major utility, Manitoba Hydro, and therefore got into the troubles it got into by overspending and being unable to access what was being presented to it.

I say again, Mr. Chairman, that the best evidence that the Government will find is in the Export Agreement as signed in 1976, which the member glosses over by saying, well, power goes south and power goes north and it all washes out, and it's good for everybody and these Utilities are really big boys and they know what they're doing. I'd say I agree with them, you know, it does all of those things but what really happened was that former government that should have stood up and taken the responsibility, which they were incapable of doing, and as I say never showed up once at the National Energy Board hearings. No government department, although the government had the responsibility in the final analysis, I think, of entering an agreement; certainly the Federal Government seemed to be prepared to present its case, do its analysis and presentation; no member of a government department ever showed up at those hearings, no Cabinet Minister, no anybody else from the government that I ever saw to even show any interest in what they were getting into with regard to the agreements with the United States.

I think that agreement, had it been drawn properly, could be bringing real benefits to the Province of Manitoba, benefits that are not being received now. I agree that the Tritschler Commission dealt principally with the work on the Nelson River and showed the waste that was entered into there; the overruns where projects went from \$30 million to \$150 million and from \$90 million to over \$300 million, those kinds of things which are fairly easy to identify. What will show up as time goes by is that the agreements that that former government entered into on these export sales could have been far better had they had even the slightest knowledge about what was going on; even the slightest knowledge which they obviously didn't.

So, now they have to sort of have to try and cover it up by saying, oh, well, you fellows don't really know what you're doing over there if you had just left it up to the old boy network everything would have worked out like we did. Well, Mr. Speaker, we can't afford to blow \$500 million on projects that weren't required, to lose another \$500 million on foreign currency losses and have to bring in losses to the Government — he refers to \$140 million in the

three years that the freeze is now going into for its third year. The costs to the Government are going to be up pretty close to the number that he has recognized. That won't be lost on the people of Manitoba, Mr. Speaker, they'll be told the facts despite the nonsense that they'll get from the members across the way as they scurry around and try and cover their tracks for the bad job and real terrible mess that they left in their handling of the energy supply to this province through Manitoba Hydro.

MR. WALDING: Mr. Chairman, just a couple of points that really must be answered and I'm not going into any great depth, it's getting a little bit late. The Minister again brings out his quotes about overruns and \$500 million that was wasted, forgetting to tell us, Mr. Chairman, that this report was originally supposed to cost \$150,000 and ended up costing \$1.35 million directly, plus a considerable amount that Manitoba Hydro cost. A factor of somewhere about 10 or 11 times the original estimated cost, Mr. Chairman.

The increases in the cost that Manitoba Hydro experienced were nowhere near that amount. The Minister says that he would like to go on the hustings and tell people about the Government's taking over the foreign debt charges. I hope that he will do that, Mr. Chairman, because we will point out to him that before his Government, by policy decision, made that change those costs were being picked up by Americans to the south of us, by people in Ontario and by people in Saskatchewan who were paying part of those costs because they were buying electrical power. What the Government did when it took over those costs was to say: You don't have to pay part of that; people in Ontario you don't have to pay part of that; people in Saskatchewan you don't have to pay part of that; Manitoba's taxpayers will pay that. Something like \$35 million entirely to be paid for by Manitoba taxpayers, not those people outside our borders who were paying for it before. He wants to go to Riel time of the next election, drop over into St. Vital and tell people that. I'll tell them the other side of the story.

MR. CRAIK: Mr. Chairman, I can't direct a question back across the floor but I can point out to the Committee that it must be difficult for anyone other than the Member for St. Vital to figure out how the burden of foreign debt costs got passed on to the exports into the U.S. or into Ontario or to elsewhere that he refers to; just how can that be done?

MR. WALDING: Well, Mr. Chairman, the answer is simple and I don't mind the Minister directing a question over here. Until the Government made this policy change, Manitoba Hydro got its revenues from only one source and that was the people who bought its power, so whether that was Manitobans who bought the power or people in the United States, people from Ontario or people from Saskatchewan, they paid part of the total costs of Manitoba Hydro. The Minister says we're changing that basis. These costs will now be paid for solely by Manitobans out of their taxes. We dealt with it just a couple of days ago under the Minister of Finance's Estimates and I will find the amount for the Minister pretty quickly, it is \$35 million this year. Had the Government not

brought that change in that \$35 million would have been paid, Mr. Chairman; Manitobans would have paid much of it but some of it would have been paid by people outside our borders.

MR. CRAIK: Mr. Chairman, the Member appears to be suggesting that as a result of the higher costs to Manitoba Hydro or as a result of the foreign borrowings it got passed onto the Manitoba taxpayer, if those had been left with Hydro, that Hydro would have either sold more power to U.S. or sold it at a sufficiently higher price. Mr. Chairman is the Member really trying to say that somehow the financing that took place in Manitoba determined the average price of the power going out to the U.S.?

MR. CHAIRMAN: (d) — pass. The Honourable Member for St. Vital.

MR. WALDING: Well, Mr. Chairman, the Minister can go back a couple of years to the presentation of Manitoba Hydro to the Public Utilities Committee — and I have the figures somewhere here that if wants to wait I'll dig them out to him — that showed Manitoba Hydro's projection over the five years; and that was that they projected the payment of its foreign exchange debts. And the other side of the ledger, their income came solely from the sale of electrical power. What I'm saying to the Minister is that before the change was made it was all of those purchases of Manitoba Hydro's power that paid those foreign exchange costs. Now the change has been made it's solely Manitobans who are going to pay it. It's pretty simple, Mr. Chairman.

MR. CRAIK: Mr. Chairman, I won't belabour this any further because it must be perfectly evident that it's absolute rubbish. The foreign currency, the ones that have been paid off have averaged an effective interest rate of 24, 29 percent, that have been paid off so far. And, the Member is suggesting that if they had borrowed in Manitoba, in Canada, in U.S. at a rate of 10 percent, which would have been about the current rate at the time they took those out, that they somehow were able to have passed on the spread between 10 percent and 29 percent to the export sales and therefore you shouldn't worry about having to have paid 29 percent interest rate. That's what the Member said; that you should recognize that those foreign borrowings were really not so bad because you were able to get the money back. — (Interjection)— Well, the member said that; that was his opening statement. The member's opening statement, Mr. Chairman, was that you shouldn't worry about the foreign debts too much because you got the money back out of the sale to the U.S. or where else? Well, Mr. Chairman, it must be perfectly evident that there would have been some real nice profits come to Manitoba had they been sensible enough to borrow at equitable rates and save money on their interest charges.

MR. WALDING: Mr. Chairman, I didn't say any such thing that the Minister attributes to me. We've been through the argument about off-shore borrowings many times before. The Member for Inkster puts it very well and has done on a couple of occasions about the farsightedness of the former Minister of Finance who was so knowledgeable as of three years

ago that he should be able to foresee that. That's a separate argument, Mr. Chairman, I am not dealing with that. The simple point that I'm making is that until such time as the Government made the change it's revenues came from only one source and they covered whatever Manitoba Hydro's expenses were. Now, Mr. Chairman, that is simple; it should be simple enough for all members over on that side to understand, but apparently it's not simple enough for the Minister.

MR. CHAIRMAN: (d) — pass; Resolution No. 58, Clause 2, Energy, (a) Energy Management, (I) Salaries — pass. I have a motion Committee rise. (Defeated)

Clause 2, Energy (a) Energy Management (1) Salaries — pass.

The Honourable Member for St. Vital.

MR. WALDING: Mr. Chairman, I find the Government's response rather strange. I don't know whether it's this particular Minister or whether there's been a change in policy by the Government but we have been through quite a few Estimates by this time. Perhaps members opposite have been keeping note of the time that was involved; we haven't, but our Whip tells me that Estimates have going through in far less time this year; they've also been going through quite smoothly, I believe. We have found that Ministers have been very co-operative; they have provided answers to questions; when the time has reached something after 10 o'clock even the Ministers themselves have been reasonable enough to say, we've been in this place long enough, let's go home, let's come back fresh tomorrow and we can pass through a few more things. Mr. Chairman, the time is now 20 minutes to 12, we were looking to this Minister to show a similar amount of reasonableness as some of his other colleagues; that was the reason that I moved that Committee rise. Mr. Chairman, is it being so unreasonable to wish to go home at 20 minutes to 12? The other Committee, I believe, has adjourned well over an hour ago, Mr. Chairman, yet some of my colleagues have sat here and endured our debate and a number of remarks by me, at least. So I'm asking gentlemen on that side, is there any particular reason why they should be taking this attitude? Do they intend to ram everything through tonight or is there any particular reason for wanting to deal with energy? Is there something of particular urgency that cannot wait for tomorrow?

Mr. Chairman, we are prepared to be reasonable. We look to the government to show an equal amount of reasonableness.

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

MR. EVANS: Well, Mr. Chairman, I can stay as late as the Minister, but he is self-defeating; he is engaged in a very self-defeating process, because if we want to be here another two or three week on this, we will be.

I think we had a certain amount of questions we wanted to ask the Minister and the thing would be over in a matter of, I don't know, two or three days, but if wants to take that attitude, we can be here two or three weeks and not just the few of us here but another five or ten perhaps, and go into a hell of a

lot more detail than maybe we would have in the first place, so I think that the Minister is taking an unreasonable position. But if he wants to sit there and carry on, we'll carry on.

I'd like to know from the Minister, how many SMYS he has — I think there was 10 indicated in Energy Management — but exactly what are these people doing in Energy Management?

MR. CRAIK: Mr. Chairman, I did give those figures, but I can give them again. I can see that the Member for Brandon East is getting a bit exercised here and I wouldn't want that to happen because he'll perhaps lose his forceful arguments and I suggest that we do pack it up and go home too.

MR. CHAIRMAN: Committee rise.