

TIME: 10:00 a.m.

**OPENING PRAYER by Mr. Speaker.**

**MR. SPEAKER, Honourable Peter Fox (Kildonan):** Before we proceed, I should like to direct the attention of the honourable members to the gallery where we have 32 students Grade 4 standing of the Deloraine Elementary School under the direction of Miss Helen Hastings. This school is located in the constituency of the Honourable Member for Arthur.

We have 10 students of the Inglis Elementary School under the direction of Mrs. Fingas. This school is from the constituency of the Honourable Member for Roblin.

We have 18 students Grade 9 standing of the Greenland School under the direction of Mr. Wohlgemuth. This school is from the constituency of the Honourable Member for La Verendrye. On behalf of all the honourable members, we welcome you here this morning.

Presenting Petitions; Reading and Receiving Petitions.

**PRESENTING REPORTS BY STANDING AND SPECIAL COMMITTEES**

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

**MR. D. JAMES WALDING:** Mr. Speaker, I beg to present the fourth report of the Committee on Economic Development.

**MR. CLERK:** Your Committee met on Thursday, May 26, 1977, to consider the Annual Reports of: Manitoba Forestry Resources Ltd., (September 30, 1976)

Leaf Rapids Development Corporation Ltd. (March 31, 1976)

The Committee was also provided with unaudited Financial Statements for the year ended March 31, 1977.

Having received all information requested by members of the Committee from Leifur J. Hallgrimson, Chairman of the Board of Directors of Manitoba Forestry Resources Ltd., and Wilson Parasiuk, Chairman of the Board of Directors of Leaf Rapids Development Corporation, the Reports were adopted, as presented.

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

**MR. WALDING:** I move, seconded by the Honourable Member for Gimli, that the report of the Committee be received.

**MOTION presented and carried.**

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

**INTRODUCTION OF BILLS**

**HONOURABLE LAURENT L. DESJARDINS, Minister of Health and Social Development (St. Boniface) on behalf of the Honourable Minister of Finance, introduced Bill (No. 84) The Statute Law Amendment (Taxation) Act (1977)(2).** (Recommended by the Honourable Lieutenant-Governor of Manitoba.)

**HONOURABLE SAUL A. MILLER, Minister of Finance (Seven Oaks) introduced Bill (No. 85) An Act to Amend the City of Winnipeg Act (2).**

**ORAL QUESTIONS**

**MR. SPEAKER:** The Honourable Member for River Heights.

**MR. SIDNEY SPIVAK:** Mr. Speaker, my question is to the Minister of Finance. I wonder if he is in a position to report to the House any analysis that he or other members of his department may have with respect to the Job Creation Program developed by the government as to whether it is on schedule and as to how many jobs have in fact been created and how many people are employed at the present time.

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

**MR. MILLER:** No, Mr. Speaker, I am in no position to give that information. The program is moving but I can't give figures. Various branches are looking after it. There is the provincial job office; there is Industry and Commerce; there are interdepartmental jobs themselves, these are handled by different groups and we have no idea how far it is advanced, how many have been hired, whether it is starting Monday or starting a week from Monday. I haven't got that information.

**MR. SPIVAK:** Mr. Speaker, to the same Minister. The program itself is essentially a four-months program. We are almost into the completion of the first month. Is the government . . .

**MR. SPEAKER:** Question.

**MR. SPIVAK:** Well, is the government not in a position to make some assessment at this time as to the progress that has been made and the job creation that has in fact been developed?

**MR. MILLER:** Mr. Speaker, I believe yesterday a similar question was asked and I believe the Minister of Industry and Commerce indicated that next week he would try to get more details, more

factual details than are now available to us.

**MR. SPIVAK:** Mr. Speaker, to the same Minister. I believe the Minister of Industry and Commerce accepted the question with respect to the responsibilities dealt with by his department. What I am concerned with is whether the government has any overview as to be able to determine whether in effect the job creation overall has been undertaken and whether the lead time given in connection with the program was, in fact, sufficient to be able to have any meaningful impact with respect to the unemployment situation in the province.

**MR. MILLER:** Mr. Speaker, I don't phone staff every day to get a running account on what is happening. It's in the hands of staff; it's being worked on; I don't doubt that we will be getting a full report but at this point in time to start phoning daily to find out whether 10 more or 100 more or 50 more have been found jobs is . . . I don't operate that way. We have a program; it is launched; the municipalities are involved; community organizations are involved; applications are being vetted and this will all be known in a few weeks. To give you a boxscore today of how many are on, how many are off, how many are pending, I am in no position to do it and frankly I think it would be a waste of my time to even try to get that information on a daily basis.

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

**MR. J. WALLY McKENZIE:** Mr. Speaker, I have a question. I guess I can direct it to the Honourable the First Minister or the Acting Premier. I wonder can the Acting Premier advise the House if the government has had any meetings or consultations with the Manitoba Metis Federation regarding the 45 recommendations of the Commissioner of the Manitoba Land Commission, Mr. Guiboche

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

**HONOURABLE RUSSELL PAULLEY (Transcona):** No, I am not aware of . . . I did not intend any such meetings. I don't know if any of my colleagues . . . The Minister of Health may have been involved in a meeting dealing with the Metis generally, or the Minister of Renewable Resources, who is not present so, therefore, Mr. Speaker, I will take the question as notice.

**MR. McKENZIE:** I have a couple of more questions, Mr. Speaker. Maybe the Acting Premier can taken them under advisement. The second question would be, if the government intends to present a brief to Commissioner Guiboche regarding these 45 recommendations; and the third question would be, I wonder would the government consider setting up an all-committee House committee to study recommendations that are now public information.

**MR. PAULLEY:** In reply to the last question, Mr. Speaker, I would suggest if the Honourable Member for Roblin has the brief and their 45 recommendations, I would suggest that he make arrangements to meet with Mr. Guiboche for a consideration of those recommendations.

In respect of the question — are we prepared to make representations to such a delegation? — it would be most unusual, unless by specific invitation.

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

**MR. WATT:** Mr. Speaker, I direct a question to the Minister of Highways. I wonder if the Minister of Highways could indicate, is it his intention to remove all distance and speed limit signs on provincial highways and provincial roads and replace them with metric signs?

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

**MR. BURTONIAK:** Mr. Speaker, first of all, destination signs for now, in some areas are in both. The distance is shown in miles and in kilometres. But the speed limits, whenever that comes about, whenever we go into metric, speed limits will be only in the metric system.

**MR. SPEAKER:** The Honourable Member for La Verendrye.

**MR. BANMAN:** Thank you, Mr. Speaker. I direct my question to the Minister of Tourism, and would ask him if the Department of Tourism has purchased the MS Lord Selkirk from the Manitoba Development Corporation?

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

**MR. HANUSCHAK:** Mr. Speaker, that happened some time ago.

**MR. BANMAN:** I wonder if the Minister could inform the House as to whether the Department of Tourism will now be picking up the complete expense tab for the operation of that particular venture?

**MR. HANUSCHAK:** Mr. Speaker, the MS Lord Selkirk and Gull Harbour Lodge will be operated as one corporation, run as one operation, in a similar manner to which our other parks are operated.

**MR. BANMAN:** I wonder if the Minister could inform us as to what status Venture Tours is now. Is that a subsidiary or a wholly-owned subsidiary operated by the Department of Tourism?

**MR. HANUSCHAK:** At this particular point in time, we are in the process of reorganization, as I have said, consolidating the operation of the MS Lord Selkirk and Gull Harbour Lodge, and I cannot give an answer to the honourable member at this precise point in time just exactly what stage we're at in the process of reorganization.

**MR. BANMAN:** A final question. I wonder if the Minister could inform the House if there is any anticipated repayment of capital or interest on the purchase from MDC for the MS Lord Selkirk?

**MR. HANUSCHAK:** No, Mr. Chairman, in accordance with the agreement that we've entered into with the Federal Government for federal cost-sharing, there is no provision for it. No more than there

is, Mr. Speaker, for any capital recovery that may be spent in the establishment of any provincial park.

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

**MR. WILSON:** I have a question to the Minister in charge of Autopac. Would the Minister confirm that Mopeds will be legal as of June 1st? It has been brought to my attention that Canada Tire store is selling Mopeds with hand brakes rather than disc brakes. I wonder, is there any braking regulation in this new thing that's coming up on June 1st, and are hand brakes really safe at 25 miles an hour?

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

**MR. BURTONIAK:** Mr. Speaker, I think the honourable member should have a copy of the bill, and if he took the time to peruse it I think the questions that he is asking the answers could be found in the bill.

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

**MR. EINARSON:** Mr. Speaker, I would like to pose a question to the Minister of Highways along the lines that posed, the Member for Arthur and I would like to have it confirmed, just to make sure that I am correct on this, that metric signs which are going to effect the changes in speed limits will be put up on Manitoba highways by September 1st? Could the Minister confirm that?

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

**MR. BURTONIAK:** I think that I answered that yesterday. The question was posed to me by the Member for Lakeside, maybe the day before. Anyway, some provinces had agreed, way back last fall, that they would probably go into the change-over to the metric system, as far as speed limits are concerned, by September of this fall. Some provinces will not, perhaps some time later, either later this fall or probably as late as 1978. But the gradual change will take place in Canada as far as speed limits are concerned in the metric system this year.

**MR. EINARSON:** Mr. Speaker, I'm sorry I wasn't here yesterday so I didn't hear the question posed. Do I understand from the Minister that no definite time has been set, or is he prepared to give a definite time as far as Manitoba is concerned?

**MR. BURTONIAK:** Mr. Speaker, as far as I am concerned, Manitoba has not given a definite commitment as to whether we're going to go in September or October or whatever. We will be going into metric, we have made that commitment, but as far as to when the speed limits will be changed into metric, perhaps it will be some time this year or early 1978.

**MR. EINARSON:** Mr. Speaker, I pose a third question to the Minister then. Has his department begun making metric signs for the Province of Manitoba?

**MR. BURTONIAK:** Mr. Speaker, the honourable member should know that it takes a little time to make all the signs for the speed signs and destination signs for the province. We have several thousands of them to make, and lead time is needed. So naturally, we would have begun making metric signs at the present time, to be ready whenever that comes up.

**MR. SPEAKER:** The Honourable Member for River Heights.

**MR. SIDNEY SPIVAK:** Mr. Speaker, my question really, is first to the House Leader. With respect to Venture Tours and the questions that were asked of the Minister of Tourism, I wonder then if the Minister is in a position to indicate whether Venture Tours or the operation of the hotel will in fact come before a committee, in the conventional way that MDC corporations have come before a legislative committee?

**MR. SPEAKER:** The Honourable Minister for Mines.

**HONOURABLE SIDNEY GREEN (Inkster):** It will be part of the Estimates of the Department of Tourism, Mr. Speaker, so it will certainly be before a committee and will have to be reported to by the Minister. I would like to indicate, Mr. Speaker, that what was done, I believe, was reported upon last year, that we took Venture Tours, and all of its financial implications, out of the books of the MDC and put it into the books of the Tourism, in the same way as we did with Churchill Forest Industries. We took it out of the books of the MDC, put it into the books of the government. We have retained the corporate structure of Venture Tours because the Department of Tourism wishes to operate that.

I would like to indicate, Mr. Speaker, that this is Selkirk Navigation, which was advanced to a private company by the Manitoba Development Fund prior to 1969, received an advance of a million dollars to a private company. They went broke and the boat was received by the Province of Manitoba.

**MR. SPIVAK:** I wonder if the Minister of Mines and Natural Resources could indicate whether the intention would be to file a financial statement in this House, rather than have the Minister report on his Estimates. Will we actually deal with the financial statement of the operation?

**MR. GREEN:** Mr. Speaker, when the Minister is before the House with his Estimates he will give to the House such information and material as the Minister is generally required to do. I would think that if there is a separate statement, with regard to Venture Tours, in other words, if it's a corporate structure, that it would go without saying that he would present a statement to the House and that they would question him on that statement. I believe, Mr. Speaker, when the money was advanced by the Manitoba Development Fund to Venture Tours, that there were several shareholders, including

Dr. Joe Slogan, one of the former candidates for the Conservative Party . . .

**MR. SPIVAK:** Mr. Speaker, my question is to the Attorney-General. I wonder if he can indicate whether the government has now prepared substantial amendments to the Marital Property Act, and whether in fact, if those amendments have been prepared, they will be introduced to the House before we complete the bill on second reading?

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

**HONOURABLE HOWARD PAWLEY (Selkirk):** Mr. Speaker, there are amendments being prepared to both the Marital Property and the Marital Maintenance Bills, which I had indicated when I introduced the bills for second reading I anticipated that there would be many. I hope to have them in my hands very shortly to peruse myself, and at that time I will have to make a decision as to whether it would be more advantageous to distribute them in the House before proceeding to committee, or whether to distribute them in committee, but that decision will wait my opportunity to peruse the amendments. They are basically of a legal and technical nature.

**MR. SPIVAK:** I wonder then if the Minister can indicate whether the proposed changes are of a substantive nature, and if they are of a substantive nature whether the debate on the Marital Property Act can in fact be completed until they are known.

**MR. PAWLEY:** Yes, Mr. Speaker, the amendments that would be proposed, as I indicated, are basically of a legal or a technical nature, with one exception, that I am prepared at an appropriate opportunity to make it very clear, it was always our intention — the honourable member would like me to proceed — that the legislation would not affect existing separation agreements or judicial orders. There was some impression apparently, from the draft bill distributed that would affect every existing separation agreement or judicial order. That is not the case.

**MR. SPEAKER:** Before we proceed, I should like to direct the attention of the honourable members to the gallery where we have 45 students, Grade 8 standing of the Warren Collegiate under the direction of Mr. Wiebe. This school is in the constituency of the Honourable Member for Lakeside. We welcome you here this morning.

The Honourable Member for River Heights.

**MR. SPIVAK:** . . . the Attorney-General. In his remarks, he made reference to a draft bill. The bill before us, as I understand it, is a bill, not a draft bill. I wonder then if he can indicate whether it was always the government's intention for the legislation not to affect existing legal separation agreements.

**MR. PAWLEY:** Yes, it was.

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

**MR. WILSON:** I have a question for the Minister in charge of Corrections. Can the Minister confirm that on or about April 26th, four boys at the Terrace Cottage were sexually assaulted at the Manitoba Youth Centre. — (Interjection)— All right, I'll file this report with the Minister. Will charges be laid? Is it customary to file these type of reports, there's a risk of being an inmate at that particular Youth Centre.

**MR. SPEAKER:** The Honourable Minister for Corrections.

**HONOURABLE J. R. (Bud) BOYCE (Winnipeg Centre):** Mr. Speaker, if the member has information that a criminal offence took place it is incumbent upon him to turn that over to the Attorney-General immediately, because if he does not, he is thwarting justice. If he has information that such an event took place, and he has held it to this length of time, that he is totally irresponsible. I will be glad to investigate it. . . It is despicable, Mr. Speaker. .

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

**MR. GREEN:** Mr. Speaker, . . . the honourable member is talking about cover-up, obviously he has never read anything about the history of penal institutions and what can happen in a penal institution. There is no such thing as a cover-up. The Minister asked for the information, it would be dealt with.

Mr. Speaker, I move, seconded by the Honourable the Attorney-General, that Mr. Speaker do now leave the Chair and the House resolve itself into a Committee to consider of the Supply to be granted to Her Majesty.

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

## COMMITTEE OF SUPPLY

### SUPPLEMENTARY ESTIMATES

**MR. CHAIRMAN, William Jenkins (Logan):** Order please. Honourable members have copies of their . . . which were distributed, I believe, some time ago . . . their sheet on Supplementary Estimates of Current Expenditure? Resolution 1. The Honourable Minister of Finance. .

**MR. MILLER:** Mr. Chairman, this is a supplementary supply, the Supplementary Estimates which, as everyone knows, has already been announced in the House. It amounts to \$12,906,600.00. There are four lines. One deals with agriculture, the Farm Income Assurance Plan. The other is Education, dealing with School Grants and Other Assistance. The third is the Workplace Safety and Health and the fourth is an enabling line in the Canada-Manitoba DREE Agreements. These were not included in the Main Estimates because at the time that the Main Estimates were finalized, vital information with regard to these was not available and therefore it had to be put in as a supplementary supply bill.

Mr. Chairman, I think they speak for themselves and I think during the course of the Estimates of the Department a lot of this information was known and available—I know in the case of Education it certainly was. If there are any specific questions, perhaps they could be dealt with as we go through it.

**MR. CHAIRMAN:** Resolution 1. General Administration. The Honourable Member for Morris.

**MR. WARNER H. JORGENSEN:** Mr. Chairman, I apologize for interrupting, but it has been some time since we last dealt with it. I am not aware of what stage we are in proceeding on Supplementary Estimates, whether at the resolution stage or . . . and, incidentally, seem to have some difficulty even finding the sheet that was provided for us some time ago.

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

**MR. MILLER:** Well, Mr. Chairman, I certainly am not going to try to second-guess or give guidance to the House, especially to the Member for Morris on the procedures and where we are at. I yield to his knowledge in this field. It is my understanding that this is simply a continuation of the Estimates Bill. It is an add-on; it's a supplementary to the Main Estimates and that we are in Committee stage. We are not at the point where there is an actual bill before the House.

**MR. CHAIRMAN:** For the honourable members' information I am having the Clerk try and Xerox a few extra copies as there seems to be some members who have lost theirs.

The first item is Resolution 1, General Administration, (b) Farm Assurance Plan. \$3,650,000.00—pass. The Honourable Member for Morris.

**MR. JORGENSEN:** Again, without having the information in front of me, may I ask the Minister if that \$3 million is an amount that he requires as an adjustment or is it in addition to the amounts that have already been expended or just what does it entail?

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

**HONOURABLE SAMUEL USKIW (Lac du Bonnet):** Mr. Chairman, members opposite will recall that in the course of the introduction of the departmental Estimates, we had an amount for that particular program, something in the order of 4 or 5 million dollars, I can't recall the amount, and I indicated then that we were in the midst of negotiations with the Government of Canada on the integration of the provincial program with that of the federal program newly announced and that we were not sure just what amount of money we are going to have to spend in this fiscal year, so we ballparked our figure originally. Since that time, we have had more information and discussions with the Government of Canada and we are now adding an additional amount. We still don't know if that is going to be the actual amount required since the federal formula is based on a five-year moving average and we won't know that figure, Mr. Chairman, until January of next year. But this is a guesstimate, I think as close as we can come to it.

**MR. CHAIRMAN:** Resolution 1—pass; Resolution 2 — Education, Financial Support, Public Schools. (a) School Grants and Other Assistance — \$7,498,800.00. The Honourable Member for Fort Rouge.

**MR. LLOYD AXWORTHY:** Well, Mr. Chairman, I wonder if the Minister could elaborate a little bit more on the — well, or the Minister of Education wherever he may be — on the \$2.75 million received from the Government of Canada. I presume this is primarily for language programs. Perhaps the Minister could elaborate what the purpose of this money is?

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

**MR. MILLER:** Mr. Speaker, I was hoping the Minister of Education would be here to explain this. It is my understanding that \$2,753,900 has to deal with the funds, tuition fees for Indian students in provincial schools. It was thought earlier on in the year that these funds might be flowing directly from the Government of Canada to the various school divisions and districts where this takes place. Subsequently it was discovered that the Federal Government would prefer to flow the funds through the Provincial Government and therefore we have to pass the spending authority, and we had to do it through Supplementary Supply because it was not in the Main Estimates.

Mr. Chairman, I am sorry. Apparently my voice isn't carrying.

This is for tuition of fees for Indian students attending in provincial schools. It was thought, earlier in the year there was word received that perhaps the Federal Government would flow the funds direct to the school divisions. The Federal Government then decided, no, that was not the way they would do it, but rather they would continue to flow it through the province, and therefore we have to have the authority in order for the money to flow to the various school divisions and school districts and, of course, the Federal Government, on the other hand, will pay back a certain amount to the Provincial

Government. So that's the explanation for that particular item of \$2.7 million.

**MR. AXWORTHY:** Thank you, Mr. Chairman. In this particular portion of 2.7, I presume that that is based upon the agreement that was signed some five or six years ago on having Treaty children sort of attend school divisions. What is the status of that particular agreement at this stage? Is it subject to renegotiation? Is it going to be reviewed within the next period of time or is it sort of an open-ended agreement with no particular review clause in it?

**MR. MILLER:** Well, no, as a matter of fact, there was sort of a reworking of the agreement this year and that's why there is a question of how it was going to be handled. I am not sure of the length of time, but there is an agreement and it is reviewed regularly, perhaps even annually, perhaps every two years, to determine the level of support which actually affects the cost. I think that is an annual event. As I say, this year there was the possibility, proposed originally from Ottawa, that the money would flow direct to the native communities. However, they decided to continue with the same method of flowing funds as they have in the past. So the 2.753 which is federal money will be paid to the province and then paid out to the school divisions. In order for us to pay it we have to have the authority, otherwise we couldn't make those payments and the federal funds would come to us, but we couldn't pass them on.

**MR. AXWORTHY:** Mr. Chairman, this may be a question that would be more appropriately answered by the Minister of Education. I am wondering if there has been any discussion with the different band councils themselves to determine whether they are satisfied with this particular arrangement, whether they feel it's working. I know from some visits I have had on the Indian Reserves, and discussions with people working on them, that it is not exactly working with great success, that the dropout rate for Indian children sometimes reaches 60-70 percent by the time they reach Grade 9. So it doesn't appear that this particular system is necessarily enabling the large percentage of native children from the reserves to get full educational opportunity. I am wondering if they're not just being reviewed from a financial point of view, but also being reviewed more from the point of view of effectiveness, and whether this is the best way of pursuing education for Reserve children.

**MR. MILLER:** Well, Mr. Chairman, what the member is really asking is an evaluation of the existing program *vis-a-vis* the arrangement which has existed for a number of years, whereby the native children enter into the provincial school system and then there is a payment from the Federal Government to cover the costs of that particular program. I can't argue with the member about the high dropout rate. I know that this is not something new. I do believe that it is improving, but really that is apart from the agreement with Canada, whereby the funds are flowing from the Government of Canada to the Government of Manitoba and then out from the Government of Manitoba to the various school divisions. So that the problem raised by the member is something that is not new; it has been with us for decades. I can only say that, in my opinion, what we have today is an improvement over what existed twenty years ago and hopefully in time that the native population, the children, will continue in schools as the school system is more accommodating to them, recognizes their special needs, and I know the department is moving in that direction.

**MR. CHAIRMAN:** Resolution 2: Resolved that there be granted to Her Majesty a sum not exceeding \$7,498,800 for Education— pass.

Resolution 3. Workplace Safety and Health. (e) Safety and Health (1) Salaries \$285,500.00. The Honourable Member for Assiniboia.

**MR. STEVE PATRICK:** Mr. Chairman, can the Minister give us some indication to what extent has the staff been developed? How many staff is there and where the offices are located and what progress has been made in this area?

**MR. MILLER:** Mr. Chairman, I can't give that sort of precise information. I really don't know how far it has gone. I do know that the amount was not included in the Main Estimates because at the time the Main Estimates were finalized this amount was not known, because it meant pulling together, from various other departments, certain components and then setting out clearly what the amount would be. I am not even sure that that bill has yet been proclaimed, certain sections of the bill have been proclaimed; I know they were delayed; I am not sure whether they have already been proclaimed or not. I know the \$365,000 pertains wholly to Salaries and Other Expenditures of Accident Prevention staff at the Workers' Compensation Board who, it is planned, will be transferred to the Department of Labour some time during the months ahead, and this is to provide for those funds. The funds will be recovered from the Accident Prevention Fund administered by the Workers' Compensation Board. So, in effect, it will continue the present practice and the types of expenditures except that the administration will be carried on through the Minister of Labour, in the Department of Labour. When the staff is transferred to the Department of Labour, virtually all the occupation of health and safety program departments will have been consolidated at that point in the Department itself, excepting, I believe, for the Mine Safety function which is still under consideration. That has not been clarified. I am afraid that is the only information I have at this time. I know these

funds are available, so that when the transition takes place there will be money to pay staff who will be working in this area.

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

**MR. PATRICK:** Can the Minister indicate when the transition will take place? Has he any idea and how many employees? There's quite a bit of money set aside, and I'm sure that it's needed, and I know when the Minister of Labour introduced the legislation and since has indicated that this is one of the most important pieces of legislation that he'll ever introduce in this House. I would like to hear, or receive a little more information to see if the figures were just put in the Estimates or will there be any action taken in this area.

**MR. MILLER:** Mr. Chairman, as I indicated, this is simply "make available" funds within the Department of Labour itself, to pay that staff which is going to be transferred over from other areas, so that they can be housed in the Department of Labour and therefore giving the Department of Labour the authority to pay the salaries and other expenditures when this takes place.

If the member is asking what date this will occur, I'm sorry, I don't have that information, or as to the precise number of people involved; I don't know. These people are now in the service somewhere. They may be at the Workers' Compensation Board, for example, but they are now in the system, and there may be a few added, I don't know. I believe there was some amount in the main Estimates of the Department of Labour which covered certain costs, certain salaries, certain administrative costs, these are the additional ones required when the transfer takes place. But I'm unable to tell the member when that transfer will take place.

**MR. CHAIRMAN:** The Honourable Meer for Fort Garry.

**MR. L. R. (Bud) SHERMAN:** I just have one question on this item, Mr. Chairman. I'd like to ask the Minister whether any part of this appropriation will be expended to fund ongoing meetings and consultations that the Minister is having with respect to implementation of the Act itself. The question arises out of the fact that for the past year, as you know, Sir, the Minister has had a series of meetings with different representatives of labour and management in the economic sphere, studying some of the aspects of the bill that appeared to be impractical at the time that passage was obtained in this House last year, during the speed-up phase of last year's session. I'm just wondering whether part of this appropriation is to fund an ongoing series of meetings of that kind, or whether that process has now been concluded.

**MR. MILLER:** Mr. Chairman, I don't believe so. I think that the funds for the kind of activities that the member is inquiring, were within the main Estimates of the department itself. As I recall, looking at the main Estimates here, there was Resolution 79, which dealt with Workplace, Safety and Health, so there is sufficient in that fund. This is simply to look after the transfer of staff which are going to be made to the Department of Labour so that they may continue to get paid after that transfer takes place.

**MR. CHAIRMAN:** (1) Salaries, \$285,500—pass; Other Expenditures, \$79,600—pass.

Resolution 3: Resolved that there be Granted to Her Majesty a further sum not exceeding \$365,100 for Labour—pass.

Resolution 4: Canada-Manitoba DREE Agreements, \$1,392,700.00. The Honourable Member for Fort Rouge.

**MR. AXWORTHY:** Mr. Chairman, could the Minister explain the nature of the recoverables from Canada on this particular portion?

**MR. MILLER:** Mr. Chairman, there are recoverables and they will vary, depending on the nature of the program which is entered into. The reason why this is here as a separate amount is because at the time of the Estimates, the final disposition, the final acceptance by the Federal Government of certain programs was still being studied, and even today there are certain aspects which are not clear. This is an ongoing thing which, as I recall last year, it wasn't until some time in November that some of these programs were finally approved. They're put in this form so that the Minister of Finance can, depending on what finally transpires, flow the funds to a particular department, where they are successful in getting cost-sharing with the Federal Government.

In other words, if the Federal Government has agreed to a certain program, it deals basically, I believe, with Manpower training and certain kinds of programs, but it couldn't be assigned to a particular department, let's say Mines or Northern Affairs, because the final acceptance by the Federal Government had not been assured, and instead the Federal Government might go for another program. If it's put into a particular department, of course, it's locked in and there is no flexibility. So this is sort of an enabling line whereby once agreement is reached, the funds up to this amount can flow to support the particular program which the Federal Government has accepted as being a cost-share program.

**MR. AXWORTHY:** Mr. Chairman, I thought I would take the opportunity when we're looking at these supplementary Estimates on DREE to raise some issues that were talked about in this House yesterday — talk may be an inappropriate word, I think there was more blithering than there was talk — concerning the way in which you go about developing industry in relation to these kinds of grants.

Friday, May 27, 1977

The Minister of Mines and Resources, as he almost invariably is now, was full of sound and fury, scathing in his denunciation of the DREE programs in this province, saying that they were obviously great giveaways, they were cop-outs and sellouts to private enterprise, it wasn't worth the money it was printed on, and obviously the Manitoba system of going into heavy capital debt and then losing that money is a much preferred system of doing it.

Just as a response to that, Mr. Chairman, I decided to look and find out exactly what the impact of the DREE programs have been, because I think there is only one test as to who is right in this House, and that comes down to objective facts. I think we can all be full of rhetorical outburst, but it really just comes down to pretty objective facts as to who is right. The fact of the matter is that since the DREE programs have been working here, over 400 industries have benefited from the DREE programs in Manitoba, and if you look at almost all of them, invariably, they are not the ones that go broke.

Furthermore, Mr. Chairman, and as the Minister of Mines and Resources again is wont to do, he engages successfully, oftentimes, in the telling of half truths. He was trying to insinuate that what was happening was that the Federal Government was giving huge grants away to all these industries to go off and sort of do their own thing. What he didn't mention was that grants were usually accompanied by heavy capital investments by each of those industries.

I can start back, things like Boeing, which put up \$3 million and got a grant of one. You can go back to the McCain Coany, which put up a capital expenditure of four, and got a million back. Much smaller industries, where you find that Brandon Scrap Iron and Metals, they put up a capital investment of \$200,000, got a \$40,000 grant. Metric Machines Limited, \$130,000 capital cost investment on their part, \$39,000 grant.

Mr. Chairman, there's 400 of them, and I won't take up the time of this committee to read them. The fact of the matter is, though, if you look at them, they were successful in creating thousands of jobs, literally thousands of jobs in this province, in the Province of Manitoba. So to have the Minister of Mines and Resources, speaking for the government, because there's no question that he likes to take onto himself the spokespersonship for these issues, was condemning a program which has created literally thousands of jobs, has enabled 400 manufacturing plants to exist in this province, which wouldn't otherwise be here, and when you stack that record up against the pitiful record of the Manitoba Development Corporation, I think you have a clear example as to which way works best.

Mr. Chairman, I wanted to raise that issue because having had to listen to that kind of nonsense that was expressed yesterday about the way in which we go about doing industrial development, I think it was important to put some facts on the table, facts that I think are irrefutable because they are in black and white, and furthermore I think that the plants are, in themselves, in existence. We are not constantly having to go through sort of re-examinations of why we went wrong on Saunders, or why Flyer is losing four, or why ManFor is in for 4 ½ this year. We're not into that kind of business with most of these kinds of operations. What we are talking about is providing an incentive program for private investment in this province, based upon some fairly sound investments, and that the record, over the past three or four years since the regional incentive program has been working, I think has been relatively successful and certainly has been far to the benefit of this province.

We should recognize that Manitoba is one of the few provinces which has been given special preference. The whole province is considered to be a regional expansion area, it receives the full rate, and furthermore, in the last Budget, did receive sort of an extra capital investment bonus, which this government has done nothing to pick up upon or to build upon, again, ignoring basically the fact that one of the most important economic dynamics is to provide incentive for private investment. They do ignore that fact, and we talked about the role of MDC going into a deep-freeze which it certainly has. The suggestion we should be making is that the capital that is really being held in escrow in that particular corporation . . .

**MR. USKIW:** The Member for Fort Rouge is discussing something that is not before us. What is before us is a specific DREE Agreement, federal-provincial, with respect to development in Manitoba, not related to the DREE Incentive Program which he is debating at the present time. Certainly not in these Estimates, Mr. Chairman.

**MR. CHAIRMAN:** The point is well taken. The honourable member confine his remarks to the Resolution that is before the Committee please.

**MR. AXWORTHY:** Mr. Chairman, I will come back to that. The point that I was trying to make is that this particular Provincial Government plays what I would really call in part "a two-faced game" it is that they are most anxious and accommodating and genial when they go down to Ottawa to negotiate Federal Government cost-sharing arrangements under DREE programs that come in, but then they sit in this Chamber and slash and hack their way into the worst kind of condemnation for these stupid, silly programs. Now, Mr. Chairman, at some point I wish they'd get the act straight, that you can't go about accepting this kind of incentive and arrangement with the Federal Government for providing Manpower training jobs up north. As we discovered through the Northern Affairs Estimates, all the accomplishment that the Department of Northern Affairs took upon itself was basically paid for out of federal cost-sharing funds, 90 percent of which came from the Federal

Government. And yet the Minister of Northern Affairs, again as his colleague, the Minister of Mines, would then use the Federal Government as their scapegoat, as their whipping boy, for not doing enough even though the only one that was putting money into it seemed to be the Federal Government. Here we have come out with another agreement, and I think that the Provincial Government either has to recognize that they should go it alone and pay their own bills, or they should start recognizing that they can't simply play this game of kicking the Ottawa can around the province internally, and then going out and negotiating these kinds of agreements to provide for proper incentives for industrial development in the province. I think, Mr. Chairman, that it is time that there was a higher degree of honesty on this particular fact and I am not saying that the Federal Government's position itself is totally right or proper, and that they could also be doing more. But the fact of the matter is that I am frankly getting sick and tired of the kind of nonsense that I hear where in fact that they can scathingly denounce all these programs and then go out and spend their money.

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

**MR. MILLER:** Well, Mr. Chairman, just for a few seconds, if I might, to respond and then go back to the actual matter before us. I believe if the member will read Hansard when it comes, he will find that the Minister of Mines, Natural Resources and Environmental Management, his criticism — if you could call it that — of the DREE Incentive Program was in the way they made an outright grant, rather than a loan, so that it didn't clutter up their books, so that it didn't come back year after year to show outstanding amounts. A grant was made to a firm and that was the end of it. It wasn't a loan, it wasn't something that had to be repaid, and it could have gone broke, it could have been successful, but the point is the grant was made and it was not recoverable, there was no interest paid on it, it was not a loan. That really I think was the thrust of the Minister's remarks. Also, so long as such grants exist, certainly Manitoba firms should try to take advantage of them. If it's a program in Canada, then Manitoba will take certainly try to get its share.

What we are dealing with here, Mr. Chairman, is the general development agreements signed with Canada to try to develop within the north, in concert with the Manitoba Government on a cost-shared basis and the amount here is, and, as line of \$1.3 million. It wasn't I say, it couldn't be assigned or entered into the Main Estimates as applying to a particular department because the assurance of cost-sharing the acceptance of certain projects, has not been finalized, and therefore we couldn't determine whether in fact what programs would be accepted. Many of these are Manpower programs under Northern Affairs or under Renewable Resources, such as comprehensive land-use planning, northern resource information, surveys, mapping, things of that nature and the Northern Manpower core, and when the agreement is signed, when we know, in fact, which of these are going to go, then the money can then be transferred from the Department of Finance to the line department that will in fact be carrying out the program.

**MR. CHAIRMAN:** Resolution 4: Resolved that there be granted to Her Majesty a further sum not exceeding \$1,392,700 for Canada-Manitoba DREE Agreement—pass.

### CAPITAL SUPPLY

**MR. CHAIRMAN, William Jenkins (Logan):** Does the Honourable Minister wish to carry on with Capital Supply?

**MR. MILLER:** Yes, we stay in Committee and now go into Capital Supply.

### CAPITAL SUPPLY

**MR. CHAIRMAN:** The Honourable Member for River Heights.

**MR. SPIVAK:** I am wondering is the Minister not intending to go into the Special Employment Program . . . ?

**MR. MILLER:** We'll come to that too. I will be on my feet for the next couple of days. We'll do Capital Supply first and then the Special Employment Program will follow.

Mr. Chairman, if I might introduce this, the Capital Estimates were tabled several weeks ago. The total is, as members know, \$522 million which represents an increase of \$125 million over the amount that was approved to the House last year. But I would like to point out to the House that there are two parts of it. An increase of \$112 million in Schedule A which is the Self-Sustaining Programs and \$13 million in Schedule B which are Direct Government Programs.

In Schedule A, it can be largely attributed to two agencies: Hydro and the Manitoba Housing and Renewal Corporation — \$78 million and \$49 million respectively. In dealing with these two items, I would like to remind members of the Premier's remarks last year, when he introduced Capital Supply, and he said at that time that the decrease — because there was a decrease last year — the decrease in the request for Capital Authority of roughly \$150 million last year is largely attributable to uncommitted authority remaining from the previous years. As members may recall, last year we changed our method of voting Capital Authority and that we no longer vote and provide commitment authority for Capital Expenditures which may be required in subsequent years — sometimes two years, three years down the line. Last year was the first year we did not vote that long-range

Friday, May 27, 1977

commitment authority, so therefore, it is possible to utilize the previously voted capital, the authority for that capital, for last year's actual Capital Program.

? The increase of \$13 million in Schedule B can be largely attributed to the increase in General Purposes and it is a combination of, you know, ups and downs that occurred during the year.

With those few comments, Mr. Chairman, I would like to suggest to members, the Minister of Agriculture has to get away and I would like to suggest that we start with the Manitoba Water Services Board, and from that go to the Grants re Municipal Sewer and Water Systems and then Agriculture. There are three items in the Capital Supply and then we will go back to Telephones.

**MR. CHAIRMAN:** The Manitoba Water Services Board — \$3,817,000.00. The Honourable Member for La Verendrye.

**MR. BANMAN:** Thank you, Mr. Chairman. I am going to be very brief but I would like to ask the Minister, the Water Services Board has been asking for a little more this year — I think almost a million more than the year before — some of the programs I think have been beneficial to the smaller rural communities, in that it has helped them expand their facilities. And one of the problems that the rural areas are facing, especially the small towns, is that the increased development, as far as homes is concerned, very often does not take place because of certain physical restrictions that they have. For instance, I have a few areas in my constituency which I think the lagoon facilities, the water facilities, are used to a maximum level right now, and any further housing expansion in that particular area has been discouraged because they cannot afford the outlay of capital funds. The other problem that happens is that the development is not encouraged because the tax load is placed on the existing homeowners who feel that, "Listen, why should we have our taxes increased because we want to build more homes?" In other words, progress in this particular case is costing them money. I'm wondering if the Minister could, very briefly, elaborate on the increase of almost a million dollars in the voting of Capital Supply for the Water Services Board, if there are any additional services that will be given to the municipalities. I know last night we were talking about the Leaf Rapids Development Corporation developing satellite cities, but I would tell the Minister that there are smaller municipalities that would have land around them . . . it's reasonably priced land within a short driving distance of the city on some of the main artery roads, but the cost of increasing their sewer and water system that is prohibitive, and they just haven't got the funding for

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

**MR. USKIW:** Mr. Chairman, Item (c) Manitoba Water Services Board, that represents, of course, an increase in volume, the \$800,000 shown here over last year's figure represents an anticipated increase in volume of activity in combination with inflation factors and so on. It doesn't represent any change in the formula with respect to the assistance given to any town under the program. So, really, we are not able to indicate to my honourable friend at this point in time that we are prepared to enrich the program.

I think the program is a fairly good one; certainly one that we didn't have five or six years ago. And if you want to look in retrospect, I don't know how towns would even afford water and sewage services if they had to do it on their own today.

We are picking up a very substantial part of the cost of most communities that enter into agreement with the Water Services Board not only in the provision of sewer and water systems, lagoons, distribution systems, etc., but also with respect to water rates. We have a whole host of communities that have a water rate subsidy where the province picks up everything in excess of some \$3.40-odd cents per thousand gallons of water; and members would appreciate that in some communities the rate is about \$9.00 or \$10.00. So we have attempted to try to make it possible for all communities regardless of their economic status, to be able to afford some reasonable level of water and sewage servicing in their own communities.

We are concerned about a lot of the small ones who, even with the assistance provided, find it difficult to raise their proportion or their share of the costs; and we are looking at ways of putting in, perhaps, cheaper systems, perhaps with a less degree of sophistication than what we have been putting in to date, where we are dealing with hamlets. We are looking at the possibility of looking at those communities somewhat in the same way as we look at Hutterite colonies who apply under the Rural Water Services Program, but who have a number of housing units in a given location, and which makes it possible for us to put in a fairly reasonable system, but not as expensive as it would be if it was a village or a town under the normal program. That is something that we are trying to come up with some figures on to see whether we can let some of those smaller communities into the program that have not been able to participate to date.

If the member is talking about the community of Steinbach, of course, or the Town of Steinbach, I know that we've put a tremendous amount of money into that town, that is the various levels of government. The Federal Government is involved in that community in a very substantial way, and so are we, and we think it's a pretty fair sharing of the cost that we have assumed. We compliment the Government of Canada for having assumed as much as they have toward this kind of development. I

don't think there is much room for complaint, although one can always anticipate and hope that the program would be somewhat more enriched as the years go by.

The question of extensions, the member should know that it is possible to amend existing agreements to add additional subdivisions and that's really a community option. It's up to the community whether they wish to broaden the scope of their program and, of course, if they do we really have no choice, we simply pick up our share of the cost.

I think Morris has had two or three, if I'm not mistaken, amendments to their agreement already — at least two — I think there is one that I just signed two or three weeks ago, and they have been doing this, and many have been doing this. So it is not prohibitive in my opinion. I know that existing homeowners may say, "But who cares about the needs of the town. You know I've got my system in and I'm willing to pay for it, but if the rest of the town wants to expand it shouldn't be a burden on me." Well, I don't know that we can operate that way. Winnipeg can't operate that way. I don't think any community can operate that way. Growth is a factor that has to be taken on by all of the citizens of any particular community and they have to share in the responsibility of growth and development.

Mr. Chairman, I really don't have much else to add. I hope I have, to some degree, answered my honourable friend.

**MR. CHAIRMAN:** The Honourable Member for La Verendrye.

**MR. BANMAN:** Yes, Mr. Chairman, just on a point of clarification. He mentioned the Town of Steinbach and of course that's one of the towns in my area. But I would refer the Minister, in particular, to a town like the Village of Ste. Anne which is faced right now with a large sewer and water expansion of quite a large amount of money, and they face problems such as the Seine River running right through the area, and it's going to cost the ratepayers a lot of money. It has become a place where people are moving out from the city, commuting back and forth and to a certain extent has become sort of a satellite city of Winnipeg. I think the people that want to move out there and live out there should have a right to do so. The only problem is the financial costs are becoming pretty heavy.

The other one, of course, is Niverville. The one area where there has been certain subdivisions passed is in the R.M. of Ritchot. I just had a case the other day where there was a subdivision passed; there were some disposal fields put in; now there are new houses built and the Clean Environment won't allow any more disposal fields to be put in, put the builder in an awkward position as well as the purchaser, but I think we've got that resolved, because the people realize that we can't go on polluting the area. Now I think the Environment people would like to see that particular section hooked up with the existing sewer system of Niverville. So here you've got an inter-municipal problem. But I was just drawing that to the Minister's attention. I know that Steinbach has received a fair amount of money. We appreciate that. I think this is a move in the right direction. But I just want to point out that there are people, municipalities, small villages that are having trouble digging up the capital on the limited tax base. I think the Minister knows what I am talking about, because just for instance, Teulon — I think the Minister is very well aware of that one.

They bid on something, they're \$200,000 over and there's no way the ratepayers can pick that up. It's going to be a real burden on the people. So I just point that out to the Minister and thank him for his comments.

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

**MR. JORGENSON:** Yes, Mr. Chairman. While the Minister was speaking he mentioned the amount of aid that the Town of Morris had received in the improvements of their water facilities and their sewage systems, and I'm not going to quarrel with that. They have improved the treatment plants in Morris. They're in the process this year, I think the contracts will be let shortly, for the extension of the Disposal System, and there are other things that have been done to ensure that the water services will be provided in the Town of Morris. There is only one thing that they have not done; one thing that concerns me very greatly and that is, what happens when there is no water? Morris, I believe, is in a very precarious position in that respect.

Our experience last fall with the water levels so low, that had there been a prolonged and exceptionally cold winter, the possibility existed that there would have been no water to pump through all of these improved facilities. Yes, I'm speaking of the Red River because that is the only source of supply. The Town of Morris, I know, have requested that some assistance be provided, or at least a survey be made to determine what the expectations could be if we have a continuation of the circumstances that existed all through last year and to the early part of this year.

I recall in the early Sixties that the Town of Morris had requested a dam be located on the Morris River at its juncture with the Red. The PFRA had done an engineering study on that particular program and had, in fact, recommended a structure that subsequently had been turned down by the Manitoba Government for various reasons — and I'm not going to quarrel with the decision that was made at that time, which, in all probability, was a proper decision — but as an alternative, the Minister of Agriculture, George Hutton, at that time suggested that rather than attempt to store water on the Morris River, that it might be preferable to build a weir across the Red River to simply raise the level of the water to ensure that regardless of the circumstances, there would be an adequate supply of water

to supply that area. I think that an eight foot weir was recommended at that time. If that was built, it would not only supply water, or ensure water for the Town of Morris, but it would back up far enough that St. Jean could be assured of a supply as well.

I know that the Town has made application to the government, and I think copies were sent to the Minister of Agriculture. I'm not sure who they were directed to, whether the Minister of Mines and Resources in his responsibility as the Minister in charge of the Water Resources Branch, and also the Minister of Agriculture.

I wonder if the Minister of Agriculture now would indicate whether or not studies are being undertaken to determine whether that structure will be built, or whether indeed it is needed. I think that the opinion of the Water Resources people was that for last winter at least, there was sufficient water and that proved to be a fact. Whether or not that will continue, if we have a prolonged drought over a period of time — and particularly in the light of the fact that the new development in the Town is going to require a much greater consumption of water in the Town of Morris — I am concerned that the existing source of supply will not be sufficient to take care of the expanding needs of the Town of Morris, and particularly if, as appears to be likely the odd industry may choose to locate out there in the future.

**MR. MCKENZIE:** I just have one brief thing to bring to the Minister's attention. Similar to the Member for La Verendrye, in the Village of Pine River, of course, which is in the Local Government District of Mountain, again it's a widely scattered village and now they're in the early stages of planning a sewer and water system in the village.

I wondered if the Minister and his staff could go in and give the people of the area a lot of advice and instructions so that they can come up with a viable unit. As I stand here today, it's going to be most difficult, again, for the reason of the tax base that seems to be lacking in the area to take on a capital expenditure of that nature. I just wonder if the Minister would go in in the early stages, or some of his staff, and provides them with the benefit of their wisdom before they get too far and find that the thing isn't feasible.

The other thing that has come up from time to time — maybe the Wells Program isn't under this, where they hit the dry holes, maybe that's not under this item, I guess. No. Thank you.

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

**MR. EINARSON:** Mr. Chairman, I just want to make one very brief comment in the form of a question to the Minister in regard to one particular area which I represent, and that is Swan Lake. I know the Minister has many areas to be concerned about. I don't know whether he can recall at what stage it's at at the present time, but I'm aware that an application has been submitted. — (Interjection)— Swan Lake. An application has been submitted. Because of the drought we had last year and so on, it's created a real serious problem in that town, where they have a senior citizens' home, they have a hospital, and they have an abattoir which is required of water supplies, without saying the individual citizens in that town, and I'm given to understand they are talking about two different sources of supply of water. I'm wondering if the decision has been made, if the Minister can indicate whether the supply is coming from some area towards Somerset or if it's going to come from Indian Springs. I am concerned, Mr. Chairman, that this is rather a serious problem. I know I did discuss it last fall with some of the officials of his department, and they indicated that they have had so many applications from his department that there has been a backlog. I am concerned as to just what stage the matter is insofar as Swan Lake is concerned for a supply of water.

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

**MR. AXWORTHY:** Mr. Chairman, I just wanted to raise perhaps a somewhat broader issue about the water supply. It was prompted by the Minister's response to the questions raised by the Member for La Verendrye. That is that there seems to be almost a continuing pattern of that expansion into the rural areas on the outside fringe of Winnipeg, perhaps extending as far as a 30 mile radius, and not only are they experiencing those problems in the Steinbach area, but I know that, for example, in the St. Andrew's area, some 600 acres have been subdivided over the past year or so. Springfield has experienced the same kind of major expansion, where there is a large number of housing settlements going on.

It seems to me that if you took a look at each of the municipalities, Rosser, Ritchot, St. Andrews, Springfield, that are bordering on the edge of Winnipeg, they are all feeling the effects of that very large scale movement of people into that, I guess what you could call an "ex-urban" area, they're not really going out to farm, they're going out to live and commuting into Winnipeg. One of the serious effects of that is a demand upon water services. I would really be interested in knowing if there has been any overall assessment of what the kind of needs will be in the next five years, to accommodate that kind of major expansion into those rural areas from the point of view of water. None of them are really in areas where there is fulsome water supplies. The ground water levels are not particularly high, and aside from the Red River, which is already being used, and as the Minister of Mines and Resources expressed a few days ago, is not exactly in tip-top shape as it leaves Winnipeg, that there are very serious questions about both the supply and distribution then of the sewage disposal in that

whole ring right around the City.

I was wondering if the Minister has any appreciation of what the capital costs are going to be to accommodate that kind of growth over say the next five years. What sorts of commitments is the Provincial Government going to have to make if that growth continues in the almost unhampered way that it is presently being experienced.

I raise that as part of a more general issue, because I . . . science council two or three months back, looking at the problems of water supply in the prairie region, and one thing struck me — I think it was an economist or something from Alberta who mentioned that the net capital cost to supply water resources to prairie towns, settlements and cities, will be as much or more of all the capital that we are presently putting into energy development, into Tar Sands and McKenzie Valley Pipelines and all the rest of it. While one is a particularly dramatic kind of political concern and gets a lot of headlines in papers about pipelines and new oil developments, there is almost virtually no attention paid to the equally serious amount of capital that would be required. We are talking, at least in his terms, of eight or nine billion dollars over the next decade to supply proper water for prairie settlements. I really would be interested in knowing if the Minister and his officials working in this area have made any predictions or projections as to what the capital requirements will be in terms of our portion of that fairly large sum, to keep up with those kind of very different growth patterns that are beginning to occur.

**MR. USKIW:** Mr. Chairman, to respond to the last speaker first, I would like to point out that the municipal system around Winnipeg, of course, it's true, is one which has, to a large degree, encouraged a number of rural residential lots through their various planning schemes, and quite a number of people have, in fact, taken advantage of that, and have located themselves outside of the City of Winnipeg. But all of those, Mr. Chairman, are fairly large sized lots, so that from an environmental point of view — and in fact they do have to have the approval of the health authorities — we could not anticipate a health problem in terms of sewage disposal. Now, I believe some of the earlier developments may have caused us some concern, where there was no guidance or guideline and no inspection, or not adequate inspection to assure that the ground conditions, soil conditions were such that they could absorb or could accommodate a number of units or homes per acre or per square mile or whatever the configuration would be.

We are past that stage and we are now in a position where every approval has to have these questions answered, so that I don't foresee us, all of a sudden, getting into a situation where we have a crisis on our hands, other than with respect to some of these older developments that may still come up to haunt us some time in the future.

With respect to the water supply question, the members have to appreciate that people who move out to the countryside have the responsibility of providing their own water supply. I don't think it's right to assume that the Province is going to extend to them special programs for well drilling or whatever in these rural residential lots. That's a choice that they make and I think that's infrastructure costs that they're going to have to pick up on their own.

Now the only problem that may arise some day in the future, is the question of adequacy of ground water supply. That's something that I suppose is possible. We could have a shortage of ground water at some point into the future, but it certainly isn't a problem at this point in time, and when that does happen, Mr. Chairman, I presume that that will, in itself, have some effect on the extent of development that will take place from that point in time.

This department, of course, is not involved in those kinds of studies. The Department of Mines and Water Resources are charged with that responsibility, and they do, mind you, work in very close harmony with the Water Services Board, whether it's on the question of water supply to towns and villages, or for rural needs. There is close co-operation. I don't anticipate a situation on which we would not be forewarned adequately enough so that we could not prepare for any particular situation.

We also are involved with the Government of Canada, especially as a result of the threatened drought this year, where the committees, both federal and provincial, are looking very much at the question of a longer term insurance sort of policy or program, with respect to water supply, both for communities and our rural residents, and something will likely come out of that particular exercise. It's an ongoing thing, and hopefully we will have some participation on the part of the Government of Canada, in particular infrastructure development throughout the province.

Those are generalities, I know they're not specific answers, but that's where we are at the moment, Mr. Chairman.

With respect to the Member for Morris, I know that that is indeed a concern of his community, it's certainly a concern of our people in the department, and the Department of Mines and Water Resources are working with our people on that particular problem, and it's one of those that may involve some federal-provincial participation. I'm not certain, but that may come out of those discussions. But we're certainly on top of that question, and hopefully we will have some provision so

that we are not totally dependent on the one source. I can't be more specific, Mr. Chairman, than that, because it is in that stage. It's a study situation.

The Member for Roblin raises the question of small communities like Pine River. We provide initial free services to do an assessment and feasibility for these communities so that they're not really sticking their necks out on their own. We try to help them as much as we can with our engineering capability. When they do launch into a program, however, we then embody those costs into the agreement. If they don't launch into a program, we do not bill them for those services, so really they have the best of both worlds in that regard, Mr. Chairman.

Swan Lake: I have here a report, Mr. Chairman, and I know I wanted to discuss it with the Member for Rock Lake, but I myself have some questions with respect to it, and I want to have an opportunity to get back to our staff before I say too much publicly about what the intentions will be for Swan Lake. I don't know that I should venture into it at this point in time, but I'll be happy to sit down with the Member for Rock Lake and go over it and review the situation.

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

Before the honourable member proceeds, I'd like to draw the attention of the members to the gallery, where we have 36 students of Grade 6 standing of the St. Malo Elementary School under the direction of Sister Alarie. This school is located in the constituency of the Honourable Member for Emerson. On behalf of all honourable members, I bid you welcome here this morning.

**MR. ARNOLD BROWN:** The Village of Plum Coulee has made application for a source of water supply and I believe the application included a reservoir which we hope would be constructed with some input from ARDA. I wonder if the Minister could give us any information as to that, and also the RM of Rhineland made application on behalf of the Village of Rosenfeld. I wonder if the Minister could give us any information on these two villages.

**MR. USKIW:** Mr. Chairman, I don't have the particular information handy at the moment. It seems to me I had approved something with respect to Plum Coulee very recently, but I just can't recall the detail of it. I know it was before me a very short while ago. And Rosenfeld, I'm not clear on what is happening there. I'd have to get the information for my honourable friend.

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

**MR. A. R. (Pete) ADAM:** Thank you Mr. Chairman. The problems, as I see it, in some of the areas in the smaller communities who are attempting to obtain water services and improve the viability of their communities, it seems that it may require a change in policy. It's my understanding that the Water Services Board have a criteria where they divide up the applications into high, medium and low priority, and by the time they are able to process the high and medium priority, there's always a new bunch of applications coming in again of high and low priorities, so that in fact those applications that fall under the category of low priority never seem to get processed. For instance, you may have an application that will come in from a larger centre, not for establishment of a water supply but an extension to the water supply and services that they already have in place, and this policy, in my opinion works against the stay-option policy which excludes all those communities that fall into the low priority as they are designated by the Water Services Board.

I mention, in particular, the village of Laurier. This community, this town, has been trying to get potable water piped into their town and there hasn't been really a feasibility study done, a comprehensive feasibility study. Whether it is because it falls into a low category or not, I am not sure, but there is a rough estimated cost to pipe in water to a distance of six miles and this is the recommendation of the Water Resources. The estimated cost would be \$180,000.00. Now, the community has the borrowing capacity of 30 percent of the assessment, and if the assessment of the village is \$400,000, then their borrowing capacity would be \$120,000.00. This would not include any hookup from the residence to the main pipeline, the water line. This would all be in addition, and if the community has 60 homes, then you are looking at \$2,000 initially, plus any amounts in addition to the borrowing capacity, plus any hookups from the line. Now, it seems to me that there are other alternatives that could be found for this particular village. We could probably have a reservoir on Henderson Creek which is the Henderson Drain, which is only probably a mile from the town rather than piping the water in for six miles. Really, the point I am trying to make is that towns or villages that fall into the lower end of the priorities never seem to be able to have anything done at all for their communities. It seems to me that there should be at least a percentage once in a while of these lower priority areas that could get some water, at least some part of what they would like to get, instead of always going into the larger and larger areas. What happens here, the person or the town that already has much gets more and those who have none, get nothing.

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

**MR. USKIW:** Well, Mr. Chairman, I know the Member for Ste. Rose may be frustrated and so are we, with respect to what to do with some of these communities. He categorizes them as communities of low priority — it's really not a matter of being low priority — but it is a matter of Capital Supply in a

given year, the backlog and the environmental problems that we have to face throughout the province. Some are greater than others and therefore if some communities are able to get by without doing anything immediately, then of course they are set back on the priority list. It's on that basis, environment and health are, of course, the major considerations. Where there are hospitals and public infrastructure, of course, those communities, especially communities with populations of 300 or 400 and up are obviously on the higher priority list than small hamlets of 50, 60 or 100 homes, and it is of necessity that it is that way. It is not a preference but it is of absolute necessity.

One would like to do this all in one year, Mr. Chairman, but it is of course impossible. We've been at this now for five years and we have put out a lot of money into about 65 communities and this is an ongoing process, and each year we find that we are not catching up that much, that the demands keep increasing. But, you know, it is a problem of having to catch up from almost a zero position, because there was no such kind of aid more than five years ago, well, up until about five years ago. You know, this is relatively new and whenever you launch a new program, sort of everybody lines up for it and tries to get in first. Well, if you accommodate that — (Interjection) — That's right, Swan River did very well, very well. If you were to accommodate that, you would have to have a Capital Supply item here of \$50 or \$60 million for the first few years to be able to respond in that way. Secondly, it wouldn't work in any event, Mr. Chairman, because you would have to bring in contractors from outside of the province. It would be such a fantastic thrust of very great magnitude that you would have to entice bids from out of the province which would then further inflate the costs and everybody would be a loser. I think we have to gauge this program on the basis of what the dollars are that we are able to raise, on the basis of how much capability there is amongst the general contracting arrangement in Manitoba so that we don't overly inflate the cost of basic infrastructure.

The Member for Swan River says, "Swan River did very well." Mr. Chairman, Swan River did do very well. The subsidy to their sewer and water program amounts to about \$565 for every man, woman and child who lives in Swan River. That is a very generous program, Mr. Chairman, and we are very proud of it. That is part of the rural thrust of this government to rehabilitate and restore the confidence in rural communities. This is really a major effort to bring that about, Mr. Chairman, and we make no apologies. Even for the Member for Swan River, you know, even the fact that I don't agree with my honourable friend opposite doesn't mean that we wouldn't approve an expenditure of that magnitude in his town.

But, know, Mr. Chairman, I want to take an opportunity here to talk about another community, not very far from Swan River, because that is a story that maybe should be told a little more often. That is the community of Minitonas which had a very serious salinity problem in its water supply, just not drinkable water at all, Mr. Chairman, and through the new technology that was developed, I believe in the United States, we were able to install what is known as the reverse-osmosis system, a water treatment system which now makes their water drinkable. It is a community of some 600 people that had no water supply whatsoever up until a year ago. I think that is a major breakthrough and hopefully that we will be able to . . . I believe Miami is in the same position did the same thing there. There are a number of areas across Manitoba who have the same problem and where there is now a ray of light coming through with respect to water supply through the desalination process that is now possible. So we have made large strides, Mr. Chairman, in this program for rural people in Manitoba. It is one of the programs that I am most proud of.

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

**MR. ADAM:** Thank you, Mr. Chairman, I realize that there have been great strides made in the past few years for the extension of water and services to such areas as Swan River and Morris and so on, and into the larger communities, Ste. Rose, Dauphin and Minnedosa, but I still want to get back to the problem of where you have these smaller communities that I mentioned, Laurier, Manitoba, that has approximately 60 homes. Next year there will only be 55 homes there, because the water supply is not coming in; the services are not coming in so there will be perhaps five homes less next year. These people will be moving to the larger centres where services are available. This is the problem that a community such as Laurier faces and, again, it comes down to the priority, where we will put an extension into the larger communities so that these communities can get larger and larger and the smaller communities get smaller and smaller, and this is a problem. I see in many many and I am wondering if we could not somehow get assistance for some of these communities in the smaller sized communities so they could keep their people there where they want to stay, they want to stay in those areas. They finally move away, they give up, they say it's no use; we'll never get modern conveniences, let's move into a larger centre. This is the point I am trying to make.

**MR. USKIW:** Mr. Chairman, I am aware of the particular community that my honourable friend refers to. I believe that, as I recall it, the feasibility of the proposal that we had developed for Laurier was — well it just wasn't there. The cost per unit was so much that there was no way that they could afford to share in those costs, and that's before you look at hookups and the distribution of it. That's just bringing it to the edge of town, you see, so it's a matter of being practical in the financial sense, whether or not you can have an answer for every community. Now, I am not sure that some other

arrangement can't be arrived at, but the particular proposal that I recall were just overly expensive.

The other thing that has to go into consideration is the makeup of a community. Some communities, Mr. Chairman, are communities that don't show longevity, period. You know, if you were to go into a 20-year debenture on a lot of services projects and you have a real question in your mind whether the average age, which is now 50 or 60 in that little hamlet, whether that will come down to 30 or 40, if you have real doubts about that, then is it responsible to go into a \$200,000 deficit or debt position for that little community. You know, those are very startling factors that have to be looked upon if we are going to be at all responsible in establishing this kind of service throughout many of the smaller hamlets. We have to be very cautious or we will be writing off debts where people have passed on and new young people have not replaced them in some of these little hamlets. We're going to end up picking up the debt; there's no way we can avoid that if we are not careful at the outset. So all of that has to go into consideration, Mr. Chairman.

**MR. CHAIRMAN:** Item: Manitoba Water Services Board \$3,817,000—pass. The other item, a question to the Honourable Minister, was it in Schedule B? Grants re Municipal Sewer and Water Systems \$2 million—pass; Water Control Works. —(Interjection)— I have no item (u) on my list here.

**MR. MILLER:** Just for clarification, the Manitoba Water Services Board at \$3,817,000 was passed?

**MR. CHAIRMAN:** Yes.

**MR. MILLER:** Okay. Then the next one I suggest would be the Grants re Municipal Sewer and Water Systems under Schedule B of \$2 million. Was that passed?

**MR. CHAIRMAN:** We've passed that.

**MR. MILLER:** Then the next one would be Agriculture \$365,000.00.

**MR. CHAIRMAN:** I don't have the item here.

**MR. MILLER:** It's half-way down the column under Direct Government Programs, Schedule B.

**MR. CHAIRMAN:** The Honourable Member for La Verendrye.

**MR. BANMAN:** I wonder if the Minister of Finance could provide us with that particular copy of that. I think the Members of the Opposition only received the one Schedule and I am afraid we haven't got that.

**MR. CHAIRMAN:** The Chair hasn't got it either. I only go down to (i).

**MR. MILLER:** What I've got is the details. The index is in my book and I was following that rather than the Capital Authority sheet. Well, that was prepared for me by the department under various headings, but it's just part of the regular Schedule B in case there were particular questions on it, so I would have to concur that it's not on there and therefore it is not something that is listed on the actual Schedule itself.

**MR. CHAIRMAN:** The Honourable Member for Rock Lake. I refer honourable members then back to Schedule A — The Manitoba Hydro-Electric Board. We passed grants re Municipal Sewer and Water Systems.

**MR. USKIW:** Mr. Chairman, on a point of order, before we get on to that, to be fair to members opposite, they may have wanted to raise questions on the third program although not realizing that they would have to do it under the same item. Pass? Okay, no problem.

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

**MR. MILLER:** Mr. Chairman, I would request that we go back to the Self-Sustaining Programs and start with Manitoba Telephone System. The Minister is present.

**MR. CHAIRMAN:** Okay. Manitoba Telephone System \$42,500,000.00— pass; Manitoba School Capital Financing Authority \$19 million—pass; Manitoba Housing and Renewal Corporation \$64,100,000—pass; Leaf Rapids Development Corporation \$8,525,000—pass. The Honourable Member for Brandon West.

**MR. EDWARD MCGILL:** Mr. Chairman, some recent information that was given to us indicates that the Leaf Rapids Development Corporation Limited does no longer exist and that there are now two new corporations, Leaf Rapids Development Corporation (1977) Ltd. and Leaf Rapids Town Properties Ltd. Mr. Chairman, I wonder if the Minister can tell us which of these corporations this appropriation is provided for.

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

**MR. GREEN:** Mr. Chairman, I believe that the schedule is descriptive of the amounts that are necessary and therefore there will be no legal problems in terms of the money going to the relevant agency. This is for the development of lots in the West Selkirk area. This is not to the Leaf Rapids Corporation which is dealing with the townsite at Leaf Rapids, and the reason for the separation, as indicated earlier, is that the Leaf Rapids Development town is neither to be enriched, nor is it to suffer by the activities of the West Selkirk Development. So, when you are asking which one it is for, it is for that agency which is developing West Selkirk, and is for that purpose, it is development of those lots.

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

**MR. MCGILL:** Mr. Chairman, then, just to ensure that the record is clear, is that Leaf Rapids Town Properties Limited, or Leaf Rapids Development Corporation (1977) Limited? Which is it?

**MR. GREEN:** Mr. Chairman, I am going to be very embarrassed to say I don't remember which one. It was indicated to us last night at Committee, but it is the one that is developing the townsite, the West Selkirk. The information with regard to the subsidiary, etc., was something which was done internally in the corporation. I can get the name for my honourable friend but I can't remember. It is one of those two but it is the one that is developing the West Selkirk lots, and it is for that purpose.

**MR. MCGILL:** I think, Mr. Chairman, it might be as well to have it on the record here. I think it might have been more explicit had the proper terminology been used under the Schedule A Self-Sustaining Programs. I understand of course the explanation that the Minister has given us, that these changes in corporate name took place in April. These appropriations cover from April 1, so it is understandable that they would use a name which no longer exists on the schedule that was provided to us.

**MR. GREEN:** Mr. Chairman, I am taking my information now from the Minister of Finance, but it seems logical because it is the new corporation which means the (1977) Limited, Leaf Rapids Development (1977) Limited. The other corporation, Leaf Rapids Townsites Development, is the one that is keeping the jurisdiction over the community at Leaf Rapids.

**MR. CHAIRMAN:** Leaf Rapids Development Corporation, \$8,525,000—pass. Manitoba Forestry Resources Limited, \$4,500,000—pass. Does the Honourable Minister wish to deal with the Hydro board?

**MR. MILLER:** Mr. Chairman, perhaps we could deal with the Manitoba Hydro-Electric Board.

**MR. CHAIRMAN:** Manitoba Hydro-Electric Board \$278,800,000—pass. Schedule A—pass. Schedule B, Direct Government Programs, Educational Purposes (a) Community Colleges, \$1,189,000—pass. (b) Universities, \$4,000,000—pass. Water Control Works, \$1,260,000—pass. General Development Agreement, \$10,000,000—pass. General Purposes (a) Red River Community College — Remedial Structural Repairs, \$4,259,000—pass? No. The Honourable Member for Brandon West.

**MR. MCGILL:** I might just ask the Minister if he could give us some further explanation of this remedial work at Red River Community College as there was some reference to this during the discussion with the Estimates of Continuing Education. My understanding is that this is a problem relating to the roof of Red River Community College, but perhaps the Minister can confirm whether this in total is relating to the remedial work that is now required to bring this structure back to its original condition.

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

**MR. MILLER:** Mr. Chairman, this is only for the Red River Community College. It is remedial repairs. Apparently when the building was designed and built, back in 1966 or whenever it was, there were some major defects in the design itself, and there was some recovery of funds and I think some legal action was taken. As much as could be recovered was recovered at the time. This is the repairs that are absolutely essential if the building is not to be in even worse condition and continue to deteriorate. So this is the funds being voted for that purpose to correct, as I say, apparently a design weakness in the structure itself.

**MR. CHAIRMAN:** The item Red River Community College Remedial Structural Repairs, \$4,259,000.00. The Honourable Member for Brandon West.

**MR. MCGILL:** I wonder, Mr. Chairman, whether the Minister can indicate how much recovery was effected if this was indeed an original design problem. Were the contractors involved or the architects involved, or was it jointly a recovery from both contractors and architects?

**MR. MILLER:** Mr. Chairman, I can't give the actual dollars, but I know the architects were certainly involved in this, and I think recovery is made from the architects. Whether it ever actually ended up in the courtroom or not I don't know. It may have been a settlement out of court, because it was felt there was no gain to actually going to court, but I think legal action was started and then a settlement was made, but it was the architects that, as I recall, were the primary group that was involved.

**MR. CHAIRMAN:** Is the item passed? (Pass) (b) Universities Centennial Projects, \$3,500,000—pass. (c) Education, \$8,615,000—pass. (d) Health and Social Development, \$3,506,000—pass. Highways, \$20,573,800—pass. Mines, Resources and Environmental Management, \$6,364,300—pass. Northern Affairs, \$3,431,600—pass. (h) Public Works, \$21,563,000—pass. (i) All Other Departments, \$10,658,700.00. The Honourable Member for La Verendrye.

**MR. BANMAN:** I wonder if the Minister could tell us what capital moneys as required by the Department of Industry and Commerce, almost half-a-million dollars, are for?

**MR. MILLER:** That is under All Other Departments? Oh, \$420,000, Industry and Commerce. There is \$320,000 for the Selkirk Industrial Park and \$100,000 for the Northern Airport Assistance Program.

**MR. CHAIRMAN:** All Other Departments, \$10,658,700.00. The Honourable Member for La Verendrye.

**MR. BANMAN:** How about the Tourism, Recreation and Cultural Affairs? Is there some money that has been appropriated for the purchase of the M. S. Lord Selkirk, and how about the Gull Harbour Lodge?

**MR. MILLER:** Mr. Chairman, I will give the ballpark figures first. There is the Provincial Park System, \$2,300,000; Historical Restorations, \$110,000; there are various ethnic, cultural, the Museum of Man and Nature, Centennial Centre Corporation, there are certain capital expenditures. Assiniboine Park and Zoo, there is the Cat Lake and Long Lake Road maintenance of \$100,000, and there is equipment for park development of \$83,000, which totals . . . —(Interjection)— The zoo is \$70,000.00.

**MR. CHAIRMAN:** Is the item passed? (Pass.) —(Interjection)— Order please. Resolved that there be granted to Her Majesty a sum not exceeding \$522,162,400, for various capital purposes—pass. The Honourable Member for La Verendrye.

**MR. BANMAN:** Mr. Chairman, I wonder if the Minister could inform us. He mentioned under the allocation as far as the Tourism and Recreation and Cultural Affairs Department, he mentioned road maintenance on a certain road. Now, is that upgrading of that facility, or are we passing capital authorization here for maintenance of different things, and I am referring now maybe to some of the other items that we passed. Are there other areas in which capital funding is being used for maintenance work?

**MR. MILLER:** Mr. Chairman, this Cat Lake - Long Lake Road is within this new provincial park of Nopiming Provincial Park and it is the cost of developing that road.

**MR. BANMAN:** What's that name? Say that again. What's the name of the park? Mr. Chairman, what's the name of the park?

**MR. GREEN:** Nopiming.

**MR. CHAIRMAN:** The resolution as read—pass. **THE SPECIAL EMPLOYMENT PROGRAM, 1977**

**MR. CHAIRMAN:** I now refer honourable members to their resolution that they received before. Resolved that there be granted to Her Majesty a further sum of money not exceeding \$35,500,000 for the Special Employment Program, 1977, Schedule A Current (1) Special Employment Programs \$16,500,000—pass? The Honourable Member for Fort Garry.

**MR. SHERMAN:** Mr. Chairman, the government's Special Employment Program announced a few weeks ago in this House certainly deserves commendation from everybody on this side, and it will get it from us. We believe that the objective and the purpose behind the program are certainly laudible. We have serious reservations about some of the details and application of the program and certainly some reservations about the effectiveness of it, but we want to emphasize that we believe any attack on the problem of unemployment, any attack on the problem of the shortfall in job creation in this province is better than nothing, and insofar as it will do some good — and it will certainly do some good — we applaud it. But it strikes us, Sir, as being what could be described as wing-and-a-prayer strategy for the problems facing this province. We are going to get off the ground hopefully for a few months now in terms of an ad hoc crisis-type of job creation, but the only thing that's going to keep the program aloft, come September, at this point is prayer, prayer that the federal authorities will come up with some kind of program for the nation as a whole into which the temporary project undertaken here in Manitoba can be dovetailed. So that is rather a tenuous and a nebulous kind of excursion on which to be embarked. —(Interjection)— Well, if that's the sequence of timing *vis-a-vis* a federal election and a provincial election, I suppose we will take what we can get, Mr. Chairman.

But the fact remains that we are looking at a stopgap measure without any guarantee that there will be anything in the way of a national program into which it can fit when this immediate four-month period on which we are embarked now is completed.

Another reservation that we have about the program, Mr. Chairman, is that it tends to shift emphasis from the long-term program to the immediate crisis. I don't minimize the immediate crisis, but we have had statistics and documentation from agencies in Ottawa, from Statistics Canada, from the Federal Government which have emphasized repeatedly in recent months the kind of long-term problem we are into in Canada generally in terms of chronic unemployment, and in terms of extreme shortage of employment opportunities in particular for young people, graduates of our high schools, our colleges and universities and technical colleges, people under the age of 25 who are coming into the market and looking for jobs for the first time, jobs on which to begin building their futures.

A recent report carried in the Winnipeg Free Press which was a report of a Statistics Canada documentation highlighted the seriousness of this picture, Mr. Chairman, and I regret that in getting into the kind of program that has been undertaken by this government at this time, we, I am afraid put ourselves in a position of obscuring that long-term outlook and its seriousness.

The report to which I refer was headed "Graduates Face Grim Future," and it went on to point out that the Canadian labour market is glutted now with graduates of universities and community colleges, and that in the view of commentators in Statistics Canada, the situation could create, as the newspaper report puts it, "massive social, economic and political problems until the year 1990." That report goes on to stress that this is the "urgent message" of the 224-page Statistics Canada statement released at that time. The date was Wednesday, May 4th, 1977, so the release of the Statistics Canada

**Friday, May 27, 1977**

report would have been Tuesday, May 3rd of this year.

Just for the record, Mr. Chairman, I think it should be noted that in the newspaper report, the following urgent conditions and the following urgent facts were cited. The report released Tuesday by the Federal Government informationgathering agency says, and this is a direct quote: "Young people leaving post-secondary schools until about 1990 will face grim employment prospects even if enrolment in those schools is curtailed."

Another direct passage reads as follows: "It could be 1990 before the job market supply matches the demands of the labour force if new graduates end up competing with old graduates who are under-employed and are trying to improve their situations. The result could be that over-qualified young people push the less-educated out of skilled and semi-skilled jobs."

The report says, "Broader questions raised by the continued over-supply of post-secondary school students include the possibility that youth will become radicalized as the gap between students' expectations and the realities of job opportunities widen and the results this supply demand mismatch will have on productivity and other aspects of the economy." And it asks, "What consequence does a more highly educated labour force, perhaps under employed, have for employers? Will job turnover increase and will different management skills be required? Can graduates adjust to the realities of the labour market and perhaps derive greater satisfaction from activities outside of work? These are questions that must be considered along with the possibility that public aid to education should be reduced and there should be a closer linkage of post-secondary education to the labour market." In conclusion, the Statistics Canada report suggests to all Canadians, Mr. Chairman, that the situation is likely to go from bad to worse.

So we are confronted here with the reality of a long-term problem and I would hope that the search for, at least, the beginnings and the rudiments of some basic solution to that problem, or some basic attack on that problem, does not become lost in the immediacy of the short-term program being undertaken at this juncture by the Provincial Government.

Further with respect to the employment program proposed by the present government of the province, Mr. Chairman, one has to ask one's self whether it has been thought through by this government; whether it is not, in effect, something of a desperation program that is a mix or a stew of borrowed ideas from other jurisdictions, but which really doesn't come to grips or face the reality of the particular problem in Manitoba. The particular problem in Manitoba being best described, in my opinion, Sir, as one of a poor climate for job creation; a poor climate for business development and growth; a poor climate for the private sector, which is the necessary sector in terms of the stimulus we need in our economy today. It's all well and good to assess other jurisdictions and their methods of coping with problems for ideas, but we have a specific situation in this province that has to be faced, and the application or imposition of borrowed ideas from other jurisdictions may well not fit the specifics of the Manitoba situation.

The first thing I think this government has to look at is the psychology in the private sector at the present time; the willingness or otherwise of the private sector to undertake initiatives to take advantage of whatever opportunities, limited or unlimited, are offered by government programs such as the Jobs in Small Business Program and the program designed to find summer employment for university and high school students.

It may well be, Sir, that programs of that type would be very effective if the economic climate here were not one of enmity and hostility and suspicion on the part of this government, where the private sector and private business and profit making is concerned. It may well be that as long as the private sector here is frustrated and dismayed by the kinds of hostilities, the kinds of preconceived biases and prejudices that have been practised by this government against the profit-making sector of our society for eight years' it may well be that that kind of thing operates against the likelihood of employers attempting to take advantage of the kind of program initiated by the government in this summer project we are discussing.

Another question I think that has to be asked, Mr. Chairman, is whether or not the government has properly measured the impact of its short-term hiring stimulus on long-term employment opportunities, on permanent hirings; whether there is a kind of a trade-off here that raises a serious and an unanswered question; whether the stimulus for short-term hiring may not in fact work against the concept of permanent hiring. I only pose that question. I'm not suggesting that there is anything demonstrable to prove that the emphasis on one side of the equation hurts the other side. But I raise the question because there can be no doubt and no arguing against the fact that permanent employment, permanent job opportunities are what are really needed in this province, and I think it's an interesting psychological point to consider, whether an emphasis on filling jobs on a temporary basis, trying to provide more of a work force on a temporary basis might injure the kinds of concentration, the kinds of effort that should be placed at this time on filling the employment roles in a permanent way.

In trying to assess and examine the Special Employment Program, Mr. Chairman, members on

**Friday, May 27, 1977**

this side of the House are at a particular disadvantage because we don't have any details. We can't look at this program like we can look at other items, other topics in the Estimates, and examine them on a point by point basis and zero in on specifics. That makes it very difficult to criticize this program constructively and I think it's important, and the government would, I hope, recognize it's important, that the program should be criticized and assessed constructively. I think we are all in the same army in this situation, all parties, all members of this House who have a responsibility for the welfare of the Province of Manitoba. I don't think anybody in this House has a monopoly on the desire to see a high level of employment and a high level of job creation and a high level of productivity in this province. We may have our differences as to how to achieve those objectives, but we all share those objectives. Speaking for myself and my colleagues, we would like to assess this program from a point of view of criticism that is helpful and constructive and it's extremely to do so when we have nothing in front of us except one line asking for \$16.5 million; and the kinds of idealistic ambitions and hopes, to which I have referred, that have been recorded in this House by the First Minister and the Minister of Industry and Commerce in respect to the introduction of the program itself.

We would like to know from the Minister of Industry and Commerce, or any member of the Treasury benches in a position to answer, how this program is going to work as well as how it's working. Certainly we're concerned with the measurement and evaluation of the program up to this point. How is it working? How is it delivering? But going behind that question, we still really don't have any answers to the basic question as to how it's going to work; whether or not it's in danger of just becoming another type of LIP program; or whether it, in fact, has been thought out and put together in detail in terms of the real needs, not only of job seekers, but the real needs of employers in both the private and the public sector throughout the province, south and north, urban and rural. That question has remained in the realm of the unanswered and consideration of it has remained just that, in the realm of speculation, since the program was introduced, Mr. Chairman. That's the initial question that lies behind the other question that is now timely and that is, how is it working? What are the results to date? How effective has the advertising, the publicity and promotion material related to the overall program been? And what is the cost of that advertising and promotion effort? Is it producing the kind of response?

My information — and it's not unquestionable, I would like some definitive answers from the Minister — my information is that there have been very few, relatively very few applications from employers for assistance in the Jobs in Small Business hiring program. That the total number of applications is somewhere around 250, up to this point. Now I say that that is not a documented figure, and I would like some comment from the Minister on that point. But my information is that it is around that figure, 250 applications for assistance to fund — or partially fund — one of these temporary summer jobs. That's not a very big impact. That's not a very major kind of inroad into the problem which the program was intended to address, Mr. Chairman. I would like to know from the Minister whether that's the situation or whether there has been a healthy and a worthwhile response.

Is the complementary program designed to find opportunities for university and high school students effectively in place at this present time, and what is it producing in the way of results? Those are the questions that I think require answering at the present time, Mr. Chairman. I don't intend to remind the Minister of the seriousness of the unemployment situation in this province which has deteriorated at a faster rate in Manitoba during the past year, than it has in any other western province or in the nation as a whole.

The Minister is aware of my concern and our concern with the miserable showing of this province in job creation in comparison to the other provinces in western Canada even including our sister socialist province of Saskatchewan. Our record of job creation as I've placed on the record here and documented by Statistics Canada in previous remarks in this House, can only be described as miserable and desperately inferior to the records in those other provinces.

We believe, and I think it bears repeating even though the Minister and his colleagues are no doubt tired of it, that what's really needed to create jobs, to tackle this serious unemployment problem, to resurrect Manitoba's economy and make us competitive again, is stimulus for the private sector, something which is anathema, unfortunately, to this government, locked as it is into a particular philosophical bias; into a particular doctrinaire approach that won't admit of the value of the private sector or the legitimate stimulus that the profit incentive provides.

We believe that what is needed here is reduced corporate and personal income tax levels, elimination of the corporation capital tax, encouragement by any legitimate means of investment capital into the Province of Manitoba and into projects in the Province of Manitoba, selected elimination of the sales tax in specific industries which need support and stimulus and encouragement. Productivity incentives and full co-operation by government with the private sector and with labour, full co-operation that would be designed to formulate strategies of a tripartite nature for stimulating the economy. In other words, an economic coalition. We need more of that and less of the kind of legislation brought into this House every week by this government, which is weighted against business, against the incentive society, against the concept of profit and weighted unfairly

and, I would suggest, unrealistically on the side of organized labour and organized labour leadership.

I believe that rank and file labour union members throughout Manitoba are fully cognizant of the fact that they are consumers, that they are members of the consuming society, they are customers, too. They recognize that the processes and the trends of the past few years under this government have created a situation where their livelihoods are in danger; where business has to be encouraged; where business has to have stimulus and incentive; where profit has to be made to protect their jobs and livelihoods. I think if this government persists in its classic, historic, 19th Century fixation with fighting the street battles and the battles of the barricades in the labour-management area, that they have fallen behind, that history has passed them by. They don't realize what the working men and women of Manitoba realize today, that it's their livelihoods that are at stake, and that profits have to be made or there won't be any jobs. —(Interjection)— The Honourable Minister of Mines and Resources says, the war of the classes, and I would agree that in the minds of many of his colleagues opposite that war is still going on. They're locked into such a bias in that respect that they cannot bring themselves to give the private sector an opportunity to get this province moving.

Mr. Chairman, I think that's the framework in which the effectiveness of this program has to be measured. If the Minister can say to me that this program is having enormous results and that we now have businesses expanding, and we now have a significant reduction in the unemployment totals, and we now have a significant increase in jobs in this province, then I assure you, Sir, that I will be the first to reduce my criticisms and to compliment it. Because that's the objective and all of us share that objective. I have no evidence that that is happening. On the contrary, I suspect that it's not happening to any significant degree at all. I say that this approach of this government has been tried, has been tested and has been found wanting and it's time that they caught with history. You know, Mr. Chairman, Gandhi once said, "There go my people. I must hurry and catch up with them for I am their leader." —(Interjection)— I don't care whether he's a socialist. I don't care whether he was a socialist. He was a realist. He was the first and probably the only socialist ever to be a realist, because he recognized that the people understood and appreciated events and the tenor of the times far better than many politicians give them credit for, and he, as their leader, had to be abreast of them. —(Interjection)— I say that this government has seen its people go marching by, way ahead of it, and history has passed this government by, as well as its people. The constituency to which it once felt it had the broad and basic appeal, that constituency recognizes what Conservatives have been saying all along, that it's jobs and livelihoods that count, and jobs and livelihoods depend on incentives. I believe in the incentive society, not the disincentive society. There's nothing in this program offered by this government which leads me to believe that this government has changed its view that government and bureaucracy and big public programs can do it better, and that the private sector is only interested in profit, and profit is a dirty word so we don't want to give them any encouragement or opportunity.

I want to be convinced that the government has shaken free and shaken loose of that tired old doctrine, and is prepared to recognize that it's the private sector that can help in this battle to an enormous degree. It's not going to be easy, but it can help to an enormous degree.

I put those questions to the Minister. I hope he can give me some reassurance.

**MR. MILLER:** Mr. Chairman, I will just speak on some of the points raised, because I don't think I'll have time to cover everything. I think the main theme of the member was that this government is not hearing, is not listening to the private sector, it has no concern for the private sector, in fact I think he said history is passing this government by.

Well, the fact of the matter is, whether he likes it or not, we are still the third lowest, we still have the third lowest unemployment in this country as compared to other Conservative governments across the country and other Liberal governments. I'm sorry, it's true, it's a fact. It is a fact. What is also a fact is that Manitoba is a province that's in this country. —(Interjection)— Well, look if the Member for Swan River is challenging that statement, then I want to throw back to him the challenge that Statistics Canada has declared that Manitoba has the third lowest unemployment in Canada. If he doesn't believe it, take it up with the Federal Government, Statistics Canada. That includes Ontario, that includes British Columbia, it includes New Brunswick, it includes Quebec, it includes Nova Scotia and other Liberal and Conservative Governments. Even PEI, and that is a fact.

To suggest that somehow the Conservative Party has a miracle answer, then they should share it with some of their colleagues in other provinces, because there is no miracle answer. Manitoba is one of the provinces of Canada, and I indicated during the Budget Address that we are not isolated from the rest of Canada. Our concern was to meet a particular situation that arose because of the failure of the Federal Government, the failure being that they are still addressing themselves to inflation and totally ignoring unemployment. In our opinion, you cannot take that position, that unemployment is demoralizing, it is bad, it is evil, and therefore we had to take immediate steps, to the best of any provincial government's ability, because if it was possible on the provincial level to sort of overcome the problems which are national, then I assure you, all other provinces would do it, but they can't.

**Friday, May 27, 1977**

Monetary and fiscal control are Federal. They are the ones who really can control and direct the economy. It's my sincere hope that in fact the Federal Government will now recognize that inflation, although a problem, is not any more serious or less serious than unemployment, that unemployment has to be addressed.

I would just remind the Member for Fort Garry that just a few weeks ago, a couple of weeks ago, there was a summit conference in London of the seven major western industrialized nations, and what was the message that came from there? What we're hearing here today. It's an international problem, that there is a growing number of particularly young unemployed which somehow the economies of these countries are not able to absorb. It is a serious problem. It certainly cannot be resolved here. And to think that we, in Manitoba, by lowering the Corporate Income Tax by one percent, so that if the profit is \$100,000 it will be \$1,000 more, that is going to create more jobs is nonsense.

I suggest that what we have done, by introducing a program and inviting the private sector to participate and they are participating and there is a deadline I think of June 15th, and there are far more than 250 applications, by the way, I think that program is very direct. Those companies that can benefit can take advantage of it, and therefore the flow of funds will be to those who can create jobs and provide jobs, not simply a drop of one percent in the Corporate Income Tax which may leave them with \$1,000 more profit at the end of the year, because that \$1,000 is not going to create jobs.

What creates jobs is consumer demand. By pumping this kind of money into the economy, it will also reflect in more sales, it will reflect in a spinoff effect throughout the economy, so that it will help the economy of Manitoba, both the government in its revenues and the private sector in the purchasing power which is then in the hands of that particular level of people who will use it for meaningful consumer products, and not simply for luxury products. Because the people we're dealing with are people who need jobs, need them badly, and will spend them for day-to-day things and therefore will help the economy in Manitoba for the short term.

For the long term, I have to tell you there is no pat solution. They haven't got it, I assure you, and it is up to the Canadian Government to marshal its forces to deal with an unemployment problem across Canada. We in Manitoba do not feel that Premier Davis' recent announcement that in his opinion, 5.3 unemployment is considered no unemployment, that simply isn't acceptable.

**MR. CHAIRMAN:** Order please. The hour being 12:30, the hour of adjournment, committee rise and report. Call in the Speaker.

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

### **IN SESSION**

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

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

**MOTION presented and carried.**

**MR. SPEAKER:** The hour of adjournment having arrived, the House now stands adjourned until 2:30 this afternoon.