

# LEGISLATIVE ASSEMBLY OF MANITOBA

Tuesday, June 20, 1978

Time: 8:00 p.m.

## SUPPLY — CIVIL SERVICE COMMISSION

**MR. CHAIRMAN, Mr. Warren Steen:** We have a quorum. The Member for St. George is the first.

**MR. URUSKI:** Yes, Mr. Chairman, I had several questions that I wanted to ask the Minister concerning legislation with amendments to the Civil Service Act. Is there consideration to be given this session to have amendments made to the Civil Service Act dealing with matters of collective bargaining and the rights of employees within the Civil Service?

**MR. CHAIRMAN:** The Minister.

**MRS. PRICE:** There are going to be a few minor changes pertaining to the collective bargaining. That's about all I can tell you right now but, you know, very minor and . . .

**MR. URUSKI:** There are no major changes.

**MRS. PRICE:** No.

**MR. URUSKI:** Okay. Also, I would like to ask the Minister — the Premier in the first several months of your administration spoke about the merit principle and the hiring of Civil Service staff — I wanted to ask the Minister, since her time as Minister responsible for the Civil Service, whether there have been any violations that she could indicate to this committee of the merit principle in terms of hiring of regular Civil Service staff. I am not speaking about appointments made through the Executive Council and Order-in-Council. We realize the nature of those appointments, but regular hirings within the Civil Service.

**MRS. PRICE:** Not to my knowledge and the director that is on my left said that he isn't aware of any either.

**MR. URUSKI:** Thank you, Mr. Chairman.

**MR. CHAIRMAN:** The Member for Transcona.

**MR. PARASIUK:** Yes, Mr. Chairman. I wasn't here this afternoon but I gather that the Minister provided information that I had asked for and I would like to thank her for providing that information. I can get it out of Hansard.

I wanted to ask a question about a particular Civil Service position and this is the Committee on Fitness and Amateur Sport has a secretary to it and I would like to know whether that position was bulletined or whether that position is being filled by someone on contract. This is the Minister of Health and Social Development who has this Committee on Fitness and Amateur Sport; the committee has a secretary.

**MRS. PRICE:** I am not aware of the situation, I'm sorry. I would have to find out for you but I don't know of the secretary.

**MR. PARASIUK:** Fine, but would you take that as notice. I would like if you could . . .

**MRS. PRICE:** Yes.

**MR. PARASIUK:** Thanks.

**MRS. PRICE:** Can you give me the name of the person?

**MR. PARASIUK:** Yes, I would. I gather that the name of the person holding the position of secretary is Manford Kyle.

**MRS. PRICE:** Manford Kyle.

**MR. PARASIUK:** That's right.

**MRS. PRICE:** Okay, I'll get back to you.

**MR. CHAIRMAN:** 1.(a)—pass; 1.(b)—pass. It be resolved that there be granted to Resolution No. 28 the sum not to exceed \$512,100—pass. —(Interjection)— No, there's no salary in this, it was in Labour.

2. Civil Service Benefits Plan, 2.(a) Civil Service Superannuation Act — the Member for St. George.

**MR. URUSKI:** Mr. Chairman, I'm not that sufficiently up to date on the portions there. Could the Minister give me some background on these, the amounts of funds dealing with The Civil Service Superannuation Act, whether the pensions are indexed or whether that is an annual occurrence moved by the government through Order-in-Council for civil servants? Does that also, that amount of money in that entire benefit, include members of the Legislative Assembly as well?

**MRS. PRICE:** Well, this first amount, the \$3,840,000, that represents 1-½ percent of the payroll. The pensions are indexed.

**MR. URUSKI:** Automatically?

**MRS. PRICE:** Yes, they are. On an annual basis.

**MR. URUSKI:** Yes. Does that amount of money also include members of the Assembly, in terms of payroll or are they in a separate fund?

**MRS. PRICE:** They are paid from the Consolidated Fund.

**MR. CHAIRMAN:** To the Member for St. George, the Clerk tells me on Page 3 Item 2 (a) is where the Members of the Legislative Assembly is contained.

**MR. URUSKI:** Thank you, Mr. Chairman. The assessment made to the Canada Pension Plan fund, is that money turned over annually to the Federal Government or is that money used as part of the Provincial Government borrowings within the province itself and only a bookkeeping record transferred back and forth from the Federal Government?

**MRS. PRICE:** That is turned over to the Federal Government and I believe that the Minister of Finance would be better able to answer that than I.

**MR. URUSKI:** Fine. That's all.

**MR. CHAIRMAN:** 2.(a)—pass; 2.(b)—pass; 2.(c)—pass; 2.(d)—pass; 2.(e) —pass. Resolution 29, be it resolved that there be granted to Her Majesty a sum not exceeding \$12,046,200.00.  
The Member for St. George.

**MR. URUSKI:** Mr. Chairman, we are concluding the Estimates of the Department of the Civil Service and in the last day we have really witnessed an event that, to say the least, has been a spectacular move of the Minister and her colleagues, playing a game with numbers, playing the numbers game in terms of, I believe, trying to impress the citizenry of Manitoba as to how tough they are. They are really following a leaf out of the pages of the report that's been written for them by a man who is purported to be a policy advisor of the Conservative Party dealing with the bureaucracy, where he would, in his report he had indicated that in order to indicate to the people that if you fire enough people quickly enough, or at least give that illusion, and alongside of it bring about a tax cut, you will create the impression to people that by firing enough people immediately you will be able to accomplish a tax cut and that is the reason that the impression has been created over the last number of months by the Conservative Party to say to people, "Look, we have given

you a tax cut and we have accomplished it by firing." First of all it was 1,700 civil servants and then it was 1,100 civil servants, today it is 1,300 civil servants.

I would venture to say and I wonder whether the Minister would refute that statement that about 1,000 of those 1,300 that she figures that she gave me today are probably paper figures, that no people existed, these figures were on paper.

That is the impression that is being left with the public that the payroll of actual people has been reduced by 1,700 in the last number of months. That because of the over-blown Civil Service in the Province of Manitoba the need for restraint, and the need for restraint by firing a number of people has been able to result in a tax cut to the people of this province. That is the impression that is being created by the Conservative Party.

They are trying to fool the people of Manitoba similar to the fooling around that the Minister of Finance did when he brought about his budgetary figures in the Budget about the \$50 million that all of a sudden came from the Federal Government that had disappeared. That is the kind of hocus-pokery is going around with the figures. Because we have witnessed the Minister during the last two days give us several sets of figures and she herself was unable to verify which figures were accurate, which figures were actual persons within positions, which figures were just positions, what was eliminated or what. We had figures ranging from 165 permanent civil servants to 285, up to 1,700 on the payroll, down to 1,335, and no one, even she is not sure of her figures.

I venture to say that even the Minister responsible for the Task Force is not sure of his figures as to who is where.

**MR. BOYCE:** On a point of order, Mr. Chairman. I am sorry to interrupt my colleague.

**MR. CHAIRMAN:** The Member for Winnipeg Centre on a point of order.

**MR. BOYCE:** We have passed (a), (b), (c), (d) and (e), so I am sorry I don't know what my colleague. . .

**MR. URUSKI:** I just have a couple of other comments to make.

**MR. CHAIRMAN:** As I was about to call pass for Resolution 29, the Member for St. George said I have a comment to make, is that all right, and I waved to him to let him make a comment and it is turning out to be more than just a comment, but he is in my opinion the critic from the Opposition for this department, and since there is no Minister's Salary, I am prepared to let him conclude. But I will not recognize any other speakers unless they do it on a point of order.

**MR. BOYCE:** Well, this is the question, Mr. Chairman. I appreciate your attempt at being fair. You have bent over backwards to be fair in this regard.

**MR. CHAIRMAN:** I really thought that the department was through but since there is no Minister's Salary he did ask about it on an earlier motion and I thought that if he had a few brief comments I would let him conclude on them.

Members of the committee, what he is speaking to is really the motion to pass Resolution 29 and I, as Chairman, granted him that privilege. I'm hoping that no other members want to jump in on . . .

The Member for River Heights, The Minister without Portfolio.

**MR. SPIVAK:** Well, Mr. Chairman, just on a point of order. The honourable member has made a number of comments . . .

**MR. CHAIRMAN:** Are you on a point of order?

**MR. SPIVAK:** Yes, on a point of order, and this is the problem we have. The honourable member has made a number of comments which are not correct which I'm quite prepared to debate if the issue is to be debated. The difficulty about allowing him to continue is that the line that he's taking is suggestive of certain facts which are not the case, suggestions of his impressions of what the circumstances are which are not the case, and if we are going to continue on this then we have to have a debate. Either it's out of order — and if it's out of order then let's just call it out of order now — or allow the open debate because there's just no sense in this thing of simply allowing that to stand on the record.

**MR. CHAIRMAN:** The Member for Selkirk on the same point.

**MR. PAWLEY:** Mr. Chairman, it seems to me that there's a danger that if we accept the advice of the Minister without Portfolio we're going to be engaged in a full-scale debate. I think you have done the reasonable thing. The Member for St. George is making some concluding comments and I don't think any of the rest of us want to engage in the discussion after that. But if you allow that rule to be deviated from, then more and more of us will end up in the discussion.

**MR. CHAIRMAN:** Well, to the Member for Winnipeg Centre who had the original point of order, on the same point of order, the Member for Winnipeg Centre.

**MR. BOYCE:** This is why I raised the point, Mr. Chairman. I was listening to my colleague, the Member for St. George, and I had thought that he might get off the point under discussion and would reopen the debate. My understanding was that we had concluded the debate and if the Member for St. George has concluded his remarks, then I suggest that we either vote the item or we vote against it . . .

**MR. URUSKI:** Am I concluded?

**MR. BOYCE:** . . . rather than reopen the whole debate again.

**MR. CHAIRMAN:** To the members of the committee, I appreciate the Member for Winnipeg Centre's raising the point of order. I was about to call the Resolution 29 to be passed and the Member for St. George said, "I've just got a few brief comments," and I waved to him and I granted him a couple of brief comments. I would just say to him, would you try and conclude your remarks and if you can keep it from inviting others to participate I think I would appreciate it as Chairman, because otherwise we're going to reopen the whole debate.

**MR. SPIVAK:** Mr. Chairman, I really think the honourable member acknowledges now that he may have been out of order and there was really no point in continuing this. I think we should acknowledge that it was out of order and deal with the matter before us.

**MR. CHAIRMAN:** Well, if I'm going to try and be consistent, I recognized the Member for St. George just prior to calling Resolution 29 passed, so I think I have to be consistent and fair and let him have his few words.

**MR. URUSKI:** Thank you, Mr. Chairman. In dealing with the Commission and the Civil Service plans and the office of the Minister of the Civil Service, I only wish to conclude by indicating that in the last several months her handling of the portfolio and dealing with the full-time member of the Civil Service Commission who was replaced by the Premier and not by the Minister really indicates that the department is not run by the Minister responsible for the Civil Service. It is really run by the Premier. I believe that certainly the spirit and the intent of the Act has been violated insofar as the government notifying, and the Minister notifying the Commission members of hearings under The Civil Service Act. If the Minister is certainly serious about involving the members of the Commission that she certainly will take it upon herself to notify all members of the Commission of the regular meetings whether or not there might be some feeling on their mind that the member who has been dealt with, who I believe dealt with very unfairly by the present government without any cause, because the Minister certainly could not give us any cause for the removal of the full-time Commissioner. I would hope that she, if she is as sincere as she has been in trying to answer the questions to the committee, will certainly take it upon herself to take hold of that department and make the necessary changes in dealing in a fair and equitable manner with the Civil Service of Manitoba rather than in the manner that it has been dealt with in the last number of months.

**MR. CHAIRMAN:** Resolution 29—pass.

Lady and Gentlemen, that concludes the Estimates of the Civil Service.

### SUPPLY — CO-OPERATIVE DEVELOPMENT

**MR. CHAIRMAN:** I will ask honourable members of the committee if they will turn over a few pages in their booklet to Page 22, Co-operative Development.

Gentlemen, can we have your attention? We are on Co-operative Development. 1.(b)(1) — the Minister of Co-operative Development.

**MR. EDWARD MCGILL (Brandon West):** Thank you, Mr. Chairman. I am pleased to introduce to the honourable members the Estimates of the Department of Co-operative Development for the fiscal

year 1978-79.

The department serves a large segment of the population of Manitoba through the services supplied to co-operative enterprises of all kinds and credit unions. Members will recall in the very recent past the new Co-operatives Act and the new Credit Unions Act were passed by the Legislature. The Co-operatives Act has been proclaimed and all co-operatives will be required to conform to the provisions of the new Act by June 1, 1979. Demands for information and assistance in revision to charters and by-laws to meet the new requirements have generated a greater work load, and this may increase as the June 1979 deadline approaches.

The new Credit Unions Act, has not been proclaimed because the regulations under the Act have not been finalized. The department has been working closely with Credit Unions and Caisse Populaires to develop the regulations. Meetings with many credit union executives have been held throughout the province, and it is expected that the regulations can be promulgated in the near future. Members will no doubt observe the reduction in the Estimates for the fiscal year 1978-79 from the adjusted vote for 1977-78. Despite these reductions, essential services to co-operatives and credit unions will be maintained. These services include assistance in incorporation, preparation of by-laws, interpretation of legislation and supervisory and training assistance.

In recent years, the department has encouraged the stabilization funds to play a greater role in the audit and examination of credit unions. This has enabled the branch to reduce the staff involved in this function from 11 in 1975-56, to eight at present. Notwithstanding this reduction, the department will maintain a capacity to provide an audit service to developing nonaffiliated co-operatives, as well as some essential inspection services for credit unions.

The Administration Branch will maintain its central registry and legal section to assist approximately 500 co-operatives and credit unions now operating in Manitoba, and to assist co-operatives and credit unions which are newly formed. The funds to be provided for this branch total \$436,200.00, a reduction from last year's appropriation in the amount of \$20,800.00. The Co-Operative Development Branch conducts three basic programs. These are, Northern Development, Southern Development and Finance and Control. Funds for the Northern Development Program have been increased by eight percent. This has been provided in recognition of the role that co-operatives fulfill in many northern and remote communities. The program provides organization, development, operation and management training assistance to co-operatives engaged in commercial fishing, agricultural, retailing, manufacturing, housing and other activities. The southern program provides assistance to non-affiliated co-operatives involved in agriculture, housing, day care and retailing.

Groups interested in forming co-operatives are assisted with feasibility studies, and in the development of operating policies. The program serves 27 agricultural co-operatives, 21 co-operative day care centres, 18 continuing housing co-operatives, and 5 retail co-operatives.

Under this program, seven home-ownership co-operatives were assisted. Some of these have been dissolved upon completion of the homes, others are currently under construction. Both southern and northern programs are dovetailed closely with the central registry program to enable smooth transition to compliance with the New Co-Operatives Act. Also, there is a continuing flow of inquiries from persons interested in establishing new co-operative enterprises under both programs.

The Finance and Control Section, of the Development Branch provides expert advice in the financial statement analysis, budgeting forecasting in accounting system design. These services are provided primarily to non-affiliated co-operatives, but in addition the finance and control sections offer a reporting accounting program for northern remote co-operatives, which do not have accounting services available.

The Information Organization and Personnel Section of the Development Branch, was phased out in 1977-78 through departmental reorganization. The responsibilities of this section were transferred to other branches of the department.

Members will note that there is no provision in the Estimates submitted for Extension Service. The Economic Analysis Section has been discontinued and some of the functions have been taken over by the other branches and sections.

Similarly, no additional funding is provided for the Co-operative Curriculum Program. It is not intended that further money be spent on this program until such time as its potential acceptance in the educational system is fully assessed. If it ultimately appears that the future expenditures warrant it, the department will endeavour to find ways to make the program self-sustaining.

It will be evident, Mr. Chairman, that the principles of this government's restraint program have been applied in this department, as in others.

The expenditure estimates of the department for 1978-79 have been curtailed by 32 percent, the saving of approximately \$527,000 from the 1977-78 level. There has been some reduction in staff, largely as a result of non-renewal of contracts and voluntary resignations.

Despite these reductions of financial and human resources, I am confident that the department can continue to provide valuable support for the co-operative movement in Manitoba. The thrust

of the department will change from that of an aggressive promotional nature to a response activity. We look to existing co-operatives and credit union centrals to intensify their initiatives, where they feel that the development of new co-operative enterprises should be encouraged.

In summary, Mr. Chairman, I am satisfied that the department and co-operators can work effectively and efficiently together to obtain positive benefits for an expansion of the co-operative movement.

**MR. CHAIRMAN:** The Member for Selkirk.

**MR. PAWLEY:** Mr. Chairman, I would like to just deal with some general comment because I would like to obtain some feel of the Minister's philosophy towards the co-operative movement and also at the same time some feeling as to the government's feeling towards the co-operative movement.

What concerns me in general, and I wish to deal with it under Administration, is the Minister made reference to restraint and indicated that restraint had affected this department like other departments of government. But it seems to me, Mr. Chairman, that restraint has possibly nibbled at some departments but it has bombed this department. I don't know whether there is another department in government that has been so thoroughly bombed as this department has been by the government's restraint process.

Yet I find that to be rather paradoxical because the Conservative Party in the fall election campaigned on the basis that they philosophically were attuned to helping people do things for themselves, rather than have others do things for them. It seems to me that the very best epitome of this type of philosophy, if the Conservative Party Government were desirous of doing so, would be to further the co-op movement. Not to be, as the Minister indicated in his opening remarks, a response mechanism, but rather to aggressively assist in the promotion of the co-operative and credit union movement in this province.

I must say that I do believe that the Minister's predecessor as Minister of Co-operatives, the former Honourable Rene Toupin, had worked with great effort in this respect with a department that had been set up by the previous government to handle co-op matters singly, that is the Department of Co-operatives.

I say that because it seems to me that the co-op movement and the credit union movement can best retain ownership of assets, Manitoba assets, in the hands of Manitobans because the assets of a co-op or credit union are owned by the community itself. Secondly, it is membership involvement and participation and people working together co-operatively in order to achieve economic objective. Thirdly, of course, to keep, in the instance of the credit union to keep the local resources in the hands of local people, and thus epitomizing the importance of strengthening the rural community.

So that I have to say to the Minister that I regret very much the fact that it seems to me that this department has been so badly cut in the restraint exercise — I said bombed, guillotined, I don't care what it is — the percentage of reduction here I believe Mr. Minister, and you can correct me if I am wrong, that possibly of all departments of government that this particular department has been hurt more than any other department of government financially, that there has been steeper and greater cuts.

Therefore, Mr. Minister, I must assume the view that the Conservative Party is not an enthusiastic supporter of the co-operative movement in the Province of Manitoba, because if it was then the restraint exercise would not have taken such deep cuts in this department, that at least the restraint cuts would have been proportionate to the reduction that has taken place insofar as other departments of government.

Specifically, I would like to also have some comment from the Minister as to the future of the Department of Co-operatives in specific reference to the recommendations of the Task Force, which I must say again appeared to epitomize an attitude that was not pro-co-operative, but an attitude that would lead towards the slaying of this very department.

I must also say to the Minister that I regret very much that Mr. Gauthier, who was the Deputy Minister of Co-operative Development, is no longer with us, and I believe that Mr. Gauthier so well represented the co-operative movement within the Department of Co-operative Affairs. I think that was generally accepted as being the case. The very last department we dealt with, we had to deal with the removal of a proven civil servant, senior rank. Again, Mr. Minister, we find in this department that a civil servant has seen fit to move aside. I think that has been a serious loss to the province, certainly a serious loss to the co-operative movement and to the Department of Co-operatives.

So I say that we cannot be reassured at all by the processes that seem to be taking form insofar as the present Conservative Government in the Province of Manitoba is concerned in connection with co-operatives.

**MR. CHAIRMAN:** The Minister.

**MR. MCGILL:** Thank you' Mr. Chairman. I thank the Member for Selkirk for his comments. I will attempt to respond to those which impressed me particularly.

First of all, the member suggests that there is something inconsistent between the philosophy of the co-operative movement and that of the Conservative Party. I assure him that that is not the case, that the basic premise of the co-operative movement is very consistent with the free enterprise and private enterprise approach that the Conservative Government has taken, and I assure him that there is no difficulty in that respect, and that the objectives and the growth of the co-operative movement in Manitoba, and of the credit unions, is something that has impressed this government as well as the previous administration.

It is true that there have been cuts in this department and we think that the main area that we are looking at is that of promotion of new co-operatives and active work in respect to encouraging the development of co-operatives. We think, Mr. Chairman, that this maybe is the area where most of the difficulties in past years have occurred, where perhaps there's been a very active attempt to assist to the point where perhaps co-operatives were encouraged to develop where there wasn't really a firm grass roots kind of movement generated in the beginning. And where that happened, where there was an artificial insemination, if you will, there was a tendency for the gro perhaps to rely overly upon government assistance and government aid in, not only the initial formation of the co-operative, but perhaps in carrying on the work. And when difficulties arose, as they always must in new enterprises, there wasn't the enthusiasm and will at the grass roots which was needed to overcome them. So as a result there were some losses sustained in the past.

We think that it is a reasonable approach now to use the department to provide that assistance for groups to generate their own ideas and their own needs for a co-operative enterprise in their area. We're able, with the present size of the department, I am assured, to respond to those requests, and this we are going to do and we are going to help the co-operatives to continue to expand in Manitoba, because they are a very vital and important part of our economy in Manitoba.

The member referred to Task Force recommendations, and again, Mr. Chairman, I must say that as the member knows these Task Force recommendations have not been considered by the present administration. They will be in due course, but they are only recommendations and they will remain so until the time arrives when there is an opportunity to thoroughly review the recommendations of that Task Force, not only in respect to this department, but to all other departments of government. So, I cannot accept the member's suggestion that this has had already some bearing upon the way in which the Co-Operative Development Department is being funded, and the recommendations we are presenting to this committee in respect to the spending Estimates for the coming year.

The member mentioned as well the resignation of the Deputy Minister. I regret it very much that the Deputy Minister decided that there was an opportunity for him in Manitoba, he is staying in Manitoba, I believe, that presented in his view a greater opportunity for the future. I didn't interfere with his decision in that respect, we discussed it in a very friendly way, and as a matter of fact, all of my relations with the former Deputy Minister were most cordial, and I found him to be a very good person in respect to the background and knowledge he had of the co-operative movement. So, his decision, Mr. Chairman, was based upon matters which he had weighed and which he no doubt finally determined to be those which prevailed upon him to accept an opportunity which the Federal Government was offering to him.

I think those are the major points that the Member for Selkirk has suggested to me, and if I've overlooked some I'll attempt to respond.

**MR. CHAIRMAN:** The Member for Selkirk.

**MR. PAWLEY:** I would like to elaborate further on some of the points that the Minister has commented on in his response which I thank him for. But I want to say to the Minister before I deal with specific points, that I fear there is a major disagreement' of course, between he and I in connection with his statement that the co-operative philosophy was one and the same as the free enterprise or private enterprise philosophy, and I would ask the Minister to read some of the early work and sacrifice by co-operators originating with the efforts of Owen and others in Britain in the last century, and the purposes and objectives of the co-op movement were in fact, not one and the same as free enterprise or private enterprise, but were in fact a challenge to the existing profit-orientated society that existed. And to this day the co-operative movement is basically, in its essence, a challenge.

First, it is service at cost. It is not based upon the profit motif, but in fact if one is a member of a co-operative you receive equity according to your use of the co-op, not according to the amount of profit that the co-operative makes at the end of its year, but you receive one share, and any equity that you receive is based upon your use of the co-op. So, I suggest to the Minister that

it's use versus profit under the system which he endorses so strongly, and the co-operative movement is a democratic institution, it's based upon one member, one vote, each member having the same degree of strength within the organization. Simply because one member has invested more in the co-op or even uses the co-op much more than the next member, they all participate on an equal basis within the co-operative organization. So, I must say to the Minister that there is obviously some —(Interjection)— Mr. Chairman, would you suggest to the Member for St. George that he not heckle me.

So, Mr. Chairman, I must say to you that there is, I think, a clear and sharp difference between our respective philosophies in this respect. If I'm taking some time on it I want to make it clear, so that it's clear on the record, as to certainly my disagreement with the Minister's earlier premise. But I would like to ask the Minister specifically, he indicated that he felt that it was important that people generate support for the co-operative movement at the local level and thus the reason for the cut in educational activity insofar as the department is concerned, and response.

I would say to the Minister that I am somewhat concerned about this direction in view of the situation, which I'm sure he's as familiar with as I am, that in the northern communities the Hudson's Bay Company and other retail stores have a stranglehold, and I think the best way, often, to reduce prices and to provide an alternative to Hudson's Bay and other private entrepreneurs is through local people getting together in order to form co-operatives.

But Mr. Chairman, I think that in practice to wait, insofar as many of the northern communities are concerned, for that to happen, without taking some initiative, it may be a long, long wait. And I would just like to have the Minister's comments on that.

**MR. CHAIRMAN:** The Minister of Co-Operative Development.

**MR. MCGILL:** Thank you, Mr. Chairman. I know the Member for Selkirk is very interested in the philosophy involved here and whether there is some basic difference between that which he associates with the Government of Manitoba and that which he feels is truly representative of the co-operative movement. He used the suggestion that they were one and the same with the private enterprise. I think those were not my words. I was attempting to suggest that the objectives of the co-operative system are not inconsistent with those objectives of the private or free enterprise system. For one to suggest that the objectives are basically different, I think you will have to work very diligently to convince me that that is the case because they both have a desire to produce an excess of revenues over expenditures, and if the members in opposition object to the word "profits" they can call them "savings" but it is the same thing, essentially, and the people who are involved in co-operatives are anxious to see that when the books are audited that there is a saving and that those savings are distributed to the members in the same way as in the so-called private enterprise system, the profits are distributed to those who participate in one way or another.

So Mr. Chairman, I think it is really a very difficult exercise to demonstrate a real difference between the objectives of the two systems. But I'm not going to belabour that point because I've already indicated to the member that this government is impressed with and anxious to promote the development of co-operatives in our province, and when I say promote I mean that we're not going to use this department to go out and actively generate the formation of co-operatives. We don't think that is a proper function. We think that by doing that we may be encouraging marginal kinds of operations and it will be those that will have the greatest difficulty when they are expected to proceed on their own efforts and not upon the assistance provided by government.

So Mr. Chairman, I think I have no further observations to make in respect to the basic philosophies involved, except perhaps to remind the Member for Selkirk that one of the largest co-operatives, I believe, was begun, not by the New Democratic Party, not the CCF, but the Government of Manitoba of that day, I believe it was labelled a Liberal Government. That was back in the thirties when the first really major type of co-operative got underway. So let not the Opposition Party, the New Democratic Party, be assuming the guise of the role of the founders of this co-operative movement in Manitoba, because I think it happened under some other auspices.

**MR. PAWLEY:** I would like to still obtain from the Minister some comment in connection with concern that I expressed about the northern communities, and I know, from information that has been tabled in the House, the very high prices that are charged for retail goods in northern communities because of the so frequent stranglehold of the private store system, mainly the Hudson's Bay Company in the various communities in the north. It seems to me, Mr. Chairman, that to leave it to a few people in a local community to contend with that in the remote northern communities may be, in fact, asking too much. And I would like to have the Minister's advice as to whether there, too, he intends to conduct a passive role, solely response role, insofar as serving what I would suggest is a potential need of major significance in the northern communities.

**MR. MCGILL:** Mr. Chairman, certainly the department recognizes the special work and the role that the Co-Operative Department has played in the north, and I think as we examine the Estimates in detail on the way through, you'll note that that is one, the northern development area is one area in which there has been an increase in the funding for this year, in recognition of the importance of that work. Now, to say that we're going to go into an active promotional campaign in that area I think would be overstating it. I don't think we intend to do that. But we do intend to service those co-operatives which are working, and working pretty well, in the northern part. We have quite a list of them here and I think in that area the operations of the department have been most beneficial because it is an area of difficult communication of widely dispersed small communities, so the role of the department in providing a communicating role, in providing a cohesive force, is of special importance as compared with perhaps, in comparison to the southern part of the province.

**MR. PAWLEY:** I would also like to have some response from the Minister in connection with his comment that the recommendations of the Task Force are just that, recommendations, and they have not yet been considered, that in view of the fact the Minister is the member of the Executive Council responsible for Co-Operative Development, I wonder if the Minister would wish to provide us, at this opportunity, while we're dealing with the Minister's Compensation, some advice as to his own opinion pertaining to the recommendation of the Task Force dealing with the Department of Co-Operative Development.

**MR. CHAIRMAN:** I might point out to the Member for Selkirk and other members of the committee that we are on 1.(b) and not the Minister's Compensation now, although fairly general questions are in order under Administration.

**MR. PAWLEY:** I'm sorry, under Administration, I should say.

**MR. MCGILL:** Mr. Chairman, I'm invited again to comment on the recommendations of the Task Force and I respectfully suggest that this is not the proper time. I'm not prepared to speculate on what decisions will be made if you're asking for opinions in respect to the recommendations of the Task Force, I haven't really considered them in any serious way. That opportunity will come, as I mentioned to the member before, but I feel it would be inopportune, premature, for me in any way to comment on those recommendations.

**MR. PAWLEY:** Well, certainly I don't want to ask that the Minister speculate on the outcome of decision of his colleagues, but I do feel that the Minister must have some opinion at this point, insofar as the major recommendation of the Task Force, and that is that this entire department be abolished. I am sure that the Minister, after a period of time that he has been Minister for this department, will have formed some view as to whether it is worthwhile to carry on with this department or whether or not he, in fact, accepts the Task Force Report that this department be abolished. Surely the Minister has some opinion on that.

**MR. MCGILL:** Mr. Chairman, I don't know how I can put it another way. I do not have an opinion. I am anxious to weigh, and by my experience in this department I hope that I will be better able to provide a useful opinion when the debate on these recommendations does come before the committee. They are recommendations. I am the Minister responsible for the Department of Co-operative Development; I am learning very quickly about the past performance of the department; I am learning from the officials of this department what work they are doing now; I am hearing from people from the north who have come with problems of one kind or another and I am finding out and gradually increasing my knowledge in respect to the operations of the department in the past.

It is premature for me to even suggest that I have an opinion as to the future role of the department. When the time comes for that discussion I hope to be well informed.

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

**MR. URUSKI:** Thank you, Mr. Chairman. I will probably begin my comments where the Minister left off without him wishing to speculate about the decision as to what course the government will take with respect to the Department of Co-operative Development.

I suggest, Mr. Chairman, and to you, Mr. Minister, that you have already made that decision. You have, in effect, cut the heart out of that department by slashing their budget in half, or in more than half. You have virtually emasculated the Department of Co-operative Development within the Province of Manitoba.

You indicate that the recommendations of the Task Force are recommendations and only that. Yet the Task Force Report recommends the doing away with that department and certainly by your

comments this evening about the government not intending to promote or do any innovative work in the co-operative field you have, in effect, made that decision regarding the department.

It is no wonder, Mr. Chairman, that the Deputy Minister has resigned from that department. I am certain that he has seen the light. He has seen the direction that this Minister and this government are taking with respect to the Department of Co-operative Development, that nothing was going to happen in this department. They were going to slowly wind it down and make it a totally passive department of a very minute and administrative nature. And that decision is made without even having to have any reference to the Task Force Report, or Cabinet, or the like. That decision was made by the Minister of Agriculture and the Minister of Finance who sit on Management Committee when the budgetary Estimates were made. Whether the Minister of Co-operative Development wants to admit it or not it has happened to him. Whether he wants to indicate that he will be looking forward to it, I suggest to him it's a little late. It's a little late, having to look forward with respect to the Department of Co-operative Development, when you have already knocked the hell out of it. Excuse the expression, but that's what you have done.

Your comments this evening with respect to the objectives being consistent with the private sector, I suggest that they are just the opposite, they are totally inconsistent with the private sector.

No one on this side, Mr. Chairman, and I suggest to the Minister, has ever spoken about any political affiliation between the co-op movement and any political party. We have not suggested that the NDP has been the forerunner or the developer of the co-operative movement. What we have attempted to say was that the co-op movement — and we have never knocked the profit motive. But what we do knock is how the wealth that is accumulated by any organization, how it is distributed. That is the fundamental difference between the co-op movement and any private corporation. The wealth that the co-op movement does make on the sales that it may generate, if it is in the sales and retail field, is distributed to the member shareholders of that co-operative movement. That is the basic difference between the co-operative movement and any private company. That is the fundamental difference as to how the co-operative shares its wealth with all its members. And every member, as the Member for Selkirk had stated, is the sharing of the equity, one member, one vote. Regardless of the wealth and the ability of any member of that co-operative he has only one vote in that co-operative. He may be the wealthiest man in the community but he shares and he participates in that co-operative not by his economic influence in that community, he participates in that co-operative as one member, one vote.

Mr. Chairman, the Minister of Co-operative Development said that his government never attacked the co-operative movement. Well, I suggest to him that he should check the record back during the last election campaign when his leader, the now Premier of this province, went around attacking the co-operative movement and specifically several co-ops that this government tried to foster.

The Minister of Finance looks at me in bewilderment. Let him check the record as to what statements the now Premier of this province made during the last election campaign about the co-operative movement and the assistance.

Mr. Chairman, I would also like to ask the Minister, before I conclude my remarks and then I would like to speak again, as to what has happened. I believe there was a course developed within the co-operative movement, dealing with the history of the movement, that was going to be brought forward into our high schools to teach the students of this province about the history and about

We certainly, Mr. Chairman, have the Rotarian Cuubs, all the other, Chamber of Commerce, having pamphlets, and the Junior Achievement, all these groups promoting the free enterprise system. We have not had any balance and option to the young people of this province, dealing with the history and the movement of the co-operatives within this province.

Now I understand, and the Minister can contradict me, that this course has been cancelled. It is totally scrapped. The course was developed to the point where it was going to be introduced into the high schools as, I believe, an optional course, and presented to our students. But we look at the Extension Services budget of this department and there is exactly zip within that budget to promote and bring forward this course to the students of this province.

So the Minister really has the gall to stand here and say that they are not attacking the co-operative movement. I challenge him to say that they are going to continue with the course that is prepared for the high schools and the students to give a balanced approach to the business within this province. If they are serious about indicating that at least they will keep the status quo, that he will allow that course to be brought forward within our high schools and be promoted within this province.

Mr. Chairman, the Minister also indicated that they are not going to go out and promote the co-operative movement. How will they help foster the co-operatives within this province? What will happen I venture to say, Mr. Chairman, is that the elite, the strong co-operatives, who have historically had and are in a solid foundation, will continue regardless of what this government does. They will continue to flourish because of the solid membership.

It is precisely those areas within our province who are people who are attempting to band

together and to strengthen their economic position within their communities, whether it be in the retail field, whether it be in the marketing field, that these people do require the assistance and the help. It is the elite who will milk the system, who will be able to look after themselves in any event, regardless of what this government does. But it's those who need the help, who need the management skills, who need the advice, who need the seed funds will not be the ones that will be nurtured and helped along to begin and assist the people of those communities.

This Minister, Mr. Chairman, I suggest, is really attacking the fundamental and the roots of the co-operative movement in this province by cutting that budget in half.

**MR. MCGILL:** Thank you, Mr. Chairman. I listened with great interest to the Member for St. George. He speaks on many subjects with great enthusiasm. He has been accused of some things in respect to those comments but I suggest to you, Mr. Chairman, he has never been accused of understating his position.

He suggests that the budget of the department has been cut by 50 percent. His number work, to begin with, is out a little bit there. —(Interjection)— Well, you will see that there is a \$600,000 item in there that is a difference in accounting. That is a capital item, not an operating item, and the actual reduction, I think, is 32 percent. So if the member will just examine that rather carefully we could get down to that.

But, Mr. Chairman, he went on to make a statement not ask me a question. He told me what my position was with respect to co-operatives and what the government was going to do about the Co-operative Department. He is entitled to make whatever statements he likes. He is not privy to my thoughts on the matter and he is not reflecting them in any way that I could accept, so I don't intend to comment on his statement of what he believes to be the case. I have been in my department and there have been some discussions within the department with officials about the role of the department, and I have never noticed the Member for St. George sitting in that circle, so I'm sure he really doesn't have very direct knowledge as to what our objectives really are, and I can assure him that his statements are somewhat in conflict with what is actually being undertaken.

He expresses some concern about the curriculum project. I can tell the member that the project is largely complete. There is work still to be done in terms of printing and packaging of this program. We are receiving some interest from other jurisdictions as well as our own. It has been examined by the Department of Education.

When this government first came into the co-operative development picture we began to examine the reasons for the hiving off of this educational program within the Department of Co-operative Development, which occurred back in 1972 or 1973. There probably were reasons at that time where this educational program was not developed through the Department of Education. However, since our coming into government, we brought the Co-operative Development Curriculum Branch together with the Department of Education, they have examined the material. They have assessed it as being good teaching aid and it is available now, presently, in all the high schools and public schools in Manitoba as reference material and the individual school divisions will determine how, and the number of hours, that will be provided or that teachers will have available to use that material.

We hope, too, that the approximate \$500,000 of investment in this program may be to some extent recovered by its sale to other provinces. Quebec, we know, is interested in obtaining this material. They are going to provide a translation for it and we are, at the present time, discussing with Quebec and with other jurisdictions, the possibility of their buying these materials from us.

Based upon these discussions we will determine the amount of money that will be necessary to fully complete and provide this material ready for sale to other jurisdictions.

There are interests within the co-operative movements on possibly obtaining the rights to the material so they can endeavour and perhaps benefit from a broader distribution. It's a rather unique kind of program because I don't think any other North American jurisdiction has done any work in this particular area, so there may be quite a reasonable sale for the program and not only will it be available in our schools, but we certainly hope to recover some of the investment from the sale of the material. That is the status at the moment of the curriculum project and we are continuing to examine its marketability.

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

**MR. URUSKI:** Thank you, Mr. Chairman, I'd like to ask the Minister specifically whether that figure of \$600,000 voted in the 1977-78 Capital Estimates has been spent in the 1977-78 estimate's year or is any of that amount being carried forward.

**MR. MCGILL:** This was a capital authority that was approved. I am advised that some of this was

used for capital purposes but not all and it may be possible to get that figure for you. But to compare it with the other figure, I think if the member would go back to the book for the adjusted

**MR. URUSKI:** That's exactly what I'm looking at, Mr. Chairman.

**MR. MCGILL:** Yes, and you'll find . . .

**MR. URUSKI:** Is the adjusted vote the total vote. I'm using the Conservative arithmetic now of combining both the capital and current as the Conservative Party has wanted to change the arithmetic. Now the Minister of Co-operative Development wants to argue on the old system to suit his needs. How much . . .

**MR. MCGILL:** Only to compare with previous figures. We're not arguing that . . .

**MR. URUSKI:** You adjusted the figures, Mr. Chairman, not I, in your reconciliation sheet to make the final figure of \$2.241 million for the Estimates of the Department of Co-op Development. Can you now tell me how much money you have in capital construction or capital works in the Department of Co-op Development in this fiscal year of 1978-79?

**MR. MCGILL:** We have none I am told, Mr. Chairman, because any balance was terminated at the end of the year.

**MR. URUSKI:** Well, Mr. Chairman, that's exactly what I was getting at. The Minister might want to whitewash all he wants and to cajole and do whatever he wants with respect to the comments I have made but his figures, not mine, are the figures that indicate that that department has been slashed by more than half. It is his figures that have combined the total estimates of the department. It is their new arithmetic, the Tory arithmetic of accounting by combining both the capital and current estimates have come up with the figure of \$2.241 million and now the final estimates within the department are \$1.1 million and I ask the Minister how he arrives at his Tory arithmetic to tell me that isn't 50 percent or more and if that isn't their accounting, I don't know whose accounting it is.

Mr. Chairman, his comments with respect to the curriculum program, that is he indicated and I have to agree with him, that the intent of the program as he is now describing it, about being offered to the schools was the very intent that the program was to take within the province of Manitoba. Well what has happened is that now there is not going to be any promotion by the department to bring this program forward into the schools, it will not be given a chance. Provinces across this country who recognize that that program is a very worthwhile and valid program, which the Minister himself has admitted, will and are as I understand, taking that program and going to put it to full use, while the Tories in this province will allow it to wither and die as I have suggested and that is what is going to happen. I want the Minister if he says that that is not going to happen, I want him to come back next session and tell me how many schools have been promoted, how many schools have brought this program into their curriculum and I venture to say there'll be very few when he comes back to report on the estimates next time around.

**MR. MCGILL:** Mr. Chairman, most of the remarks of the Member for St. George were statements, but he asked me about the curriculum program. The school divisions will have authority and will have these teaching aids available. There will be a variety in the amount of usage that will occur based upon, I presume, the decisions of the school boards involved, but they will be available to all of the schools. The speculation as to the fact that they will not be used, that they will not be promoted as adequately as they might have been under the kind of system that the member's previous administration had in place, I leave that to the Member for St. George. He's quite in order if he wishes to inquire a year from now on what has been the experience in relation to the program, but again I tell him that we have a \$500,000 investment, we're not going to let that investment go by the board, we're going to use it and we're going to recover by making that material available to as many other jurisdictions as we require.

**MR. URUSKI:** Mr. Chairman, I'd like to be very specific with the Minister. Now he's indicating that they will not allow that program to die. There's no doubt in my mind that the province of Manitoba will recoup its funds from other provinces because the program is good, I have no argument there. I'd like the Minister now to tell me specifically since he says that the program is good, what avenues he's going to undertake to promote this program and let him now speculate as to how many school divisions will be actively using this program a year from now by the actions that he will use to promote

the program. Let him tell me how many school divisions will use it, I won't speculate.

**MR. CHAIRMAN:** The Member for Winnipeg Centre.

**MR. BOYCE:** I thought I'd . . .

**MR. CHAIRMAN:** Well, I can put you down later if you wish.

**MR. BOYCE:** I was really interested in the Minister's introductory comments when he tries to equate the co-operative movement with the aims and objectives of the private sector which I really don't understand what many people, including the Minister responsible for the Co-operative Development mean by the private sector. When we think of such things as the arrangements with CFI, Columbia Forests, Great Northern Capital. When we put assistance for the development of a beef industry \$38 million, which I support by the way. I wish the farmers would see that it is in their own interests for them to regulate the supply, but that eventually will come.

It's also interesting to note that it goes almost unnoticed by the present government that it is announced by the Federal Government that they're putting up \$1-1/2 million in state aid, or welfare or whatever it is, to Tangiers and it's interesting to hear the comments of the Minister of Industry and Commerce relative to the F-16 . . . You know I just don't understand the role of the private sector in 1977-78 and a good number of other people don't either, Mr. Chairman, but be that as it may.

We inherited from the present government an attitude towards the credit unions in this province which was in every Act on the Statute books relative to any organization over which the government had some control, that all their funds would be deposited in a bank and each time an Act was opened that was amended so that moneys could be deposited in a Credit Union or Caisse Populaire so that the credit unions wouldn't be discriminated against as they will be once again because of the token effort, the cosmetics that are being presented to us today. I know that the banks themselves certainly wouldn't like the Caisse Populaire to be as powerful financial institutions in other nine provinces that they are in Quebec and I think that the amendments which are introduced in the House of Commons relative to The Bank Act are primarily because of the ability of the Caisse Populaire in the province of Quebec to force the government to allow for clearing houses outside of those controlled by the bank, that perhaps these types of arguments would be better made somewhere in the department, but the Minister himself raised these issues.

But what bothers me most of all in this overall presentation — we're talking about the administration of this particular department — is the type of innuendo that the people on our side think that profit is a dirty word and of course it's a political thing. You know, people going around saying that we're against profits, I'm not personally and I've said it on many occasions but it either goes unheard or unnoticed. Profit is not a sin in my mind, but nevertheless in the extension of this particular way of doing things, Mr. Chairman. . .

You know, this province was more socialist, if you will, in the early days of confederation than it has been under the Campbell administration and for a brief period under Roblin administration it went back a little bit and became more concerned about the problems of the people. But for many of the people in the farm community to say that we've accomplished a state of economic development, which by and large has been achieved because of public funds, it comes to mind, and I'm sure the Minister of Agriculture will concur, that the work done by the government of the university in developing strains of wheat which could survive and increase the yields under ever-increasing difficulties, the establishment of experimental farms, so farmers could actually see the implementation of programs in the growing of different commodities on the farm, the very fact by demonstration, by extension services into the rural areas to help the farmers to be involved productively in the pursuit of the endeavours that they had chosen was by and large by the input of public funds. But, Mr. Chairman, the attitude of the government in cutting out this extension service, in cutting it back, once again we're faced with the reality of not what the government says but what they do. They can find funds to hire more home economists in the Department of Agriculture. A good program across the way the Minister of Agriculture tells me and it was a good program and probably we still need some of it, but that particular program was established in the days when the people in the rural areas did not have access to other ways of keeping abreast of that which was taking place relative to life styles, how to cook and how to buy and how to do the rest of the things. But, nevertheless they can find moneys to expand their thrust in the field of agriculture to hire home economists, but they can't find the funds to deploy people so that people can learn that there are other alternatives rather than have Beatrice Food own all the food processing capacity of the province.

Now the Minister in his statement says, he uses the word restraint. Now the Minister in a soft voice chided my colleague from St. George about never understating his position. Well I respect

the Minister vrry much, but he has a ploy, a technique, he speaks in a soft voice and chooses his words and he chooses them well, but he uses his debate and his technique to put across his point and we have had the pleasure of his answers during the current session where he does a thorough job, perhaps a little bit more thorough than the person who asked the question in the first place had hoped for, but nevertheless he uses his techniques and as a member of the government, Mr. Chairman, he has used his technique to sustain this farce that the government is involved in a restraint.

Now, I certainly don't want to chide colleagues but nevertheless English is a wonderful language if people would use it and agree on what words mean. We talked about our educational system and if anybody would take the trouble to go and look up the semantics of the word "restraint", what does it mean? We get each Minister coming in with a different song and dance. We get a Minister coming in that says a 30 percent increase — this was a news release of the government — a 30 percent increase is restraint. We get another Minister that says a 6.4 increase is a restraint. We get another Minister that says 2.9 is restraint. We get another Minister that says 0 percent is a restraint. We get another Minister that says 13.2 percent decrease is a restraint, and now we have a Minister — by their bookkeeping, Mr. Chairman, as pointed out by the Member for St. George, not ours, because they got this gobbledygook over here with Capital included with Current, which if anybody did in the private sector and sent it into the Income Tax and got away with it for a few years and they caught up with him, they would lock him up. Because who can write off Capital in the year spent for anything that is going to last more than five minutes. It is just ludicrous.

I will argue with —(Interjection)— Nine out of ten. —(Interjection)— Nine out of eleven. Mr. Chairman. . .

**MR. CHAIRMAN:** Order please. . . . the Member for Winnipeg Centre, we are on Co-operative Development and Administrations.

**MR. BOYCE:** I am shocked, Mr. Chairman, that the Minister of Finance of the Province of Manitoba suggests to the members of this Committee from his seat that you can write off depreciation in one year. —(Interjection)— There is no point of order.

**MR. CHAIRMAN:** The Minister of Finance on a point of order.

**MR. CRAIK:** My comment to the member was that nine out of eleven governments, it is either eight or nine out of the eleven Canadian governments, provincial and federal, use exactly the same technique.

**MR. CHAIRMAN:** The Member for Winnipeg Centre on Co-operative Development Estimates, please.

**MR. BOYCE:** Well, I will agree that the Legislative Assemblies or parliaments. . .

**MR. CHAIRMAN:** Excuse me again. The Member for Transcona on a point of order.

**MR. PARASIUK:** Mr. Chairman, unless I didn't hear correctly, the Member for Winnipeg Centre was talking about the private sector being unable to write off capital depreciation in one year and the Minister of Finance interjected that nine out of ten do. That was the point that he was making. Now having seen the error of his statment he is trying to correct it by raising a red herring about how many provinces do it.

The Member for Winnipeg Centre was talking about the private sector and the private sector not being able to do it, and they don't do it. That is zhy it is gobbledygook.

**MR. CHAIRMAN:** I think to the members of the Committee, the Minister of Finance was correcting supposedly his utterance that was made earlier.

**A MEMBER:** What was his point of order?

**MR. CHAIRMAN:** Whose?

**MR. PAWLEY:** Mr. Chairman, did the Minister of Finance then have a point of order?

**MR. CHAIRMAN:** Yes, in my opinion he did, he was making a correction. The Member for Transcona didn't, because he was entering into the debate.

**MR. CIK:** They can't hear very well down at that end of the table.

**MR. CHAIAN:** The Member for Winnipeg Centre has the We are, floor. once again I remind you, on Co-operative Development Estimates.

**MR. BOYCE:** Well, Mr. Chairman, as I was about to say, I appreciate the Minister of Finance correcting his statement. He has had to correct his statement several times insofar as deficits and a number of other things are concerned. So we are getting used to the Minister of Finance correcting his statements.

I will agree that the Legislative Assemblies in our country have the authority to do such things as boil in oil one, Richard Bowles, without benefit of clergy, and do other silly things. Legislative Assemblies, Mr. Chairman, to pursue this points, but briefly, under threat of being called to order perhap Legislative Assemblies exist for the convenience of the people of the province, not for Provincial Auditors, not for Finance Ministers, and until such time as we issue balance sheets with net worths so people can understand them, that the moneys that we spend are balanced against assets which we acquire, that this is gobbledygook, it is meaningless convenience to suit people who are trained as accountants.

But nevertheless back to the point at issue. The fact that the government in their attitude towards people mustering their own resources generally, and this is all taxation is, is a mustering of resources, and these resources once mustered are deployed or invested and most of the moneys spent are invested in this area, extension of service, so people can learn to co-operate and do things themselves. The moneys are invested in an educational system, where future generations will develop the skills and attitudes and knowledge to take care of their own affairs. So these are investments.

So when we come down to writing Estimates with a \$600,000 Capital Item, I don't know what it is spent on. Is it spent on a building which should in any lay understanding of accounting, which we are asked to comply with when filing income tax, that is apportioned over the life of the particular asset.

But to conclude briefly, Mr. Chairman, there is really no, in my judgment, reason to belabour all of these Estimates. We have spent time with each Minister trying to get them to substantiate the waste of money as presented throughout the constituencies during the election campaign, the inefficiencies. No Minister has been able to or wanted to, I don't know which — I would assume it's the former rather than the latter — to be able to substantiate the waste, the inefficiencies, the lazy civil servants. We have spent several months in each department going through this.

The Minister on behalf of the government has presented a sum of money which the government is asking authority to spend on something which they are downgrading to the point where it is going to be almost non-existent as far as thrust and having people develop the capacity to do more things for themselves.

This government with their doves flying out of TV sets, free Manitoba, and everything else, it is interesting to notice that one of the largest increases within this particular appropriation goes for finance and control. Very interesting. They talk about freeing Manitoba; they don't want to provide the information to people by which they can become free. They want to deprive them of that particular information.

Having been a teacher in the school system, Mr. Chairman, in a new school, a new high school within the province, the approaches were made to include within the school life an effort, which is primarily promoted by the Junior Chamber of Commerce, the Junior Achievement Program, I, for one, have co-operated and I think it is an excellent idea, that the young people are given the opportunity to find just exactly how one sector of the economy works. But I think that they should be given equal exposure to other systems so that I will be interested with the Member for St. George in the Estimates next year to find just exactly how much this \$500,000 capital investment, Mr. Chairman, and I don't think any accountant who has to file an income tax for the Federal Government would disagree with me that that is not an item which should be capitalized, but it will be interesting to find out just exactly how extensive the government has used this development and how many schools it is employed in.

In checking my notes, Mr. Chairman, I conclude my remarks at this time.

**MR. CHAIRMAN:** The Minister for Co-operative Development.

**MR. MCGILL:** Well, Mr. Chairman, the Member for Winnipeg Centre covered quite a bit of territory in his comments. As I recall he began by pointing out that restraint was a word that covered a variety of percentages in various departments. I would agree with that. I don't think there is any particular number attached to the use of the word "restraint". There are many degrees of restraint and these cuts were made in areas where we felt that it could be done without seriously handicapping

the objectives or the services being provided by the particular branch.

The allegation that the Department of Co-operatives is saying one thing and doing another thing, or the Minister is saying something and then demonstrating in the Estimates that he is doing something else, I think, Mr. Chairman, I couldn't accept that as a valid comment. We said at the outset that we intended to change the role and thrust of the department somewhat by downgrading the promotional role and by responding and providing service where a need was generated and an idea was generated by local groups who wanted assistance in carrying out the formation of a co-operative where they conceived there was a good opportunity. So we said we were going to do that and we have done it in terms of the Extension Service. I think that the Member for Winnipeg Centre would have to agree that there is some consistency in what we are saying we are intending to do and what we are presenting to him in the form of Estimates.

The member made a particular point of an item further on here, under Co-operative Development of Finance and Control, and he thought it was significant that there was a small increase there where others had shown a decrease, that we would be controlling rather than expanding. Mr. Chairman, that understanding isn't quite correct. This item really is for assistance to co-operatives in providing them with professional help in the setting up of their finances and their control mechanism. So really what we are doing here, Mr. Chairman, is providing a degree of assistance to those co-operatives already under way and this is in no way intended to control in a sense that the member may have thought it was.

Those are just a few of the thoughts, the overall contribution which the Member made in respect to whether our party or the so-called enterprise parties have demonstrated any greater or less enthusiasm for the co-operative movement. I don't think it would be unfair to point out that the particular case of the CCIL, the Canadian Co-operative Implements Limited, and the assistance that was granted there was done by this administration and I know that the application for such assistance was before the previous administration, and so I think it is really not a valid point to try to make that there is some lack of enthusiasm here when we demonstrated it a few months after coming into office on a matter that was causing the previous administration to hesitate for some period of time.

Thank you.

**MR. CHAIRMAN:** The Member for Winnipeg Centre.

4MR. BOYCE: Well, Mr. Chairman, I think the record will show that after the present administration assumed office the Minister of Finance made a statement in the House which the Member for Inkster took some umbrage with because in his opinion that it might put the CCIL in jeopardy, because they announced shortly after they had assumed office that they weren't going to support them. But nevertheless, we can keep arguing back and forth that our mistakes are bigger and better than yours. We supported Versatile, which was . . .

Anyway, when the Minister says that they are consistent, I will agree that they consistent in their inconsistencies. I will agree with that. But nevertheless, what the Minister is suggesting is Mackenzie King Conservatives. The government will not act until there is such an uproar in the public, this was a political tactic of Mackenzie King that he wouldn't address himself to a problem until it was of such proportion that the people actually realized that they had a problem and this is a political tactic. But when you say control, there's effective control. The control is as the Minister said himself, is going to be one of somebody asking for help rather than trying to head them off at the pass if you will, Mr. Chairman. This attitude in my view is summed up most succinctly in a thing that is engraved in the Senate of this country, it's in Latin and I paraphrase that it says in this saying that the nobles have to protect the public against the fickleness of the people and this is the type of control which is effectively being implemented by this government by the priority that they're giving to it and their whole approach to it that is announced by the Minister.

He has said what the philosophy is, what the thrust of this government is going to be and it will be as I suggest, Mr. Chairman, and there is an honest difference of opinion between this administration and ourselves in the approach to be used relative to co-operative development. That the former administration saw the need for an active participation in the development of co-operatives and the present administration in the Minister's own words is to sit back and if somebody comes along and asks for help, you know maybe, perhaps and this will be the thrust of this government.\$

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

**MR. WILLIAM JENKINS:** Well thank you, Mr. Chairman. The unfortunate thing with co-operative development and credit union in past administrations and it looks like it's going to slip back into its role that the former government and governments before it felt for the co-op development

and the credit union movement here in the province of Manitoba. This portfolio was always stuck away in the Department of Agriculture, it was sort of a poor cousin and it was only when this government, the former government, the New Democratic Party government after two or three years, we made this a department, we changed The Credit Unions Act, made changes at the phenomenal growth of the credit union movement in particular has taken place in the province of Manitoba.

I was particularly taken with one statement that the Minister made that the philosophical bent of the co-op and credit union movements was the same as the Conservative government. When I think of the people in Rochdale, who were the founders of the modern day co-operative movement in Rochdale, Lancashire, I think 20 or 40 people got together, assembled about 8 pounds in which to get themselves a little bit of stock and set up what was effectively the first co-operative movement in modern society barring the one introduced by Robert Owen, but that was one that was superimposed from the top, but this was a growth from the people themselves. From that humble beginning at Rochdale in Lancashire did grow the co-op movement as we know it now in Great Britain, in most of the western democracies and to hear the Minister say that the aims of the co-operative movement are the same as that of private enterprise, I was always under the impression — and I've been a member of the co-op movement for many many years, I've been a member of the credit union movement for many many years, more years than I care to remember — but it was always my opinion that it was service at cost, and if there was a profit to be made at the end, it was shared equally as a dividend amongst the members but it was not the idea that it was supposed to be a profit motivated organization. It was service at cost to its membership. And to hear the Minister make that statement, I can just think of those 40 some odd Rochdale pioneers revolving in their graves because I believe it was a Conservative government that was in power in Britain at that time that they did form the first co-op movement and they certainly didn't get it through the blessings of the government of that day, and all one has to read about is the Manchester bread riots and the Chartist movement in Britain to realize that these are the sort of things that gave birth to the co-op movement in the United Kingdom.

It wouldn't surprise me as others members have stated, to see the abolition of this department as is recommended by the Task Force. The Minister says he hasn't had time to study the Task Force. We've had other Ministers say that and especially in the Department of Education, we read some of the recommendations and lo and behold we saw some of the recommendations had already been carried out. Sometimes I wonder just who did write the Task Force report, whether it was the Ministers in the various departments and presented them to the Minister without Portfolio in charge of the Task Force or vice-versa, but it seems to be for someone who has not studied the report in various departments, it's surprising the amount of the changes that have been recommended by the Task Force that have already taken place in the Estimates of this year.

And as the Member for St. George says, the Estimates for this department have been slashed beyond recognition and use whatever type of mathematics you want, you have set up the estimates and the figures incorporating the capital account from last year and showing the \$2,241,100 total estimate for the department last year and we find this year that with the combined form because now you're using this same method as you combined them last year, the figures on Page 21, the reconciliation statement is yours, not ours, but yours. You're the people who drew that up because that wasn't there last year.

So then we have to compare the figures from last year to the figures for this year and you said that the Honourable Member for St. George was never known for understating but he certainly was not trying to fool the Minister because the figures when you subtract from what there was last year and what there is this year, is \$1,127,400 difference, a cut from what the department estimates were last year and we're going through an exercise and sometimes I feel in these Estimates we're going through an exercise of futility, especially when we have dealt with some of the Ministers and some of the answers that we've received. To say that, and these are the Minister's words, they're more or less going to sit back and look after the co-op and credit movement as it exists now, they're not going to try and help people in areas where co-operatives and credit unions are needed.

There are housing co-ops there are very many ways that the department should be the leader in this field. You know we had a housing program, a sweat equity program in co-operative housing and what has happened to it? Lord knows what's happened with the restraint program. But our philosophical differences that we all may have as political people, that is one thing, but our whole way of life is a spirit of co-operation. We raise money for taxation purposes in this province and we spend it in a co-operative way because if we were to all be the rugged free individualistic free enterprisers that the members on the opposite side of the table like to represent themselves as, then I would say to the people in rural Manitoba you would be building roads individually, but we have all come to the conclusion that that is a stupid way of doing things. We would be doing the same thing in the City of Winnipeg. We would all be building a piece of sidewalk in front of our

house. We would all be building a half of the chunk of the road in front of our house. We don't do that, we do that co-operatively and so our whole way of life in the whole province is one of co-operation. And when I hear the members on the other side, the Minister say that we're going to sit back and not help those of our fellow citizens who definitely need help, and I would say that the help is needed perhaps in those remote areas and in areas where they do not have the facilities to set up co-operatives and credit unions. If anyone really needs their help, like the credit union I belong to certainly doesn't need any help from the government, they have quite a number of people to draw on and they've had quite lengthy years of experience in the credit union movement.

So the servicing that the department would do for these people outside of the auditing and inspection and various other aspects of the Credit Union Co-operative Act, but as far as anything else these people are quite well and able to stand on their own feet, but for the Minister to say that he's going on and his government is going to sit back and wait for these people to come to them, well that's kind of hard to understand. And I know a few years back when the then Leader of the Opposition, now the Honourable Minister without Portfolio in charge of the Task Force, made his attacks in the Department of Co-operative Development and the attacks were on those people who were attempting to improve their lot through the use of the co-operative movement and if there was any attack that hurt the co-op movement, it came from the Conservative of that day. And it hurt these people and hurt them badly and if any people really needed the benefit of the co-operative movement, it was those people in those remote fishing communities and unfortunately they made mistakes. Private enterprise makes mistakes too.

These people were not financial wizards, or financial geniuses but they were attempting, at least they were making the attempt to co-operatively work together to try and solve their own problems. Now we see that the Minister has said that basically as far as these people are concerned they are going to be pushed off to the side, there is going to be no active extension services by the department and it's going to be very interesting to see — as the Member for St. George said, we set up a very good co-op curriculum program. It will be very interesting to see next year when the Minister comes back — of course, there may not be a department next year, we may find it back in the Department of Agriculture. We may find that they wipe it out, period, there may be nothing. I don't know where it will be but it wouldn't surprise me that when we are presented with the Estimates for 1980 that we will not see any department listed for co-op development and as far as I'm concerned, Mr. Chairman, we are perhaps here to administer the last rites to the Department of Co-op Development . . .

**MR. BOYCE:** Send up word of prayer.

**MR. JENKINS:** . . . and perhaps as the Honourable Member for Winnipeg Centre says, we should offer up a silent word of prayer for the department because I think it has been able to do a tremendous job in the past few years. . . . So the Minister can respond if he likes, I'm not going to ask him any questions because I'm not too optimistic of getting any answers after the experience we went through in the Department of Labour and the Department of the Civil Service, all we got was non-answers or two or three answers to the same question.

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

**MR. MCGILL:** Mr. Chairman, I thank the Member for Logan for his comments and for his historical background to the co-operative movement and the Lancashire experience under a Conservative Government, and I believe perhaps the embryonic form of what is now the Co-operative Development Department occurred in Manitoba under some similar type of government, a government with similar philosophy.

I again deny that I said the co-operative movement was the same as the enterprise movement, I said the objectives were not inconsistent, we use different terms in describing profits versus savings but the people involved who are shareholders of one form or another are the ones who receive the benefits of a profit or a saving. The speculation by the member as to the future of the Department of Co-operatives is similar to that expressed by the Member for St. George, and others. I say that we will in due course review what recommendations have been made and in the meantime we're learning of the activities and of the programs that are being delivered by the present department. Its role has been reduced by removing that of the Extension Services, and the Member for Logan expresses regret at that. He relates the great boom years of co-operative and credit union development in Manitoba to this particular role of the department. I think that might be an argument rather difficult to sustain, because I think the similar developments and expansion have occurred in other provinces where they do not have a Department of Co-operative Development at this time.

Nevertheless I accept the comments of the member and I'd be pleased to hear any further remarks that are appropriate to this item.

**MR. PARASIUK:** Mr. Chairman, I am wondering if the Minister can tell us where co-op housing is dealt with — or would it be fair for me to ask him questions about co-operative housing now?

**MR. MCGILL:** That's under 2.(c) Southern Development. We haven't gotten to that.

**MR. PASIUK:** Okay. I also assume then that day care co-operatives would be discussed in that item as well.

**MR. MCGILL:** The same area, yes.

**MR. PARASIUK:** Okay, I'll hold for now, because I think it's become apparent that we're not going to get much on the other aspects.

**MR. BOYCE:** Mr. Chairman, perhaps we can pass down to 2.(c).

**MR. CHAIRMAN:** Well, I have the Member for St. Vital, then perhaps we could.

**MR. BOYCE:** That's right.

**MR. WALDING:** Thank you, Mr. Chairman. Just before we leave this philosophical debate that my colleagues were engaged in, I wonder if I might ask the Minister for his personal opinion, or the government's policy, or his department's policy, whichever the case may be, on the matter of corporate income taxes for co-operatives.

**MR. MCGILL:** Mr. Chairman, we haven't had any discussion of that particular item. I don't think it is appropriate to any item in the Estimates. There hasn't been any policy position in respect to corporate income taxes versus co-operatives.

**MR. WALDING:** I raise the matter, Mr. Chairman, following the earlier remarks that support for co-operatives is part of the Conservative ideology and that contention has been taken issue with to some extent by my colleagues. I have heard spokesmen for some organizations that might be considered more ideologically attuned to the Conservative Party than to a left wing party urging that co-operatives should be paying corporate income tax the same as corporations do.

I wonder if the Minister would give us his opinion, whether he would agree with those positions, or whether he thinks that co-operatives should not pay corporate income tax?

**MR. MCGILL:** Mr. Chairman, I think it's correct to say that any change in policy with respect to the position of co-operatives under the Corporate Income Tax Act would be a matter of Federal policy in combination with the provinces, certainly there would be no action on the part of any one province alone that would change the present status of the co-operatives under the Income Tax Act. So, I can't comment on any particular Manitoba policy on it, if it in fact becomes a subject of review, it will be initiated, I would expect, by the Federal Government in concert with the provinces. A matter for Finance Ministers perhaps.

**MR. WALDING:** Can I assume from the Minister's reply, Mr. Chairman, that the present government has no intention of recommending a change in the present setup as far as taxes for co-operatives are concerned?

**MR. MCGILL:** There hasn't been any reason or indication to open the subject for discussion, so there is no change in the present status.

**MR. WALDING:** Mr. Chairman, can I ask the Minister's personal opinion on this matter?

**MR. CHAIRMAN:** If the Minister wishes to offer a personal opinion.

**MR. MCGILL:** Mr. Chairman, it isn't a subject on which I have been giving any thought. I have been, for the past seven months, learning about co-operatives and the operation of this department and I have not concerned myself with the broader aspects of what the status of co-operatives generally is in respect to the Federal Income Tax Act.

**MR. WALDING:** Could the Minister give us the number of SMYs for this department for this year as opposed to last year?

**MR. MCGILL:** Yes, I can, Mr. Chairman. The SMYs, that is up to October 1977, there were in the department 44 permanent, 6 term and 4 contract, for a total of 54. And there were two school division secondments there, which were simply on loan from school divisions, but the direct employed staff were 54, and the total number presently employed 35 permanent, two term and one contract, 38.

**MR. WALDING:** Those are actual people employed, are they, Mr. Chairman?

**MR. MCGILL:** Yes, they are.

**MR. WALDING:** Can the Minister tell us what the complement is in SMYs for the Estimates before us and for t last year?

**MR. MCGILL:** 57 last year and 46 this year. So there are 8 vacancies this year at this time. 46 SMYs provided for.

**MR. WALDING:** Mr. Chairman, I assume that part of the drop in the number of SMYs come about as of no appropriation under item 3, nor under 2.(e). Can the Minister confirm this and can he tell me how many positions and SMYs are involved there.

**MR. MCGILL:** That is those who have left since October, you mean what are the reasons?

**MR. WALDING:** No, I want to know the reduction in pssitions as a result of not filling those three sections.

**MR. MCGILL:** I just want to get this straight. Now, you want to know for instance in the extension service here. how many there were prior and how many were discontinued in that particular section?

**MR. WALDING:** Mr. Chairman, the number of SMYs from last year to this year shows a reduction of 11 from the Minister's figures that he's given.

**MR. MCGILL:** Provided for, yes.

**MR. WALDING:** Are those 11 positions accounted for by doing away with 2.(e), 3.(a) and 3.(b)?

**MR. MCGILL:** We are in the process of compiling that for the member.

**MR. WALDING:** While I'm on the topic, Mr. Chairman, can I also ask under 1.(c), where I notice there was no appropriation last year?

**MR. MCGILL:** Yes, I can tell the member what happened there. That Central Registry and Legal is a breakout from Audit and Inspection. It's a separation really if you look at the two of them together. The reason for that is that the function being provided by the Corporations Branch for co-operatives in the way of registration and processing and so forth, has been taken over by the Department of Co-operatives. So we are now doing whatwwas formally done by the Corporations Branch of the Consumer and Corporate Affairs Department, and we have broken that out and are now providing a separate item for that purpose.

**MR. WALDING:** Can the Minister tell us how many people and how many positions are involved in Central Registry and Legal?

**MR. MCGILL:** There are two positions involved in Central Registry and Legal, a credit union inspector and a co-op officer.

**MR. WALDING:** So if those were added into last year, frr the sake of comparison, then would that be 59 for last year as opposed to 56 for this year, and are we then talking of a reduction of 13 positions?

**MR. MCGILL:** No, it was a reallocation, not an increase.

**MR. WALDING:** But from a different department?

**MR. MCGILL:** Now, we are getting back to the earlier question of the Member for St. Vital. There were six people in 2.(e) and six people under 3.(a) and (b), for a total of 12, and two of those were redeployed to Central Registry and Legal. There were others that were redeployed throughout the two other branches in the department.

**MR. WALDING:** Thank you, Mr. Chairman. The Minister is answering my next question before I've even asked it, and that was to know what had happened to these people who were displaced in this department.

Can the Minister then confirm that none of the people working for the department actually lost their jobs because of these cuts in the department?

**MR. MCGILL:** We've got a list here of the positions that were discontinued and what happened to the incumbents, maybe I could just go through those, not by name but by job positions.

**MR. WALDING:** Would the Minister just assure me that none of the persons involved lost their jobs because of that, would be sufficient.

**MR. MCGILL:** Oh, no, there were some that were released here.

**MR. WALDING:** Thank you. Then if the Minister would give us a list please.

**MR. MCGILL:** Of these 14 that I have here, there were seven released. So there were seven transferred within the department and there were two positions which were vacant, and one had a contract extended for a particular reason, but there were seven that were released from the department.

**MR. WALDING:** Those seven, Mr. Chairman, I presume, would have been amongst the Minister of Labour's 1300 people that she was saying this afternoon?

Perhaps the Minister has an explanation for us, Mr. Chairman, on the apparent discrepancy in the figures that we've been given. The Minister has just given us seven persons who were discontinued, whereas the Minister responsible for the Civil Service this afternoon, gave us a figure of two for that department.

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

**MR. URUSKI:** The Minister may have figures of permanent and term staff SMYs versus contract. How many permanent and long-term staff are in the complement that he has given? How does that break out as between contract and permanent civil servants and term — Over a year term?

**MR. MCGILL:** Mr. Chairman, it may be a total of eight that were released, but I see that there are only two permanent employees here on those released, the others are term or contract. So this may be the reconciliation . . .

**MR. URUSKI:** Mr. Chairman, could the Minister indicate whether those term staff that he comments on were employees that would have been with the department for more than a year?

**MR. MCGILL:** We'll have to get that information for you. We don't have the length of their term here, we just have them allocated as term or permanent.

**MR. URUSKI:** Why I raise that point, Mr. Chairman, in the comments and figures released by the Minister responsible for the Civil Service, she made a distinction in the figures that she gave us, wherein she indicated that as of June 6th, at least yesterday, there was 165 permanent civil servants along with term employees over one year — 81 permanent civil servants and 84 term employees over a year — she made that distinction. However, today, mind you, she gave us a figure of 258, which she could not substantiate, so we're still in a quandary over there. But she did specifically indicate as per the department, relating to the term over one year and the permanent of two staff as of June 6th, 1978, those are the figures she provided.

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**MR. MCGILL:** Well, you've asked about the length of the term. We are unable to give you that immediately, we'll have to provide that for the member. There are, however, two permanent on that list and that may be the relationship between the figures that were given by the Minister of Labour.

**MR. WALDING:** Just to re-cap for a minute, Mr. Chairman, did the Minister say that there were 14 who were redeployed, and of those, seven were let go?

**MR. MCGILL:** I think the redeployment I mentioned specifically were two from the 12 that went to Central Registry and there were others of that 12 that were redeployed, but I didn't give a definite figure on the redeployment there. I can tell you that there's three I see here that were transferred within the department.

**MR. WALDING:** Those figures would then balance, Mr. Chairman, if out of 12 people from 2.(e) and 3., and two of them went to Central Registry, would leave 10, and if seven were let go that would leave three. The Minister is saying that those three were retained within Co-operative Development?

**MR. MCGILL:** Right.

**MR. WALDING:** Thank you.

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

2. Co-operative Development. 2.(a)(1)—pass; 2.(a)(2)—pass; 2.(b)(1)—pass — the Member for Transcona, then St. Vital.

**MR. PARASIUK:** We are talking about northern development, can the Minister tell us how many co-ops presently are in existence in northern Manitoba?

**MR. MCGILL:** Yes. On Lake Winnipeg, we have Wanipigow bproducers Co-op, Traverse Bay Fishermens Co-op, Viking Co-op, the Big Black River Fishermens Co-op.

Do you just want the number or the names?

**MR. PARASIUK:** I want the number.

**MR. MCGILL:** There are seven related to the Lake Winnipeg area. One on Playgreen Lake, making eight; three on Lake Manitoba, makes 11; Cedar Lake one and Winnipegosis, a total of 13.

**MR. PARASIUK:** If I could, Mr. Chairman, I would like a breakdown as to type. Are these r producers co-ops or are some of them consumers co-ops, that is grocery stores.

**MR. MCGILL:** The ones I've given you, the 13, are fisheries co-ops. There are a total of 57 altogether I'm advised in the northern section.

**MR. PARASIUK:** Are these primarily producers co-ops or are there some that are consumers co-ops? Do we have any of that breakdown? Maybe if the Minister would just undertake to give me a list of them, I could get that and have that at my disposal, because I'd like to see what happens to them over the course of the next year. If the Minister would undertake to give me the list, I'd be . . .

**MR. MCGILL:** Yes, Mr. Chairman, we can get that for the member.

**MR. PARASIUK:** Thank you. . If I coul just ask one other question on this. I see that the \$20,000 under the Canada Manitoba Northlands Agreement has been deleted. Was that program to continue on into this fiscal year?

**MR. MCGILL:** I'm advised the program was completed last year, that's why it doesn't continue in this year.

**MR. PARASIUK:** What type of program was it — you were saying that it ran to the end of its course — I thought that the Northlands Agreement continued for 15 years?

**MR. MCGILL:** It was an experimental project on the establishment of credit unions in the north, and that one was completed at Norway House.

**MR. WALDING:** Thank you, Mr. Chairman. I wonder if this would be a suitable point in the department to ask this Minister the same question that we have been asking all the other Ministers, and that is, could he give us any examples of waste and mismanagement that he found in this department on assuming office.

**MR. CHAIRMAN:** I think, as Chairman, I would suggest to the Member for St. Vital that he might, because there is a salary for Minister's compensation here, that that question could be deferred until that point if you want to ask the Minister for a personal answer or get into philosophies or

**MR. WALDING:** Mr. Chairman, it's not a matter of philosophy. I only intended to ask the question once. Now, I will wait if you insist, but the Minister has made remarks that members of the Conservative Party had made on the matter of co-operatives in the north in the past, it seemed to me a suitable point in the Estimates to ask the Minister that question.

**MR. MCGILL:** Mr. Chairman, certainly in the area under review, the operations do not demonstrate to me any great area of difficulty. I haven't gone back in the last two or three years to examine in any detail what happened with the department, what experience was obtained from the active promotional role that the department had in the north, I'm not completely familiar with that.

From the area at which we're looking, I cannot point with any great concern to any one area of this department that indicates a special problem.

**MR. WALDING:** Mr. Chairman, just so that there would be no misunderstanding, when I asked the question, it was not only on 2.(b) on Northern Development, the question was all encompassing and had to do with the entire department. Does the answer from the Minister remain the same for the department as a whole?

**MR. MCGILL:** I'm responding in respect to the period under which we are reviewing the activities of the department. I'm not able to respond with any accuracy for the past two or three years of the operation of the department. We're talking about the 12 months under review. I'm telling the member that I'm satisfied with the explanations that have been given to me by the department officials.

**MR. WALDING:** Just one more thing, Mr. Chairman, to make sure that there is no misunderstanding here. When the Minister says the time under review, I assume that he is not referring to the fiscal year ending March 31st, 1979?

**MR. MCGILL:** That period is not complete yet, so I couldn't be responding for that.

**MR. WALDING:** That was exactly my point, Mr. Chairman. What I was asking for was the Minister's reaction on taking office, October 24th, I believe it was, did he at that time, for the year ending March 31st, 1978 find examples of waste and mismanagement in the department?

**MR. MCGILL:** I was attempting to respond specifically to that and to tell the member that the explanations which I requested from my officials were satisfactory, and that I was satisfied with the operation as they explained it to me.

**MR. WALDING:** Thank you, Mr. Chairman.

**MR. CHAIRMAN:** 2.(b)(1)—pass; 2.(b)(2)—pass, 2.(c)(1) — the Member for Transcona.

**MR. PARASIUK:** Mr. Chairman, I'd like the Minister to define what the activities of the Department of Co-operatives are in southern Manitoba with respect to Southern Development?

**MR. MCGILL:** Mr. Chairman, the southern program provides assistance to non-affiliated co-operatives involved in agriculture, housing, day care and retailing and the program serves 27 agricultural co-operatives, 21 co-operative day care centres, 18 continuing housing co-operatives and 5 retail co-operatives . . . I'm sorry is the member copying those . . .

**MR. PARASIUK:** Yes, I've got those, thanks.

**MR. MCGILL:** I'm sorry, there was 7 home ownership co-operatives which were assisted as well.

**MR. PARASIUK:** Are these the sweat equity ones, is that what you mean by that — does that include . . .

**MR. MCGILL:** Yes, that includes the sweat equity. Some of these have been dissolved upon completion of the homes.

**MR. PARASIUK:** Does the department have any particular targets in mind when they talk about a request for \$283,000 for Southern Development with respect to agricultural, housing, day care, retail co-ops? I assume this is an on going program, you've got some idea of how many sweat equity co-ops might be coming on-stream next year, whether in fact you'd have more continuing co-ops, you must have some idea of what you'd be doing in order to ask for a fairly precise number like \$283,800 . I was wondering if the Minister could communicate to us what those targets are.

**MR. MCGILL:** Mr. Chairman, that is the total southern development program. It includes all of the areas that I mentioned including agriculture, day care, retail co-operatives.

**MR. PARASIUK:** Yes, I can appreciate that, Mr. Chairman, but when you come up with estimates I think the Minister sits down with his department and determines that yes, we'll probably be continuing the 21 co-ops, we might be doing two or three more in this coming year, we might have three or four more continuing housingco-operatives , you might even have more than that because if you didn't possibly you should have a reduction in this particular area. But you are asking for a slight increase, you are defining a fairly specific numbers there for salary, \$168,500, Other Expenditures you've got a request of \$115,300 and it would strike me that you should be able to give us some idea of what you will be doing in the area of retail co-ops. Do you expect to have more than five retail co-ops? Do you expect to be working with two more this coming fiscal year so that maybe next year we would see seven retail co-ops ? Do you expect to see four or five continuing housing co-operative developments coming on-stream in the next year?

The same thing with day care for example. A lot of people are concerned about day care and they're wondering whether in fact we've got sufficient day care. Most people are saying we've got insufficient day care. Is 21 co-operative day care centres enough, or is the department envisaging a possible six or seven more?

**MR. MCGILL:** Mr. Chairman, the member is asking for specific figures that would show a possible increase in each of these figures. The southern program is set up on the basis of the salary requirements of the staffing that's needed to service the program as it's being delivered. We cannot without some research make a projection of the units that we would expect to increase in each of these categories. No doubt some kind of a projection could be provided to the member, but I would hesitate to ask immediately for someone to say that we're going to have one more day care, four more retail co-ops and so on. It's a matter of really an estimate I would say at this stage. But the staffing program is somewhat consistent with last year as you can tell by the amounts of money involved. There is very little difference there. I notice that last year we had \$172,900 for salaries. We're projecting \$168,000, there are increases in here but there is one less SMY than last year.

**MR. PARASIUK:** What function was that SMY performing?

**MR. MCGILL:** He was a Co-op Development Officer.

**MR. PARASIUK:** In what area? In every one of those areas because I think there is some specializations between the officers? .

**MR. MCGILL:** That particular co-op officer was in housing.

**MR. PARASIUK:** I think that's one of the points that I want to come to and I'm glad that the Minister responsible for MHRC is here. The Minister responsible for MHRC has said that we wouldn't be having as great a public housing program through MHRC, that indeed the social housing needs of Manitobans, especially those of lower incomes and senior citizens, would have to be met by the private sector and the private sector hasn't in the past been that efficient in meeting that particular

need. And he also indicated that the non-profit sector was called a third sector would be doing a lot to fill the need so that the province doesn't end up being the biggest landlord of housing. And what we find is that the third sector really is the non-profit organizations, service clubs or what-have-you and co-operative housing, and the program that the Federal Government is announcing with respect to changes in their assistance seems to put some emphasis on the development of more co-operative housing in the Province of Manitoba. So while the Minister of Housing is saying that we're going to stress housing more, I find it somewhat inconsistent to have the Department of Co-operatives cutting back on its staffing with respect to co-operative housing, and I was wondering if the Minister can explain this contradiction?

**MR. McGILL:** Mr. Chairman, the department is developing some ability within the co-op movement itself in this area of housing and to that end is providing a grant of \$50,000 to the Co-op Housing Association of Manitoba and this is generating a greater ability on the part of that association to provide the direction and development in the housing area. So while we have determined that by reducing our SMYs by one co-op development officer in that area, is simply because it was unnecessary to duplicate the function now being gradually undertaken by the Co-op Housing Association. So this grant is working to that end. I would like the member to understand that this area is considered to be an important function of the department and the grant money is going to the generation of ability and expertise within the association itself.

**MR. PARASIUK:** Could the Minister indicate how many continuing co-operative housing developments were started last fiscal year?

**MR. McGILL:** Mr. Chairman, I'm sure this could be assembled, however, I have undertaken to give some information to the member and I can provide that in addition .

**MR. PARASIUK:** Thank you, that would sufficient because I don't have some way of judging of how we're proceeding in this particular fiscal year next year. I'm wondering if the Minister has been made aware of the difficulties that the Co-operative Housing Association of Manitoba and various continuing co-operatives in Manitoba seem to find themselves in as a result of recently proposed changes by the Federal Government with respect to assistance for co-operative housing.

I have personally received letters, I know that the Minister responsible for MHRC has received letters to that effect, I'm wondering if the Minister responsible for Co-operatives has received letters to that effect. These letters state that the federal programs, the federal changes will be disastrous, that the co-operatives will find themselves in a position of being unable to continue. That they are taking the very drastic action of halting any progress on the development of new continuing co-operatives. I'll be meeting with some of these people myself over the course of the next week, it strikes me that this is a very serious problem and that if in fact it's true, we will have no co-operative housing being started this year, and worse we may find that some of the 18 continuing co-operatives that are presently in existence, may in fact find themselves in very very serious financial position as a result of changes being proposed by the Federal Government. I'm just wondering if the Minister of Co-ops has been made aware of those problems that continuing co-operatives in housing have found themselves in?

**MR. McGILL:** Yes, Mr. Chairman, I am advised that the department is aware of the announcements of new federal programs and that these are under study by the department at the present time.

**MR. PARASIUK:** I've just received these letters of concern from the Co-operative Housing Association and some of the actual co-operatives. They haven't provided that much information in their letters as to what the specific problems are, but they have stated that they are sufficiently serious that they are not tending for example on one recent development. I'm wondering if the Minister's staff has had a chance yet to meet with these continuing co-operatives and determine what the specific problems are, because it would strike me that this is a horribly serious problem and it would strike me that this is an area that the department should concern itself with and should meet and should analyze the specifics and the facts to determine whether in fact these co-operatives do have an insurmountable problem, and whether in fact if they have an insurmountable problem what type of negotiation stance will be taken with respect to the Federal Government on this, and failing that, is the province going to be in any position to provide any type of assistance to these co-operatives so that they don't go under?

**MR. McGILL:** Mr. Chairman, I understand that there is a co-ordinating committee on co-operative housing and they have been meeting and that this matter has come up. They're concerned with

it, they lack detail on the new programs and they're endeavouring to obtain the detail in order that they can be fully aware of the intentions of the Federal Government. So that matter is under very active review.

**MR. PASIUK:** I would appreciate the member providing material to us if he could in the future. One of the difficulties is that we review some problem areas in Estimates and the staff may not have their analysis at hand and the Minister is not in a position to provide it, or it's just in the process of being done, but if the Minister receives this in the near future and finds that it's of a nature that could be made public or sent to people who have raised questions in the Estimate's process like myself, I was wondering if he would be prepared to send that material on to myself so that I would be in a position to know what the actual facts are when I receive those types of letters and complaints from co-operatives.

**MR. MCGILL:** Well, certainly we don't have the kind of information that the member is seeking at the moment and I'm advised that even the local office of CMHC doesn't have that detail yet. We, I'm sure will be receiving that information, it will probably be public, but if the member has any difficulty in obtaining it, certainly we would be glad to assist him.

**MR. PARASIUK:** I'd like to ask a couple of questions about day care co-operatives. I'm wondering how many co-operatives are there out of the entire number of day care institutions — I'm trying to get an idea of what the proportion of co-operative day care centres there is out of the entire total. You may not have that information, you might just have the information pertaining to your own.

**MR. MCGILL:** Yes, I previously gave the member the information that there were 21 co-operative day care centres, but I don't think there's any way of our knowing how many day care centres period there are.

**MR. PARASIUK:** I'll have to try and check with the Minister of Health on that. I'm trying to determine, whether in fact the number of co-operative day care centres has been going up over the last year or going down. Does the Minister have information on that, because I do know that some of the co-operative day care centres have run into serious financial difficulty. Many of them have claimed that given the present levels of assistance, that they will have to go under, and I'm just wondering whether we have any data on their performance over the last fiscal year. Did we start off with 21 and end up with 21, or did we start off with 28 and end up with 21 ?

**MR. MCGILL:** I'm advised that the situation over the past year has been approximately static, that approximately the same number over one year are in operation. There hasn't been any appreciable increase or decrease. Now, that's within one or two.

**MR. PARASIUK:** Does the Minister have any idea of whether in fact there will be an expansion of the number of co-operative day care centres. As many MLAs I think, I'm in a situation of having a number of people asking for more day care facilities and more day care programs. I know in Transcona we have a waiting list of three to four months right now, and this is the summer period where you might expect a very short waiting list, but we have a three to four month waiting list for anyone wanting to put their child into the day care facility in Transcona. I think the situation might be somewhat similar in other constituencies, and I'm wondering if the Minister is in a position to indicate whether there may be more co-operative day care centres starting and whether his departmental staff are active in trying to fill this need with co-operative day care centres or whether his staff is just monitoring the situation. Because often what's required is the department staff acting as a catalyst to bring together interested parties who possibly don't realize that they may be able to meet their needs through a co-operative day care .. centre. So if the department is acting as a catalyst, sometimes these needs can be met, and I'm pretty sure that departmental staff must have been involved in helping to get a number of these present 21 day care centres going. I'm wondering if the department is working with any groups right now and whether in fact he sees an increase in the number of co-operative day care centres over the course of this coming fiscal year?

**MR. MCGILL:** Well, the number, as I say, appears to be fairly static. There is one day care centre at Gimli, which there are some indications that it's going to dissolve. There are no applications on file now for assistance. The department is playing a responsive role. The request from Transcona was responded to but the group, I am advised, did not wish to go the co-operative route, in that one. But again, going back to the original statements which I made about the role of the department,

we are not in an active promotional role. We are in a role of responding where there is an interest, an enthusiasm, generated at the grassroots by people who conceive on their own of an opportunity for a co-operative type of adventure, and then we will assist them by the experience and the guidance that we can give through our professional people in achieving their end.

**MR. PARASIUK:** Does that hold true with sweat equity co-ops as well? It's a new concept. I think it's been proven to be fairly effective in Alberta, and I'm wondering if information is getting out to the public about the possibility of their building housing through sweat equity co-ops. I think that if you just take a responsive attitude with respect to something like continuing co-ops and housing, or sweat equity co-ops and housing, I think that we'll be missing the boat in a number of areas, and possibly also we won't really end up taking full advantage of federal programs that may in fact be improved upon if the provincial government acts in a fairly aggressive manner negotiating with the Federal Government to get them to improve their financial package for co-ops. But assume, for example, that the Minister of Housing is successful in pounding the Fed's heads a bit and getting them to improve their financing package, he would then expect and hope, and I think the government itself would hope, that the people of Manitoba would be in a position to utilize that financing because the social housing needs of the province are nowhere near being met now, and I don't think they've been met over the last eight or 12 or 14 years. I think there's a big vacuum there or big gap to fill, especially with respect to senior citizens.

So, if in fact the Minister of Housing is successful in making the program for co-operative housing more flexible, better suited to Manitoba, I would hope then that the Department of Co-operatives would have sufficient staff and sufficient information program to see that we can make best use of that program, and what concerns me is that the Minister is indicating that the government will just take a responsive role with respect to something like that; and secondly, I see that the information, organizational and personnel people have been eliminated, so it's not even responsive. I'm wondering whether in fact we're going to become passive to the state of complete immobilization. That's what I think the big concern is and the Minister has not yet indicated any way in which those concerns will be alleviated, because he's not saying that because there's been a change in Federal programming, emphasizing co-operatives fairly significantly with respect to housing, that his department has recognized that, and will in fact take the lead in Manitoba in seeing that the people of Manitoba have an adequate chance of taking advantage of that Federal program.

**MR. CHAIRMAN:** 2.(c)(1)—pass; 2.(c)(2)—pass; 2.(d)(1)—pass; 2.(d)(2)—pass. Resolution 40: Be it resolved that there be granted to Her Majesty a sum not exceeding \$677,500—pass.

1.(a)—pass. Resolution 39: Be it resolved that there be granted to Her Majesty a sum not exceeding \$436,200—pass.

Gentlemen that concludes the Department of Co-operative Development. Committee Rise.3

## SUPPLY — NORTHERN AFFAIRS

**MR. CHAIRMAN, Mr. Abe Kovnats:** I would direct the honourable members to Page 64 in the book of Estimates, Northern Affairs and Renewable Resources and Transportation Services. We are on Item 1.(c)(1) Salaries and Wages—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Thank you, Mr. Chairman. I think we have received the answers that we had requested in terms of the staff under this Item, and I believe we have an undertaking from the Minister that he will supply to us an answer before his Estimates are completed as to the Executive Assistant under this appropriation and the Secretary, the positions, I understand, are staying in this section for now. My understanding of the Minister's commitment is that he will let us know before these Estimates are completed where these positions will be located if they are required. If not, I understand he made the undertaking to cut these positions from his Estimates if he determines that they are not required.

So I think from that, Mr. Chairman, that unless the Minister has further clarification to that, we could, as far as I am concerned, go on to the next Item under 1.(c) there.

**MR. CHAIRMAN:** 1.—pass; 2.—pass; (c) — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Just on this 1.(c)(2), I wonder if the Minister would indicate exactly what proportion of those funds would be left within his appropriation after the transfer out of the incumbent ADM and his Executive Assistant?

**MR. MacMASTER:** Mr. Chairman, we are attempting to get that. There is \$20,000 that we have budgeted for and the arrangement my staff tell me is that we will maintain the money and the

into which the Assistant Deputy Minister will be going will bill us accordingly and we will take the moneys out, rather than transfer the funds to his department. That will have to show up at — I am guessing, I don't know the procedures that well — but I would assume at the end of the year if it is not all utilized it would show up.

**MR. BOSTROM:** Thank you, Mr. Chairman. I would like to put on the record a comment in reply to the Minister's brief statement in reply to my comments this afternoon with reference to the individual who is leaving this section and heading up a Committee to undertake the work necessary to settle the land claims issues in the Province of Manitoba. I understand this to be a very significant matter contrary to the Minister's implication that I somehow was implying that this was not a significant matter.

I believe the land claims issue is a very serious one to consider and it is certainly one which the previous administration had addressed themselves to, and wherever an Indian Band or Manitoba Indian Brotherhood on behalf of an Indian Band had requested that action be taken with respect to a particular land claim, an individual land claim, those were handled as expeditiously as the process would allow.

There are outstanding claims, as I understand them, in the Province of Manitoba and these require settlement at some point in time. However, some agreement would have to be reached, of course, with the individual bands involved here and the Indian group in Manitoba as a whole in terms of their overall entitlement. I believe there will be many disputes to iron out in this process and in the process of working out these disputes the Federal Government will, by necessity, have to become involved.

I have confidence that the individual that has been moved from this position that we are discussing in this report, in the Estimates before us, will have the capability to handle that as capably as he handled the job of Associate Deputy Minister within this department.

My reference to him this afternoon was that I believe that this individual could have continued his good service in this department where he had originally been hired and where he had most of the experience in this area.

I would like to put on the record, Mr. Chairman, that any implication that I may consider the land claims issue and the land claims problem as not a significant one is certainly not true. I believe that every effort should be made to work out the solutions that are desired and that are necessary under the land claims issue. It is a very complicated process that will require co-operation between three groups essentially — the Provincial Government, the Federal Government and the Indian people of Manitoba. I think that it will be not an easy task. It will require a great deal of work on behalf of the various people in the various departments that have to address themselves to this question.

In the final analysis, Mr. Chairman, some hard political decisions will have to be made and that will be the responsibility naturally of the Cabinet and in that respect there will have to be decisions made with respect to the inequities that the Indian people have suffered over the years in terms of the land entitlement that the Federal Government awarded to them. There were some people in some Bands in Manitoba were awarded 640 acres per family and other people living within the same province of Manitoba were awarded only 160 acres per family. Most of them, as you well know, are settled on some of the most forlorn, unproductive land in Manitoba and it would appear to be at least partly by design of the authorities of the day that it happened that way. So that a great deal of effort must be made to address those problems and to try to bring about an equitable solution. I think the best people possible within government should be addressed to that task. I believe that it will not be an easy one since there will necessarily be some wide divergence of opinion on the matter.

**MR. MacMASTER:** Well, just a quick comment, Mr. Chairman. I would have to suspect that over supper time the Member for Rupertland had a change of thought as to the significance of this particular committee that we have asked the Assistant Deputy Minister to serve on. Before the member's speech here it was a real affront to the character of the man and it was demeaning to him that we would shuffle him off here, and that was not just an insinuation, that was the way it came across. I attempted to establish then, as I see now the member has reconsidered and agrees that it is a considerably important provincial problem and a national problem that our country and our province could almost settle these outstanding claims and straighten out this particular existing problem that is there within our society. We think we have a very capable man and we think he's going to do a very capable job.

**MR. CHAIRMAN:** (2)—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Mr. Chairman, there has never been any question in terms of the member's

however, the matter still stands that this person was taken out of this department, taken out of the role of Associate Deputy Minister and his position as Deputy Minister has been assumed by another person who is the choice of this Minister and, as I was pointing out this afternoon, this simply follows a pattern which has been established in the other section of this department and that is, as I explained this afternoon, all the executive members of the Department of Northern Affairs were, one way or another, removed from their offices and replaced by people chosen by this government.

Mr. Chairman, this appears to be the manner in which this government is approaching the Civil Service of Manitoba and I made the point this afternoon and I stand by it that this is obviously a politicization of the Civil Service because you are removing perfectly capable people from senior positions within the department where they were responsible for the delivery of programs; removing them, one way or another, into other areas where they are no longer doing the job that they were capable of doing in the particular area they were working in. Some of them, as I have mentioned, Mr. Chairman, most of them in fact, have left the government service altogether. I'm happy in this case that there was some worthwhile and useful type of work that could be found which is acceptable to the particular individual who was the Associate Deputy Minister in this department but I would say, from my working with the individual, that I thought he was very happy working in the Department of Resources. I believe that was his first love in terms of where he would like to work within the Civil Service, and he having been removed from that section, I can only assume that it was done on the basis that he was no longer offered a position of Deputy Minister within the department. In fact, the very appropriation is entitled Assistant Deputy Minister; the individual, while the New Democratic Party was in government, was an Associate Deputy Minister, so he was obviously demoted even within the Estimates process. So there has been an obvious move here, Mr. Chairman, to move this person out of the Department of Resources over to another committee, and that's the point I was making this afternoon. And the point I'm making is that fortunately, that committee that he will be working on is a useful kind of committee and I believe he will be able to provide good service to it. But nevertheless he, along with half-a-dozen or so others in the Department of Resources and Northern Affairs have been removed by this government and replaced by their own specially hand-picked people, and if that's not politicization of the Civil Service, I don't know what is.

**MR. CHAIRMAN:** (2)—pass — the Honourable Member for The Pas.

**MR. McBRYDE:** Mr. Chairman, this section now that we're dealing with is basically a section dealing with Indian land claims and I wonder if the Minister would more fully explain what that is all about, and what is this committee now that the former Associate Deputy will be performing the senior civil servant function? And what will this person now be doing?

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

**MR. MacMASTER:** Is the member still on 1.(c)?

**MR. CHAIRMAN:** We are on (c)(2).

**MR. MacMASTER:** Well, I don't know what the question is then.

**MR. McBRYDE:** Mr. Chairman, Other Expenditures will be used in relation to Indian land claims, and the question would still be the same.

**MR. MacMASTER:** Well, the moneys relating to the particular individual that has been seconded to the Mines Department, the moneys used by him in his duties in that particular function, outside of Salaries, will be charged back to our department, the \$20,000 that's there, as Other Expenditures.

**MR. CHAIRMAN:** (2)—pass — the Honourable Member for The Pas.

**MR. McBRYDE:** What will the money be used for, Mr. Chairman? In other words, what is the purpose of the Indian Land Claims Committee?

**MR. MacMASTER:** The gentleman, as I said, is seconded to the Department of Mines, and obviously there's going to be some expenses for him and some of his staff during the course of the upcoming year.

**MR. CHAIRMAN:** (c)(2)—pass — the Honourable Member for The Pas.

**MR. McBRYDE:** Well, Mr. Chairman, the section we are dealing with is now the civil servants, their Salaries and their Other Expenditures in relation to the Indian land claims, and I would like to know exactly what the Indian land claims are. What will these funds be expended for? Is the Minister unwilling to explain the purpose of that function?

**MR. MacMASTER:** The Minister is certainly prepared to explain the function, once more, the function of the particular man. He will be the Chairman of a working group within the Civil Service, representatives from a variety of departments. He will be secretary to the Land Claims Sub-committee of Cabinet, he will obviously be doing some travelling throughout the province and have some expenses in his duties; that is what that particular 1.(c)(2) is all about.

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

**MR. McBRYDE:** Mr. Chairman, will these funds be used to research claims that are future claims, or will these be used to deal with immediate land claims that for example are now before Cabinet? Do these deal with the claims that are not in dispute basically, the type of claims that are still outstanding from settlements that were agreed to, but not made, like the Grand Rapids Forebay Settlement, etc. etc., or will this group only be dealing with the future claims based on other criteria that has not yet been accepted or agreed to by governments?

**MR. MacMASTER:** I think the immediate task is to endeavour to resolve the many outstanding claims that are registered with the Government of Manitoba I said previously, many of them go back many years, 15, 20 years, and some of them recently in the last few years. I think that is a very big immediate problem that has to be dealt with, and what they will directing their attentions to.

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

**MR. GREEN:** Mr. Chairman, I would like to have some more definitions in regard to what the Honourable Minister is saying. I would be of the opinion that the government has certain treaty obligations, which are not fulfilled, as between the Federal Government and the Provincial Government, and certain Indian bands, and that from time to time attempts have been made, I think I would have to say, by the province, to have these claims settled; that in many cases, the reason that there is no settlement is that the people concerned, for whatever reason, feel that they would be prejudicing themselves if they made a settlement.

There are certain groups of Indian people in the Province of Manitoba, and there are certain Metis people, who are attempting to establish substantial land claims against the Province of Manitoba. I believe that certain of the Indian bands said that they are entitled to half the land in the Province of Manitoba. The certain groups representing the Metis Federation say they are entitled to a third, and when I inquired about this, I said, well if that's the case, I claim the balance of one-sixth, because if I don't get it, somebody else is going to get it.

Now, if the Minister is suggesting that the Province of Manitoba is attempting to resolve the land claims with the Indian people at arm's length, and on the basis that the province will fulfill its legal obligations; will be willing to fulfill and research them, and try to make a proposal which is reasonable and within the guidelines of those treaty obligations, and that is what is being done, then I have no problem. If the Province of Manitoba is financing the research and development of Indian land claims subsequently to be pursued against the Province of Manitoba, then I want to know what is the purpose of doing this. Why would I, as the province, be attempting to research and establish claims by a certain group of people in the province against all of the other people in the province? Because that's what it amounts to, to the extent that any group of people in the province own more land that is now in the public realm, the balance of the people in the province own less land.

Now, in saying this, Mr. Chairman, I'm not suggesting that we should be dealing in either a harsh or unconscionable or in any way strict manner. I'm suggesting that the province should establish to its own satisfaction what is coming to any people that happens to be a group of people who are making the land claim, and try to have the claim settled on that basis. If a group of people are seeking to establish something far beyond that, then I want to know why public moneys would be used to finance that particular group of people. And I want the Minister to advise me, because I can tell him that I strongly resisted and will resist the suggestion that any group of citizens in the Province of Manitoba are going to have the authority and the power of the state behind them to establish a claim against the other citizens of the Province of Manitoba. I'm not trying to avoid a claim, but on the other hand, I say that once we are dealing with something beyond what is our treaty obligation, what is the obligation of the province under the treaties — and we are attempting

to establish that three-quarters of the Province of Manitoba belongs to a particular group of citizens racially and ethnically identified as against the other citizens, I want to know whether the Minister is really going this far — and I really can't believe that he is — then should he be misleading people thinking that that is what we are going to do? Because I say that it would be a crime against the native people in this province to give them the impression that the province is going to support that kind of assault against the other citizens of the province. I would like to know, when the Minister talks about Indian land claims, and research into these claims, whether he is talking about the kind of claims that have been suggested by the Indian and Metis people with regard to the amount of land that they own in this province.

**MR. MacMASTER:** Mr. Chairman, I find myself agreeing with the approach of the Honourable Member for Inkster. We are not researching on behalf of the Indian people, the presentations that they will be presenting to us. What we are going to do — and I think the Member for Inkster will appreciate this, that there are files and folders and documents relating to long-term outstanding claims that have been before a variety of governments and political parties within this province of ours for a good period of time — is to consolidate all these, ; to look at the variety of problems relating to them some relate directly back to the treaties, and some weren't established; some relate to where bands have split and now one is somewhere or other place claiming that it wants some land for itself; others want some land across the river now and want to give up some of theirs; others where the entire band has moved down the river, or across the river, for whatever purposes. Some go back to where there was some sort of an arrangement made and they never quite got finalized. This is the type of thing we are talking about, and there is a variety of outstanding issues at stake here. I think they are so wide-ranging that they have to be dealt with just about on an individual basis because a lot of it has individuality to it, and some of them are so outstanding. I suppose when you talk to the Indian people — you know, I've talked to some who say that their grandfathers told them that their land was really at this line, and it's not really at that line; our figures and our stakes show that our lands are established — that their reserve boundaries really aren't there and the road really is or isn't on it. It's a boiling sort of a thing that I think we have to get hold of and start getting our Crown Lands' people, Water Resources, Mines and Fo estry people, our people in the fishing industry and our Attorney-General's department — we have to get all these people together and look at the aspects of the approaches; the problems that we are faced with, and the cases as they are being presented. Time clouds things sometimes; we are not sure what the issues are and what the requests are, but certainly, time clouds correspondence and clouds issues and clouds memories, so we have to bring this all back into focus. I know what the Member for Inkster is talking about, the massive upsurge occasionally that you have and you read about. We're not talking about that kind of thing whatsoever.

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

**MR. GREEN:** Mr. Chairman, I'm pleased with the Minister's answer and I hope that that answer is communicated to the people concerned so that they are not misled. Let me have it clearly on the record that groups have come to the province and have asked for money so that they could research their land entitlement as against the other citizens of the province. We are not financing such research; we are not financing such claims. We are, as a province, trying to deal fairly with our citizens who have claims against us. We are looking into those claims and trying to ascertain them. We want to treat them equitably, but when we find out what an equitable position is and they don't agree with it — and I respect their right not to agree with it — we are not going to finance their position as against the province.

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

**MR. MacMASTER:** Just one comment to further clarify and possibly to clear it up, we have had one initial, very informal meeting with officials of the MIB and they, themselves, are going to do their own resource —(Interjection)— the member says they do their resource studies and they do their research, and where their funds come from is fine; if it's volunteer, or if it's paid, that's fine. We're going to, we think, be in a credible, solid position to sit down with them and assess what their findings are.

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

**MR. BOSTROM:** Thank you, Mr. Chairman. I would like to know, after hearing what the Minister described as the function of this Land Claims Committee, what exactly is going to be new and different from what has been done in the past? It appears as though a committee is being set up

to focus attention, perhaps, on the problem, and to pull together various departments to put it under one section. Nevertheless, these same kind of problems have been dealt with in the past and have been dealt with as expeditiously, I would say, as you are going to be dealing with them now. Some of the problems that are relating to the outstanding land entitlement under the treaties is really a problem between the Indian people of Manitoba and the Federal Government, and it is at that level that there will have to be negotiations and discussions to iron out some of the inequities in the original treaties that were signed between the Canadian government and the Indian people that lived in this area of the country.

Now, as I mentioned earlier, it appears that there are some inequities at first glance, when you note that in some treaties, — and I believe there were five treaties signed in Manitoba — one, four, five, six and ten — and in the signino of those treaties some of them provided for 160 acres per family of five, others provided for 640 acres for a family of five. I think the indian people will have to address themselves to that problem, take that up with the Federal Government and try to determine some solution to that obvious inequity in the original treaties. Why did some bands only get 160 acres when others were given 640 acres? And that alone will make quite a difference in terms of their entitlement.

The provincial responsibility here as I see it, and as the former government recognize it, is to make the required lands available once that particular difference is ironed out. Once the Federal Government and the Indian people of Manitoba have come to a conclusion or determination of what exactly is the land entitlement. It is the provincial government's responsibility under the Natural Resources Transfer Agreement of 1929-30 to make that land available. The provincial government really does not have a choice there, the provincial government is bound by legislation to make that land available.

There have been numerous problems with respect to land exchanges with Indian bands. I don't believe that this committee is going to make much difference there. The Crown Lands section of the department the Minister is now responsible for had that well in hand I believe in terms of making land exchanges with the various Indian bands: some were with respect to the air strip development in northern Manitoba, some were with respect to the hydro developments, adjustments to reserves such as the Minister described. For example, the Little Grand Rapids Band in my constituency decided to give up a portion of their own reserve so that the split-off group at Pauingassi could have their own reserved land where they had moved some 40 years before, and there are Crown lands that have been transferred to Indian bands to compensate for certain lands that had been taken for various public purposes from Indian bands for roads and flooded areas or whatever it may be.

While we were in government, I note that there were Orders-in- -Council transferring land to the Moose Lake Band, the Fox Lake Band, Red Sucker Lake Band; for the first time the Red Sucker Lake B and in northern Manitoba achieved their own reserve status where they are presently located, they being a group that had split off from the original Island Lake group and had asked for years to have their own place in the sun, so to speak, their own reserve land. The former Premier of Manitoba was right in their community in fact, he paddled into their community and made a commitment to them that they would have their land transferred to them by the end of that year and that promise was kept so that the Red Sucker Lake Band have their land transferred.

The newspaper today pointed out that the Shamattawa Band eventually finalized the transfer of the Crown land to the Federal Government so they can have reserve status where they are now located. And there are cases like the one at Shamattawa which gives some urgency to the process because in that particular case the Indian band in question wanted to control the liquor consumption in their community and the only way that they could effectively do that is by having their own reserve status land where they could make their own by-laws locally to protect their community from people bringing in alcohol to the community. That particular community, as I recall, had their land transferred by Order-in-Council of the Manitoba government some many many months ago. It is only now being finalized because that particular process works so slowly.

The Orders-in-Council that are passed here have to be sent on to Ottawa and they have to be put into Order-in-Council form there and eventually go through the process of the Federal House of Commons and the Federal Cabinet, and that process has just been completed in the case of that band. So there has been continual work on this problem by the very department that the Minister is now responsible for. I believe that there are capable people in the department that can continue this work if they're given the necessary resources. They will be able to complete the necessary transactions to make the land available to the Indian people.

But as far as the treaty requirements, as I say, that is a very thorny question, a very difficult problem which will have to be dealt with between the Indian people of Manitoba and the Federal Government with respect to the land entitlement. I believe the provincial government can assist them by making certain information available in terms of opening up the files and saying here's the information, if there are any documents in here that will assist you in your research to substantiate

your claim, I think that the government should make that available. We made it available when we were in government and I believe that given that opportunity, the Indian people will be able to substantiate their claim and work towards working out some of the inequities that they have been suffering under.

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

**MR. GREEN:** Mr. Chairman, I wish to dwell to some extent on this subject because there are some problems which I would like to make the Minister aware of because I think he is going to run into them. One is that there is argument concerning the acreage per family and per population as to when the population figures are taken. And some of the delay stems from the fact that with increasing population there will be greater acreage which creates the anomaly that an Indian band that settled some time ago with a lesser population and then grew is entitled to less land than one that settles later with a bigger population. I would urge the Minister not to let growth and population become an entitlement to more land because that way the land claim will be delayed and populations will grow and therefore acreage will grow. That's number one.

Secondly, Mr. Chairman, there used to be an attitude and I don't wish to characterize anybody in a bad light, there used to be an attitude that if the province or the Federal Government required some land that was on an Indian reserve, and it could be exchanged without any difficulty and any problems arising, that that was a relatively simple matter and the Federal Government facilitated it. The Federal Government has now adopted what I consider a horrendous attitude. They say that the province can't get any land on an Indian reserve for public services unless they have the consent of the Indians and they give the reserve a veto power over a provincial program, or they think they do in any event. This puts the leaders of the Indian people in the impossible position of not being able to be moderate. Anybody who then says, "Let's be reasonable," is immediately deposed and they get somebody who says, "We will make them pay through the nose," and Mr. Chairman, I am using their words, their public words with regard to the Churchill River Diversion. "We are going to make them pay through the nose." I don't blame the Indian people for using those words. I blame the Federal Government for suggesting that they have sovereign status over reserve lands. And the middle of this discussion when we had to transfer reserve lands to the Indians, we told the Minister of Indian Affairs, Mr. Warren Allmand, that we are not going to transfer to reserve lands unless there is an understanding with the Federal Government as to what happens when a road goes in that direction, or what happens if a Hydro project moves in that direction.

We want an understanding with the Federal Government, which is the jurisdiction which is responsible as to what would occur and as at the date that we were out of power, I am not aware that any understanding was reached; my impression was to the contrary, that the Federal Government was maintaining an absolutely indefensible attitude of sponsoring and encouraging and initiating ransom-like demands by Indian Reserves against the Province of Manitoba ransom-like, Mr. ; Chairman. And that was done to the detriment of the Indian people involved because when the crunch came the Federal Government had to back away and had to let those people down, although they pretended to be helping them. There was no help to them at all.

Now, Mr. Chairman, I take the position that there are only two public authorities in the Province of Manitoba; two ultimate sovereign jurisdictions. One is the Federal Government, one is the Provincial Government. Both those governments represent in the totality, all of the citizens in the Province of Manitoba including those of Indian origin. And both of those governments represent the jurisdiction to deal with property in the Province of Manitoba. I am suggesting to the Minister that not a foot of land be transferred to the Federal Government for the Indian people unless the Federal Government enters into an understanding that when there is a demonstrable need that the public needs access to that land, that the land will be granted and that the reserve will be given adequate and arbitrable compensation if they don't agree with it.

But we cannot transfer land on the understanding that if there was ever a public need, that there will be a veto power on the part of the reserves. No group is entitled to such a veto power. I can tell the House here that that was fought out for a period of four years and despite the duplicity and shenanigans of the Liberal Party, which saw them wind up where they did — saw them wind up where they did — and, Mr. Chairman, the Conservatives were not blameless.

Sterling Lyon, the Premier, went into The Pas and said, "We will sign whatever agreement the province has committed themselves to." —(Interjection)— Well, he didn't because — well, he could get out of it, Mr. Chairman, but it's a form of duplicity because we did not commit ourselves to anything; and Mr. Lyon could then take the position, "Well, there was no commitment, I made a mistake. I was not aware as to what went on," and withdraw from that. —(Interjection)— How's that?

Mr. Chairman, there was no fence-riding. The Province of Manitoba sent to Ottawa — the Minister knows it — a signed agreement which was made aware to the people of the Province of Manitoba,

made aware to the Indian people and made aware to all of the political parties. And anybody who was playing games with that particular situation, Mr. Chairman, it is a discredit to them. The biggest game players, which includes the Federal Government and the Liberal Party in the Province of Manitoba, have been justly dealt with for what they were doing with that situation. Justly dealt with.

I am telling the Minister that in any transfers of land, that he could go through the correspondence, he will find the letter from the former Minister of Resources to Warren Allmand saying in effect, that we will not transfer land until we have an understanding as to what's to occur when a public program is needed. I regret to say that we then did transfer some pieces on the specific understanding that those pieces had previously been promised.

But I urge the government and I urge this Minister to see to it that he not put the rest of the people in this province in an impossible position by failing to get an understanding with the jurisdiction which has the power to deal with the question — I do not recognize, Mr. Chairman, that there is a third jurisdiction in Manitoba composed of the Indian nation which has sovereign rights over land in this province — the jurisdiction over Indian lands lies with the Federal and Provincial governments. I believe that they have to be dealt with fairly, equitably, generously, but I don't believe that they have the right to veto activity in the Province of Manitoba.

If the Federal Government is taking the position that you have to get the consent of the Indians, then I would not transfer one inch of land, Mr. Chairman, not one inch until that is resolved. I suggest that legally it will be resolved in favour of the province because the province is only required to transfer land when the Federal Government has indicated that there is an arrangement. The province can choose the nature of the land and, Mr. Chairman, I suggest with the greatest of respect to the Federal Government, the province can say that if the Federal Government is going to divest itself of public responsibility for dealing with this land by saying that the Federal Government can't deal with it without the consent of a group of people, then the province is not required to transfer the land.

I think, Mr. Chairman, that what I am saying will, in the long run, benefit everybody because I'm not suggesting that the people concerned not be adequately, fairly, generously compensated if their lands are needed for public purposes, the same way as any other citizen in the province is. But I deny that they have a veto power. There are certain people, Mr. Chairman, not necessarily of Indian origin, who are making a profession of this.

In some cases the reason lands are not chosen quickly is that people want to wait until they have an idea of where development is going to take place and then they will choose land in the area of that development, and then try to hold up the development at the expense of paying for land. They are being counselled and advised to do this, generally by white men, not Indians, generally by white men.

**A MEMBER:** It sounds like City Council.

**MR. GREEN:** Well, Mr. Chairman, a lot of the suggestion that Indian people in northern Manitoba live a wonderful existence next to the land, that they don't want to be disturbed, that they want to live by hunting and trapping, a lot of that stuff is written by sociologists in Winnipeg who have never been north of Gimli, and don't know what's happening in northern Manitoba. And they, Mr. Chairman, are condemning the Indian people to live in conditions which they couldn't tolerate and which the Indian people should not have to live in. . . And it's this kind of politics that is taking place. So I urge the Minister, beware of transferring land to reserve status without some understanding with the jurisdiction of the Federal Government which is responsible for reserves, that there is not going to be that kind of difficulty that we had with the Churchill River Diversion. Mr. Chairman, it's our government who made possible the effective functioning of the Churchill River Diversion in the face of tremendous intimidation by the Federal Government.

There is one of my unintended remarks that got through the doors of the Cabinet room because I wasn't whispering, which I never regretted, Mr. Chairman. When Warren Allmand came into the room and told us he was going to stop our program unless we did what they, not what he, told us to . . . I asked him, "You tell us what is fair and we will do it." He said, "No, you have to agree with those people or else we won't let you go ahead." Mr. Chairman, the Winnipeg Free Press and Winnipeg Tribune quoted me as saying, "Go get your God damned injunction but get out of here." That's what they quoted me as saying. I told Jenny Morton I didn't know that she was an eavesdropper. She said, "Mr. Green, I didn't have to eavesdrop, it was heard all over the building."

But the fact is that that's the kind of games that were being played and it's to the credit of our government that we did not give in. Now I say to you that you are charged with the same kind of responsibility for the protection of this generation of Manitobans and all future generations of Manitobans, that you're not going to put any one group of people in a position where they have

to exercise, because once they haven't, their leaders are put in a position where they can do nothing else. What position would you be in, Mr. President of the Steelworkers Union in Thompson, if you were told that nickel would not be produced or mined in Thompson unless you were agreeable to it? How much would you have to settle for if you knew that you were the life and death of the mining company?

Mr. Chairman, your members would not let you get away with asking for a reasonable wage. And if you were going to do that, they would get rid of you and get somebody else. That's the impossible position that the Federal Government put those people in. And we did make what was, in my opinion, an over-generous settlement. I don't know why you have to give four acres of land for one acre. I would think that one acre for one acre is adequate compensation, but the Federal Government said, "You will give them four to one or else we will be in court for eight years, and you will not be able to get power. And every month that you lose power will be \$90,000.00." That's what the Federal Government said. Can you believe that our representatives were saying this? But we didn't give in and we fought it in the middle of an election campaign, and those people who sought to profit by it are out on their ears, so the public will support you. In the very communities where it was suggested that we were going against the will of the native people, we were electing our representatives.

Now, I ask the Minister not to buckle under. Yes, fair reasonable generous treatment, but no sovereign status, no nationhood, no nation status for another group or for a separate group of people in the Province of Manitoba.

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

**MR. MacMASTER:** Mr. Chairman, I appreciate the comments from the Member for Inkster but I also appreciate the fact that he is advising myself as a Minister certainly involved in the topic that we are talking about, not to give one foot of ground as an exchange until we have a commitment from the Federal Government that public projects may proceed in that particular area.

Previous to his speaking, there were statements made by the Member for Rupertsland that some transfers of properties had been made within his term, which must have been within the term of the Member for Inkster. The Member for Inkster tells us that he fought this for a good hard four years. I happen to be one of the members of this House who have a great deal of respect for the fighting ability of the Member for Inkster, and I find myself now in a position of attempting to take up what he couldn't do, apparently, in four years. It seems to me that he is asking me to simply carry on what has been to date established as an impossible task. But I am prepared to accept the challenge, and I am sure I can speak for my friend, the Honourable Minister of Mines, who is Chairman of this committee, that we really feel that we can come to a fair and equitable settlement of the disputes at hand, which will be credible to all nationalities of our particular province.

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

**MR. GREEN:** Mr. Chairman, the Minister is not correct. There is a letter on file from the Provincial Government to the Federal Government saying that no further land would be transferred by the Provincial Government to the Federal Government without an understanding from the Federal Government with regard to public projects and the need for use of land in the public domain. There is a standing letter on that on file to the Federal Government and all the Minister need do is maintain that policy.

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

**MR. MacMASTER:** I think, Mr. Chairman, that there is something more to do than that. We can write letters and we can establish positions, but when you're in the midst of negotiating, if you wish . . . A very dear old friend of mine who is long passed now used to tell me, "That's fine, Ken, I will sign it." — the inference being that the other party must agree. And I think that's the other half, the open end.

I don't know when you wrote this letter. I don't whether it was before the Member for Rupertsland's transfers that he is talking about — whether it was in the midst of the transfers or whether it is since the transfers, or whether it is something that your administration sent, we will say, last summer. I really don't know, but if it was before the settlements, then there have been some variations to it.

I think the challenge is to convince the Federal Government that there is a need to communicate with us, and sit down and discuss these particular land claims. I am sure they are going to be involved in the settlement of them.

**MR. GREEN:** Mr. Chairman, the Honourable Minister has not understood me. There were some transfers made, but when we found out the position that the Federal Government was taking with regard to the Churchill River Diversion, we told them that we would not make any more. There may have been one in the process, as I recall it, of having gone through — one or two which we couldn't hold up because they were already on their way, or had gone too far down the line. But we also indicated to them, it's not the other party that has to agree. The Minister now has to sign a transfer. The last word is ours. I say that the Minister should not sign any more transfers unless he is required to do so by the courts. And I suggest to him that the courts will be on our side on this question.

**MR. CHAIRMAN:** (2)—pass — the Honourable Member for Rupertsland. The Honourable Leader of the Opposition.

**MR. SCHREYER:** Mr. Chairman, the matter is just too important to allow to go by on a voice pass. What is at issue here is a change in attitude and procedure, principally on the part of the Government of Canada, but also on the part of some, not necessarily all, but on the part of some who are active in native organizations and native affairs here and elsewhere in Canada.

But before I delve into that, I think it would be well to remind the Minister of Northern Affairs and Renewable Resources, in the event that he needs reminding, that each government, in turn, has its own cross to bear, figuratively speaking. The problems that surrounded the status of land and the transfer of land in a number of Indian communities in this province, far removed from hydro projects, was something which preoccupied us from time to time, and which was never satisfactorily resolved for the past half century. Some progress was made in the 1970s, but that's not to say that there was any coming together of minds on the part of those responsible for federal policy and those responsible for the province. It would seem to me that there are some outstanding native land claims which could be more quickly resolved if only there were the application of common sense with respect to a very critical problem. One can never forecast, of course, in advance, where and when there will be an unavoidable, undeniable need for the general public interest to exercise the right of eminent domain, centuries old, and which has been exercised by federal and provincial governments, indeed, any government in any organized civil society.

Well, there are old laws and new laws to deal with that, but strange as it may sound, when we got into the decade of the 1970s, we ran up against doctrines — perhaps there's a better word for it, but I call it doctrine — doctrinal attitude on the part of some senior federal officials, which was then adopted by successive Ministers of that particular federal portfolio, namely that there could be no ultimate settlement unless there was unanimity or consent on the part of those affected. Well, if we were to follow that kind of logic and reasoning, Mr. Chairman, then I say that our truth many, indeed most — I would venture to say — all significant public works from the St. Lawrence Seaway to the Convention Centre here in Winnipeg, to some public work in Alberta or British Columbia, would become impossible of achievement and much of what goes under the general heading of civil democracy would become an impossibility.

Now, let me take this one step further. I don't know if this surprises the Minister of Northern Affairs and Renewable Resources, but at the time when the province of Manitoba committed itself, and it was no exaggeration, an irrevocable commitment to proceed with the Nelson River once the Kettle Rapids Power Plant was built, once the cement was poured on the Kettle Rapids power plant, in other words, the first gigantic step of the Nelson River development, then a number of things flowed from that that became, in turn, inevitable unless one wanted to make nonsense of the entire economics of Nelson River development.

And one of the things that flowed consequentially, necessarily and unavoidably from that was the need for the diversion of the Churchill River. But you know, what's the point of us, in 1978, looking back in anger or sarcasm in saying that back in 1968, when the Kettle Rapids power plant was commenced, indeed, even a year or two before that, at the time when all of the massive gearing up involving some several millions of dollars, even before any cement was poured, got under way, that that meant, among other things, the diversion of the Churchill River at whatever quantum, and that in turn meant that those who had authority and responsibility in those days, you could say, must surely have known, but did they in fact, that it would mean encroachment of — at the very least, not the most, but at the very least — the encroachment upon the shoreline and shoreline lands of the reserve at Nelson House, possibly at Split Lake, but for sure at Nelson House.

And yet, there was no quantification, nothing in the engineering records for all the years of the late '60s and early '70s, demarcated and quantified with any certainty, as to how much federal reserve land would be encroached upon, whether this would be very limited shoreline flooding or whether it would be rather more intrusion than that, and what would be done in order to deal with the problem of requiring some reserve land under eminent domain for a public work. That question was not

even addressed, even though the Canada-Manitoba-Nelson River Agreement was signed by Messrs. Jean Luc Pepin and Stewart McLean, and it quantified, it enumerated, among other things, Churchill River Diversion and Lake Winnipeg regulation, but nowhere in that entire agreement is there any reference, any prior understanding, any commitment, as to how the problem of the possible flooding of federal reserve status land would be dealt with.

Well, I suppose reasonable people, and I say that without reference to party, would have assumed that it would be dealt with. First of all, let me make it clear, I don't believe they even thought about it, those in positions of power and responsibility, they never thought about it because they didn't have it quantified; and secondly, they probably didn't think about it for the reason that if they thought of it at all, they must have dismissed it quickly by assuming that it would be dealt with on the basis of past practices and past precedents of which there are perhaps all too many examples.

There was, at one time, Sir, an extreme on the other side of the coin of practice, such as at the time of the development of Grand Rapids power plant when not just a few acres, or even a few hundred acres, but vast tracts of land were inundated, fortunately, much of it Crown land and not particularly aesthetic, appealing or productive of any resource, but it did also inundate one entire Indian community, but I mean in its entirety, plus substantial amounts of a second.

And at that point in time and I'm talking now about 1962, 1963, 1964, thereabouts, the matter was dealt with after the fact. At that particular time there was no Federal Government attitude of funding to the extent of hundreds of thousands — yes, hundreds of thousands of dollars of a litigating group that would attempt to always be on the verge of seeking injunctions to halt a major construction project when it's a quarter or a half or three-quarters of the way through.

Well, I'm not suggesting that we return to those kind of "good old days" and I put "good old days" in quotation marks because I wish to imply that they were not very good at all.

On the other hand, we enter into a multi-hundred million, indeed, one could say in the order of \$2 billion, \$3 billion, ultimately, Nelson River Development, carrying with it as a matter of unavoidable necessity, a diversion of a major waterway and knowing, at least in a sense of common sense, knowing that it would involve some intrusion of shoreline, on shoreline and shore land under Federal reserve status and nothing, but I mean "sweet nothing" was done for the first half decade of the getting under way of that project. Then it fell our lot to try and grapple with it.

It is not as though we were attempting to be niggardly in terms of making offers of land exchange and settlement. Indeed as my colleague has mentioned and as the Minister of Northern Affairs and Renewable Resources well knows, the offer which was accepted in that substance of four acres for every acre that was needed for public purpose, a transfer of four acres was made without any great reluctance, no lingering reluctance, some concern yes, but not lingering reluctance at that kind of ratio.

In addition to that we ultimately agreed to the providing of in excess of a million dollars over a period of a few years, for general economic development of the communities that would be affected, to whatever small degree they would be affected as a direct consequence. We insisted only that such general developmental funding — which had no direct connection with hydro cause of damage because for cause of damage there is yet another formula which provides under contract and under the law of contract for dollar-for-dollar payment for all demonstrable connected, related damage — in addition to that general development funding unconnected to any demonstrable damage but we insisted there and it took some months — indeed many months — to get a pledge, a parallel pledge from the Government of Canada that they would put in corresponding amounts for general purposes, general economic developmental purposes. Since it is demonstrably not connected with Hydro development, cause and effect, then why should one level of government alone be asked to put in general developmental funding particularly for a number of our fellow citizens who, for right or wrong, for better or for worse under our British North America Act, are charged as being under direct federal jurisdiction for developmental and all related purposes?

That is the background to the rather frustrating, indeed very frustrating and at times very much "touch and go" circumstances in which a very necessary part of the Nelson River Development was carried out.

If it had been possible to be both responsible and at the same time try to avoid and forget and drop the diversion of the Churchill River, and all the headache that went with it, naturally we would have done so. We don't seek; we don't search out headaches. But no one who peruses the files, documents, the records could ever come to the conclusion that it was possible to avoid the diversion of the Churchill.

There were some earlier plans, mind you, that called for a really high level, substantially larger scale diversion and flooding. But even the modified one — however modified — there was never any possibility of it being dropped completely without scuttling completely the economics of the Nelson River development. That being the case, that is the context in which this whole problem arose.

I believe that all substantive points that were at issue have been resolved. All substantive points

indeed were resolved with the exception of this problem, which I daresay if there is such a thing as poetic justice, it is now coming back to face the Federal Government because in the case of the Federation of Yukon Indians, in the case of the Northwest Territories, both with respect to people of Indian descent and those organized as Inuit organizations, or Eskimo, there is now coming forward the most comprehensive of land claims; land claims of a nature which although in quantity, far far surpass anything; but I mean very much surpass anything that was involved in the case of acreage at Nelson House along the Churchill River.

But in principle there is much the same involved. I, for one, take no comfort out of watching others squirm, but in this case I am watching with a great deal of interest to see the dispatch and the speed with which the Government of Canada will proceed to do that which it seemed to be trying to pressure the government of the Province of Manitoba because of the false assumption at the time, that we were so desperate for that extra 20,000 cubic feet per second of water.

And indeed, you know by the irony of Mother Nature and climate, by God if there was ever a time that we were desperate for an extra 20,000 cfs of water, it was in July, August, September, through the entire winter of 1976, into the spring of 1977, up to and including April of 1977. Frankly, no one benefitted by that kind of stonewalling litigation because it did not cause us to up our ante from four acres to five acres for every one acre because that was generous, practically, to a fault.

What was at issue — and it cannot be emphasized enough — was the rather quaint and strange notion that there could somehow be a transfer of land particularly — and there's nothing wrong with that — but particularly attached to it the notion that, and then once transferred, that land is above and beyond the civil law of both Canada and/or the Province of Manitoba.

Now I say that that kind of thinking has got to be simple both in law and in common sense, not tenable because if it is and if it were, then I say that one can never predict or forecast under what particular peculiar circumstances in the future there may be need to exercise, the centuries of civilized practice imbedded in law of the right of eminent domain in the overall general public interest unable to agree on terms subject to arbitration.

But they wouldn't even accept that at that point. Then I think it's fair to say that those who became intransigent — and that included myself — had every right to be because we could have capitulated in the context of being desperate for an extra flow of water; but the most horrible and irresponsible, moreover, of precedence would have been set. In the meantime all of the substantive points in terms and conditions of the agreement that would be of material assistance were relatively easily arrived at. I wouldn't say quickly because there was need for those involved to identify specifically what they wanted; but apart from that nevertheless these were not the points upon which the matter broke off in any kind of impasse or hostility.

Four acres for one; the compensation dollar-for-dollar of all demonstrable damage; a formula for safeguarding against drops in income in relation to the average of the past five years for those engaged in natural resource harvesting, whether it be fur or fish; and on top of that general economic — not directly related to hydro type of reimbursement for general economic development — and that we insisted, shared by two governments. All of this no doubt will come to pass, will come to be.

But it doesn't take any caution or warning from me to the Minister and to his colleagues to suggest that if they agree to something which binds them in solemn principle to accept the contention that lands transferred are put forever beyond the right of government of this and subsequent generations, to exercise the right of eminent domain for the general public interest, is committing the greatest offence in common sense to the present and to future generations.

**MR. CHAIRMAN:** (2)—pass; (c)—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Thank you, Mr. Chairman. I recognize and sympathize with the problem that the Member for Inkster and Leader of our party has outlined and I will not say any more on it. I believe that it's been clearly pointed out as to what the problem is with respect to transfers given the attitude of the Federal Government with respect to the definition of "reserve land".

However, while we were in government I believe that we had a program and a policy which I think substituted to a large extent for the actual transfer of land to the Indian band, formally, through the process of going through the Order-in-Council in our Provincial Government and subsequently going to the Federal Government and being passed through Order-in-Council there.

As I explained earlier, that is a very lengthy and complicated process that sometimes takes years to complete. And when that Indian band is in a position of wanting to proceed with some type of development in the near vicinity of their community, I believe that some other arrangement can be made for them so that that land that they require can be obtained immediately for the purposes for which they require it, whether it be for expansion of their housing area, for some economic development, some resource development, some enterprise which they wish to undertake.

Mr. Chairman, the policy that we followed when we were in government was to make Crown

land around the reserv8 in the vicinity of reserve, available to that Indian band on a long-term lease basis. Mr. Chairman, in fact we even encouraged the Federal Government, through the Indian bands, to put up the development dollars that would be required for Indian bands to proceed with the development of such lands.

Mr. Chairman, I would like to hear the comments of the new Minister with respect to this particular policy. Will he continue the policy of giving the Indian bands first chance at the lease of that particular Crown land in their vicinity for resource development, for community development purposes, for expansion of their housing, or whatever it may be that they require the land for, will he continue that policy and will he instruct his staff to expedite requests by Indian bands for leasehold in that manner?

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

**MR. MacMASTER:** Mr. Chairman, I think that we'll be taking a very responsible attitude towards the land claims that come before us. I've said before that there is a variety of circumstances surrounding some of them that certainly don't relate to others. There will be, I'm sure, in discussions I've had with the leadership of the Indian people in Manitoba, there may be requests taat do not, in fact, even ask for land itself. Some Indian leaders have suggested to me to be prepared for the possibilities, and I think I am, where they may be asking for assistance in establishing businesses, or a variety of other type approaches to settlements for their land claims. If they wish to approach us with a request in lieu of land, then I think again I can speak for the committee of Cabinet that we're certainly prepared to review their requests. Thank you.

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

**MR. BOSTROM:** Thank you, Mr. Chairman. The specific question which I addressed to the Minister I did not hear him reply to specifically, and that is, will the Minister continue the policy which was established by the former New Democratic government of making Crown land in the vicinity of a remote community and/or Indian Reserve available to that community on a nominal fee basis, long-term lease basis, for their purposes, whether it be expansion of their community, the establishment of a minor industry, major industry, whatever it may be, or whatever other communiyy development purpose they can show that they require this land for. Will the Minister adopt this policy as his policy for the department, promote it within his Cabinet so that it has the backing of Cabinet as I had when I brought this policy in, and to continue this policy so that the Indian reserves in remote communities in northern Manitoba will know that they will have the opportunity of having first crack at land within their vicinity for developmental purposes?

**MR. MacMASTER:** Mr. Chairman, the question posed is in the most simplistic terms that we would have to assume that the request was logical and the resource was there and everything was exactly in place. I can only assure the Member for Rupertsland that I feel we will be prepared to deal with the request for leased land, for requests for opportunity for development and for land claims, I think that we will deal with them equitably as they come up.

I don't want to stand here and say, yes, because this sounds that if this happened and that happened and the thing was all in place. I haven't found it that simple, and I don't know if you can have a blanket policy just simply saying that this is to be the case. Very few of the particular outstanding issues in relationship, if we get back to just the land claims, are exactly identical. I went through this before and maybe it bears repeating, that some total reserves have moved, some have split up and moved across, some reserves and some Indian bands in the provinces are established on Crown land nww, classified as squatting, there's a wide variety of situations that we're faced with. Some, I'm sure are going to request to get into timbered areas, and of course with that goes industry. Some are going to request to get near lakes because of the tourist industry, there's a wide variety of things that we're going to be approached with, and optimistically I feel that I certainly have faith in the committee and the Civil Service committee, that we will be able to put together a responsible package that they'll be pleased with and so will the rest of Manitoba.

**MR. BOSTROM:** Mr. Chairman, I still have not received the kind of specific answer, with respect to the policy that this Minister will be following, that I'm desiring, and I think that the communities in the north, whether they be remote communities of the non-treaty status or treaty status, will be desirous of knowing whether or not this government intends to continue the policy that the former government established with respect to the resource base, and the land being only one of those resources, but a very essential resource to the development and the future of any one of those communities. I would like to know if the Minister agrees with the policy which was established by

the former government, and that is that the local resources would be designated to the local community on a first priority basis, that is they would not be given to another outside group without first talking to that community to see what their needs are in their specific area around their community, and that the community would have first choice at that land. Not exclusive choice, that is if they obviously did not intend to develop the resources in the immediate vicinity of their community, naturally, if the province saw other opportunities for that resource to be developed, that option would be available.

All I'm saying is that the policy we followed and which was very well accepted, and in fact very well received by the remote communities and native communities, is that the communities would have first priority on the local resources. And the land being only one of those resources, I'm asking the Minister if he can state clearly now, and in this part of his Estimates, that he intends to continue that policy and give this same commitment to those communities, that this land, the Crown land that's in the vicinity of their communities, will be available to them on a first priority basis.

**MR. MacMASTER:** Mr. Chairman, we've gone from the land claims into the development area which, I suppose is so neatly tied together that we can stray a bit. I believe that I'll be, as the Minister, and I think the department, encouraging communities to do what is best for them with their initiative. We're prepared to support them in a variety of ways through professional services and whatever other means that we deem is necessary, and I'm prepared to wait this out and see how it works out with the communities and review their requests, and where at all possible, convince my colleagues that development should take place in relationship to the lands adjacent, or if it's something farther than adjacent. If responsible initiatives are forthcoming from the communities they're certainly going to be given favourable consideration, whether the land is adjacent to their particular area or at a great distance than adjacent.

**MR. BOSTROM:** Mr. Chairman, the policy the Minister is enunciating is not as clear and unequivocal as I would like to hear it but I will take it as his final word on it, and I understand he will be continuing to look at it. I still maintain that if the Minister wants to establish a good rapport with the northern communities and the treaty communities in northern Manitoba, that he should know that these communities had welcomed this kind of a policy that I had just explained of making the local resources available to them on a first priority basis, and they will not look kindly on any changes in that policy. If the Minister is considering other alternatives such as making those resources available on some other basis to outside concerns to develop the resources without first giving the community the opportunity to have an opportunity to develop their own resource base for themselves, by themselves, I think he's going to be running into many problems. And I'm hoping the Minister is not considering that other alternative without consulting the communities involved. I would say he should be assuring the communities that this policy that was established by the former government is still in place and will continue to be in place for their opportunity and future development.

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

**MR. GREEN:** Mr. Chairman, I'm going to put on the record some legal language which I really want to put on the record to show members of the Conservative Party just how they have taken a simple proposition which clearly indicated what was to happen, and turned it into something so difficult to understand, which in my view was intended to convey one thing to the Indian people, something else to the government and something else to the people of the province.

In our amended agreement we put in the following stipulation, and although it's legal language I ask the honourable members to listen because I think it will be understandable to them. There is a whole list of things that are done in the agreement, and then we give an arbitrator the power to award damages, in case somebody claims that they have suffered. We said, and this is the one clause that was objected to by the Northern Flood Committee lawyers: "Notwithstanding anything hereinbefore contained, bearing or capable of bearing any different or contrary interpretation," in other words, no matter what it says else where, "it is expressly understood and agreed by all the parties hereto that in any adjudication arising herefrom before the arbitrator or otherwise," it means either before an arbitrator or a court, "whereby damages may be awarded," and these are the key words, "such award of damages shall be limited in quantum to such amount as would compensate the person or persons making a claim for such adverse effects suffered by them that are directly and reasonably attributable to the project."

Now that is legal language but I believe it can be understood. I believe that anybody who studied it for a few minutes would say that where there is a claim and somebody claims damages, he can't get more than what he has shown has been caused by the project. And I think that that's reasonable. Why should a person be given more than what he is damaged? And what the Northern Flood Committee said, no, we want damages for your failure to do good things in northern Manitoba which

would have done wonders for us, and we have lost wonders, not by the project but by your failure to do programs that we wanted, and we are to receive damages in excess of that. That was the difference between us.

The Conservative Government signed the following words, and Mr. Chairman, I don't understand them, I venture that the lawyers don't understand them, I say that nobody understands them.

**MR. CHAIRMAN:** The Honourable Minister on a point of order.\$

**MR. MacMASTER:** No, Mr. Chairman, I wonder if the Member for Inkster would accept a question.

**MR. GREEN:** Yes.

**MR. MacMASTER:** The wording that you just read, where does it exist?

**MR. GREEN:** Mr. Chairman, this wording exists on the desk of the Minister of Indian Affairs in Ottawa, signed by Ed Schreyer, the First Minister of Manitoba, signed by Len Bateman, and signed by Funnell. This document, signed by the Premier, was sent to Ottawa, was in existence when the Conservative Government took power — and by the way, Mr. Chairman, when the Conservative Government took power they took it with water flowing in the Churchill River Diversion, and no injunction against them, and no longer any threat of an injunction, because the rug had been pulled from under those people who wanted to use that type of intimidation, and that agreement was sent to Ottawa and exists, and it's been tabled by my honourable friend. I got this from his tabling of documents. That document was sent to Ottawa, signed by the former Premier of this province. And all that it needed was the signature of the Northern Flood Committee.

The Northern Flood Committee then came back, and by the way, the interesting thing, Mr. Chairman, is that the election was on Tuesday. On Saturday, the Premier was in northern Manitoba, he met with the people and they were ready to sign this agreement that Saturday, but the Premier, not being an unscrupulous man, said, "I really don't think that you should do that without considering it and getting your lawyer's advice." He could have got their signatures to it on Saturday before the election. When they didn't sign it, and the election was won by the Conservatives. They said, "Why should we sign this agreement? Mr. Lyon, at The Pas, said he would sign a much better agreement." So they decided that they were going to try to work over the Conservative administration. And here's how they worked them over, Mr. Chairman, here is the change and I defy the members in this House to understand it. "It is acknowledged that the policy set forth in Articles 15, 16, 17 and 18 have implications that require clarification to insure greater certainty." And I'm not asking you to try to interpret that, because that's just a preamble. "Accordingly, the arbitrator may award damages provided for in this article only to the extent that the full and timely implementation of any policy, contemplated by the above mentioned articles, constitutes compensation, be it monetary compensation, mitigatory measure or remediable measure, in whole or in part, of any kind to any person, arising directly or indirectly out of or attributable to the project. Further, if a claim or matter in dispute arises by virtue of any subsequent change in such policy, in whole or in part, then the quantum of damages awarded shall be based on the diminution in compensation, if any, arising out of such a change."

Now, Mr. Chairman, I'm a lawyer, I don't know whether this will give damages for a change in policy. If it does, and you change your policy in northern Manitoba and somebody says that they don't like it they can sue you for damages for a change in policy, which is what we were trying to avoid, and did avoid.

Furthermore, Mr. Chairman, this article is contained in 14(3) and therefore — and I haven't read this through and I will — doesn't apply to that portion of the agreement which relates, not merely to changes in policy, but where an arbitrator may award damages for the government not doing something.

Now, Mr. Chairman, I happen to think that the courts being what they are, and being reasonable, will not interpret this clause — and I hope they won't — in such a way as to give the kind of thing that the Northern Flood Committee was demanding. But I charge, Mr. Chairman, that the Conservative administration have given the Indians to believe that that's what they can get, and have once again given substance to that charge which we, at all costs, wanted to avoid, given substance to that charge on the part of the Indian people, "whiee man speak with forked tongue." Because they think they are getting one thing, and they are getting another.

We made it perfectly clear that they could not expect that kind of thing. Their lawyer appeared to be much chastened, although he said that they've had to make compromises. The compromises are, Mr. Speaker, to use an expression I heard only about five minutes ago, is that the Conservatives fudged up the language so much that nobody knows what they're getting, and we will depend on

the courts to do justice to the people of the province of Manitoba if they ever sue. But it's not clear, Mr. Chairman. And if anything has been a crime to the Indian people in this province, is that it hasn't been made clear to them what their rights are.

We made it clear. Boy, they understood it. There was no doubt they understood it. I suggest that nobody, white man, Indian, lawyer, doctor, legislator, nobody, understands the wording of this agreement. —(Interjection)— That's right, the section that you put in. Nobody can understand it.

**MR. MacMASTER:** Well, there are several things wrong with what the Member for Inkster has just said, and being the lawyer that he lays claim to being and he certainly is, he talks about the document that went to Ottawa. Mr. Chairman, that isn't an agreement. That's two parties agreeing to something and the other parties didn't sign it. —(Interjection)— That isn't an agreement. —(Interjection)— Well, I think you'll find you did.

Then we talk about the water running, and all is well, and there'd be no injunction. I think the facts bear out that the water was allowed to run at Nelson House because the then Premier said that the agreement was in place, it was going to be signed, he took it to your Cabinet and he couldn't produce. That's what happened, for whatever reason, be it good or bad.

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

**MR. SCHREYER:** Mr. Chairman, I rise on a point of privilege. The Honourable Minister couldn't possibly know and he happens to prove that he doesn't know, because I tell him, and under parliamentary practice it's clearly understood that I'm making it as an assertion and he has to take my word for it therefore, that what was indicated to the negotiators on behalf of the Northern Flood Committee was that that agreement, running to many pages, something approaching 100 pages, was acceptable in every substantive respect. After all, we had spent a lot of time on it, years, but that there was one feature to it, the arbitration section, that we could not accept in that form, and they were advised of that before they left the city after the last negotiation meeting took place. So that couldn't possibly be true, what my honourable friend says.

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

**MR. GREEN:** Further to the point of privilege, the lawyer for the Northern Flood Committee has written a letter to the Premier which is on the files of the government, in which he says, we knew that you would have to get the consent of the Cabinet. The reason that they let the water go — when I say they let them, they never let anything happen. They merely didn't get an injunction. We indicated that we were going to raise the water of the Churchill River diversion when we needed it, that we were not going to be stopped, we never needed their okay, never ever acknowledged needing their okay. —(Interjection)— Mr. Chairman, I tell the honourable member, when he says we needed it all summer, at no time did we say that we would hold back the water pending their consent. At no time. Mr. Chairman, we said that we would discuss it with them, but if a discussion was not resolved we would raise the water. And the fact is that the Northern Flood Committee lawyers, in desperation, because they knew that they had not a leg to stand on, decided that they would trust the fact that possibly this agreement would be approved by the Cabinet. They were immediately told that it wasn't, and Mr. Chairman, we signed the document, sent it on to them, and when the Conservatives came into power the water was running, there was no injunction, and no legal right to an injunction in my opinion. Mr. Chairman, so far my opinion is the best one, they never got one.

**MR. MacMASTER:** I'm glad that the Member for Inkster verifies what I've said, that the understanding by the Flood Committee and by the native people was that the agreement would be signed. —(Interjection)— Oh, that's what they thought, and that's why the water ran, and the member just got through saying that maybe they had that understanding, that the water would run.

**MR. CHAIRMAN:** Order please. On a point of order, the Honourable Member for Inkster.

**MR. GREEN:** On a point of privilege. I said that the lawyer for the Northern Flood Committee wrote a letter to the Premier saying that he knew that that would have to go through Cabinet. They hoped it would, but they were given no such assurance. That's right.

**MR. MacMASTER:** Well, the fact remains, Mr. Chairman, that the understanding of the people and the press was that the agreement was going to be signed and everything was going to be fine,

and it was a matter of days or whatever, later, that for whatever reasons, and I suppose I can speculate what they were but I'm not going to, I didn't have privy to that particular Cabinet meeting. but the agreement was not signed, so there was no agreement. Then a document was signed. The document was forwarded to Ottawa, in the meantime the water was running and that's what the situation was when we took over.

The Member for Inkster claims that there was no possibility of an injunction. When one party is led to believe, as the people were led to believe that agreement was going to be signed; when one party is led to believe that the other party is going to produce and doesn't, and you take advantage, if that's what it was, and that's the terms, and that's the understanding that the people had, that they had been taken advantage of, then there is a possibility of an injunction. —(Interjection)— Well, I don't know whether the Member for Inkster is right or not, and whether it's a piece of junk, as he says it is, I think that it's a fair, responsible document, it's an agreement which is something that my friend from Inkster and the Leader of the Opposition were not capable of producing.

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

**MR. SCHREYER:** I can see that it's necessary to go into another lesson in history because when the Minister of Northern Affairs leaves the implication that there was something very much wrong in proceeding to raise the level of the water flow of the diversion of the Churchill River he is forgetting one very important point in the history of this province and in the history of the development of hydro electric power in this province, and that is that in the most technical of terms it would have been possible for any litigating group with an interest, direct interest or even indirect interest in environmental matters, to have sought an injunction 10, 11, 12 years ago, at the time when the first physical construction began at Kettle Rapids on the lower Nelson. Because anyone who knows anything about hydro electric development knows that a \$350 million 1,200 megawatt power plant would not have been built there without the policy consideration having been nailed down at the same time of a diversion of the Churchill River.

Indeed, in case common sense of that does not impress my honourable friends, I point to a legal document which spelled out the fact that Churchill River Diversion was an inherent part of the proceeding with Kettle Rapids power plant back more than a decade ago. So, one can very well raise the ethical question in that respect as well. Was it proper? I say it was. But for those who seem to argue about whether or not it was proper to raise the level of the Churchill River Diversion by degrees in the fall of '76, in the summer of '77, I point out that the die was cast, let there be no mistake about that whatsoever, that the die in that respect was cast at the time when the construction started on the first of the power plants on the Nelson River. Because only an idiot would have proceeded to the building of a 1,200 megawatt power plant on the lower Nelson with having 30 percent of the required water flow lacking and unplanned for in policy terms. So, a 30,000 CFS flow was assumed. The moment it was assumed, then everything was locked in after that.

Now, you see the interesting historical irony here, Mr. Chairman. They made that assumption, they locked it in in both engineering and policy terms, it became a necessity, and on the basis of that they proceeded to commit in excess of \$300 million on the power plant alone, in excess of \$150 million on BC transmission, knowing that they hadn't even begun to negotiate with the native people that lived in communities along the route. So if my honourable friend wants to feel sorry for himself in terms of who was left with some problems to iron out I suggest to him that when we inherited the requirement of carrying out the development of the Nelson we inherited the requirement to carry it out in a way that did not leave out any of the urgently required components, one of which was the Churchill River Diversion.

So when they locked that in, more than ten years ago, should they be surprised if the question is asked, well, how could you proceed to make such major plans, and indeed, go beyond planning to commitment and physical construction when you haven't even begun to iron out understandings with those effected, and indeed, it is no exaggeration, Sir, to say that they didn't even start. And I'm talking now about the period from 1966 on. But there is another element involved here. The Minister of Northern Affairs can interpret whatever he likes from the media and from statements made by Tory politicians here or there. The fact of the matter is that that agreement, which is a lengthy one, was a long time in the discussion and negotiation. They haven't changed the substance of it. The four acres exchanged for every one acre that was intruded on by way of shoreline flooding, that stands. That is one item of substance that stands in the agreement. The provisions in the agreement with respect to wildlife and the right of use, and the right for a consultative body or mechanism to advise government, that stands. The provisions in there with respect to undeniable asserted rights of compensation for demonstrable and direct damage, that stands. The requirement in there to provide stipulated funds for economic development that go beyond any direct and

damage compensation, that stands. Everything that means anything stands in that agreement. They haven't changed what we negotiated and agreed to.

But the one element in it that had to do with the need to avoid confusion and wrong-headed policy principle, and how that would be arbitrated, they were advised of that, Sir, at the time of their last negotiating meeting, that it was the only problematic and troublesome section left, indeed, out of that rather voluminous bulky document agreement, that is the only section that remained at issue.

So my honourable friends haven't changed any of the substance but what they have done, as my colleague, the Member for Inkster, has read into the record, is exchanged a rather clearly-worded section which provides for what? It provides for arbitration with respect to all sources or causes of dissatisfaction that relate to matters that are attributable to the project. And who in common sense would want it otherwise? They have agreed to take that out and substitute instead a section which the Member for Inkster has read, which does not really make it clear at all. Indeed, it will be problematic for lawyers, for laymen, and one can only hope that that section proves to be of no particular consequence. And if that happens to be so, then one can look back in historical perspective and say, "What was all the fuss about?"

But, Sir, that is a very poor way to proceed. To put a section in there which is not substantive, which is procedural, and which doesn't really say and yet leaves the hint that it could involve that matters could be arbitratable even if they are not directly relating to the project or its causes, but rather having to do with policy in some of its most general potential application. Well, that is precisely the kind of thing that muddies, that beclouds the circumstances, and we can only keep our fingers crossed that nothing will happen that will ever cause it to be the key section requiring interpretation in the courts. Because if it does then it is a case of really never being able to know with certainty how it will be dealt with, or interpreted, because it lends itself to such diverse different interpretations.

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

**MR. GREEN:** Mr. Chairman, the Minister said that they were faced with the possibility of an injunction. I want the Honourable Minister to know that in 1969, when this government took office, there was an injunction proceeding commenced by the people of South Indian Lake with regard to the Churchill River Diversion.

Not only was there a proceeding commenced, but there was a letter to the courts from the Minister of Mines saying that no proceedings would be taken unless the other parties were given notice. We had to deal with that injunction proceeding, we didn't run under our beds and hide and say we had to sign something which was peculiar because there was an injunction proceeding. And then, Mr. Chairman, in 1973, another Statement of Claim was issued by the people of South Indian Lake requesting an injunction.

I remember the Member for Wolseley, the Leader of the Liberal Party at that time, said, "Are you going in the face of this injunction proceeding? Aren't you going to wait until the court decides whether you are right or wrong?" Which would have meant a four-year delay, Mr. Chairman, in the Churchill River Diversion. We had no intention of being deterred from our project by spurious proceedings, and we told that to the Minister of Indian Affairs, Mr. Allmand. We told him that we were not going to stop the water.

The reason that the negotiators for the Northern Flood Committee said that they no longer had objection is because a week prior to that their own communities were complaining against them for having stopped the project, and having 100 people in that community stop work.

So the honourable member feels they were not put in a good position, he can say that in retrospect but the Conservative Party came into power with a document which the Indian people were prepared to sign on the Saturday before the election. And furthermore, Mr. Chairman, they came into power with the Churchill River Diversion being used — being used. The water was flowing. Activities were on their way.

**MR. MacMASTER:** Yes, Mr. Chairman, I keep picking up fallacies, I believe them to be, in the comments and I am then subject for a history statement by the Leader of the Opposition. Then he claims that I should stop feeling sorry for myself. Well, I have never been too famous for feeling sorry for myself.

But let's go back through this a little bit again. During that particular bad summer, when you needed the water real bad and you needed the power real bad, I suppose we will never know whether it was injunction fear or political fear that you didn't just let the water run. —(Interjection)— Well, you didn't let it run. You kept the thing going and going.

The meeting that finally, and you're alleging apparently, came to conclusions in relationship to signing the agreement, the directive was given from the Leader of the OXPOSITION TO SIGN,

by telephone. The understanding was left — whether it was positive — the understanding was left that Cabinet would then be approving it. It would be going to Cabinet. And the impression was left with the people that left that meeting that the thing was through. That's what was left.

You know, the Leader of the Opposition, he has not stood up and said that the people in Thompson, at that particular political little gathering that he had, and it was a last ditch effort of his to charge into the north in the middle of a campaign and meet with the Chiefs in the north. Because I talked with those same Chiefs hours later and they certainly didn't give me the indication that they were quite willing and gladly and ready to sit down and sign that agreement. Now, either they had some sort of feeling at the meeting that they didn't carry outside the meeting, because I talked to several of them after that who attended that meeting and it was with a mixed bit of amusement because it was a last ditch effort in a political sort of a scene.

Now, I can admire the Leader of the Opposition's efforts, his political efforts, but I don't think he went out of that meeting with the assurance that all those people were prepared to sign that document at that particular time.

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

**MR. SCHREYER:** Mr. Chairman, one bit of extra probing bespeaks further elaboration. To begin with, the Minister of Renewable Resources should know that one of the factors which caused the increase in the flow of the Churchill River Diversion to be held at 10,000 c.f.s. extra into the Burntwood — I should put that more clearly: 10,000 c.f.s. diversion causing a 10,000 c.f.s. extra flow on the Burntwood — was because of some delay in the construction, the finalization of the construction of the pumphouse and intake at Thompson.

Subsequent to that we did proceed to take the level of the diversion up from beyond the 10,000 initial stage to 12, 14, 16, 18, 20. Then there was a measured pause because, in this respect he is partially right, negotiations on the agreement were current. It seemed to be a matter of particular request, on their part, that we not take it up any further. With some reluctance we agreed and the substance of the agreement did materialize.

I think it is significant enough to bear this bit of extra emphasis, Sir, that when you look at the agreement, peruse the agreement, and compare it with the document that had been negotiated and forwarded by me, with my signature, to the Minister of Indian Affairs in Ottawa, that not one single section pertaining to substantive sections having to do with wildlife, with natural resources, with compensation, with demonstrable damage compensation, with economic development funding, provision for arbitration was changed, with the exception of Section 14 and their peculiar version of Section 34. That was the only item changed, and changed in a way that the Member for Inkster has already put on the record. Changed in a way that we can only hope will never materialize in any actual testing of it, because it is a nightmare I tell you, Sir.

But there is a second point for my rising and that is the Minister makes rather cynical reference to this meeting that took place on a weekend, Friday or Saturday, prior to the election week. And in that respect I tell the Minister of Resources that that meeting was not something that was particularly engineered by me at my request but rather it was requested of me by those, or at least some of those, speaking officially as members of the Northern Flood Committee.

And secondly, as to what was said at the time, I believe that fortunately there was Canadian Broadcasting Corporation television crew at the time of the transcribing of a sort of communique or statements issued at the end thereof, and those, therefore, must be a matter of record.

**MR. CHAIRMAN:** (2)—pass; (c)—pass. We are on Clause 2. Lands and Surveys Division, Resolution No. 96, (a)(1) Salaries—pass; (2) — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Thank you, Mr. Chairman. I note there is not much change in this section from last year, in terms of the dollar amounts, and I'd like to hear from the Minister what exactly this section is responsible for, in his view, if there have been any major changes proposed?

**MR. CHAIRMAN:** The Honourable Ministr.

**MR. MacMASTER:** Mr. Chairman, there were four people last year; there are four people this year. The increase in funds is a salary increase, which is consistent with the increases that will be forthcoming. The directing of activities relating to the functions of the Lands and Surveys Division, its very generally in line with what it was last year. I'd like to pass over to the member a chart outlining the department which he can refer to as we go through it, but there is no basic change, that was his specific question.

**MR. BOSTROM:** Thank you, Mr. Chairman. I am just looking at the chart which was passed over

to me. Could the Minister indicate if, in this section as a whole that we will be proceeding through item-by-item, if there have been changes from last year in terms of some people being transferred in or out into the Northern Affairs section of the department, or if this is pretty well the same type of organization as the previous fiscal year?!

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

**MR. MacMASTER:** There were no transfers out. There's no Northern Affairs people within this particular section.

**MR. CHAIRMAN:** (a)—pass; (a)(1)—pass; (2)—pass — the Honourable Member for Ste. Rose.

**MR. A.R. (Pete) ADAM:** I would like to ask the Minister if there's a change in policy insofar as Crown lands are concerned. Does the Minister intend to continue the policy of the previous administration? I think the policy that was introduced by the Roblin government, and that is, not to sell Crown lands.

**MR. CHAIRMAN:** I would suggest to the honourable Member for Ste. Rose that we are on Item (a) rather than (b). Crown lands is under (b). Would you redirect your question when we get to (b)?

(1)—pass; (2)—pass — the Honourable Member for Ste. Rose.

**MR. ADAM:** I'm speaking in generalities now. The Crown lands I think we can . . . We're talking about the Divisional Administration. It seems to me that we have more latitude on that and . . .

**MR. CHAIRMAN:** The honourable member has given great latitude in the debates, but we are on a clause that we could follow point by point. The Honourable Member for Ste. Rose.

**MR. ADAM:** It seems to me that the Clause (b) is Management of the Lands and not policy.

**MR. CHAIRMAN:** I would suggest that policy could be discussed under Crown Lands Management.

(1)—pass; (2)—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** While we're still on the Salaries and Wages section here, could he indicate who is the head of this section? Is that as indicated on the chart he passed to me, the Director of Lands and Surveys Division? I believe he did answer how many people were involved in this section. Would this section be also responsible for the Crown Lands Classification Committee? Would that be included somewhere in this section or can the Minister indicate where that particular classification Committee is now located?

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

**MR. MacMASTER:** That particular section will be covered later on as we go through it; and there is four this year the same as there was four last year.

**MR. CHAIRMAN:** . . .—pass; (a)—pass. (b)(1) Salaries — the Honourable Member for Ste. Rose.

**MR. ADAM:** Yes. I wonder if the Minister could advise just what the policy is in regard to the Crown Lands that are concerned.

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

**MR. MacMASTER:** Mr. Chairman, there hasn't been a drastic policy established because we have a committee called the Public Land Use Committee, of which various departments are now submitting proposals for Wildlife Management. The examples of some of the problems that we're looking at has relationship to agricultural extension into some of the Wildlife Management areas — you know, there's debate going on in this at the moment. The leasing of Crown lands is being discussed. There's a variety of problems that we have been addressed to by people and by groups that we're now looking at and are before the Public Land Use Committee.

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

**MR. ADAM:** I wonder if the Minister could elaborate on the problems specifically, that he refers to.

**MR. MacMASTER:** Well, one of the specific areas that myself and the Minister of Agriculture are certainly looking at is the request by the agricultural community of the province, for greater utilization or partial utilization in some places, of Wildlife Management areas.

We're looking at the request from the Department of Agriculture and people within that field, and we're certainly looking at the renewable resources end of it, the protection of the wildlife habitat within our province.

We're looking at the possibilities of leasing for hay purposes which we've been requested to do in some of the Wildlife Management areas. Those are specific ones that I have been dealing with.

**MR. ADAM:** Yes, Mr. Chairman. The Minister of Agriculture in Agriculture Committee made it pretty well clear that Crown lands would be sold, and I'm just wondering, I've asked the Minister if he would give us his policy on what . . . because I think the Department of Mines is the mother of the Crown lands. It forms the policies of what happens to our Crown lands.

I think it would be, I believe, unwise to have a free-for-all on Crown lands. I believe I asked the Minister of Agriculture and he says. . . I mentioned to him that the policy in the past was to allow so much development on Crown lands. It's all mainly marginal land anyway and primarily for use of livestock production, and it has its value in that respect and has worked very well for many many years. But due to wildlife there has been some development on Crown lands, but with some restrictions thereon, so that the habitat would not be all removed for the protection of wildlife.

I believe the answer that I have received from the Minister of Agriculture is, that if the lands were sold that he thought farmers were all nice guys and they were going to put up money and buy land, and then they were still going to protect wildlife. That's an argument that I just can't accept.

If somebody is going to put up money to buy Crown land, I believe that he will utilize that land to the fullest extent and if he happens to be in agriculture, he's going to use it for that, and I don't blame him. I wouldn't blame him at all.

But to give us the argument that, well, we're going to sell it, but we think that . . . Oh, well, you know, the farmers like wildlife, too. Sure we do, we like wildlife but you're still a businessman, if you buy land you're going to utilize it as much as you can.

I would like to get some assurance from the Minister that we're not going to desecrate our Crown lands all over this province, which has been working very well under the present policy and I would like some assurance from the Minister that that is going to be kept for our future generations. Once the land is sold you lose control.

We have noticed lately that a lot of land is being sold to foreigners, even though we do have Land Protection Act there still seems to be some ways of getting around it. I would like some assurance from the Minister of what the policy is.

**MR. MacMASTER:** Mr. Chairman, I find it difficult to accept that the — at least I hope — I find it difficult to accept that the Minister of Agriculture would leave the impression that he was going to advocate the opening up of purchase of all Crown lands and it would be on a wild sort of a scheme, where come as can, and catch as can.

I'm sure that he hasn't left that impression. I would have to believe that the member is sincerely concerned about the protection of the wildlife area and I share that concern with him.

I'm in the midst of debates, and I'm sure Ministers who have held —(Interjection)— I'm pleased to see the article that was handed to me. Did you bring that back from the north? —(Interjection)— I'm hoping that he didn't take it off somebody who was after him with it because I know he was just up in my home town.

**A MEMBER:** It's not the same, Ken. It wasn't the way you left it.

**MR. MacMASTER:** I'm sure it isn't. Getting back to the Member for Ste. Rose. I can assure him that the Minister of Agriculture and myself are looking, I think, sensibly at the expansion of the agricultural industry, if I can call it that, and I think it is, and at the same time keeping in mind the preservation of wildlife habitat and areas that must be protected because of vegetation or growth, or particular types of trees or soil and at the same time protecting a great love of mine, and I think you share that with me, and that's the wildlife of this province.

**MR. ADAM:** I thank the Minister for his assurance that the lands will not be completely opened up and causing erosion problems and other problems but I still haven't got an assurance from him as to whether he agrees that lands should be kept in the public domain, these Crown lands. I'm not talking about cultivated land or the Land Lease Program or anything like that, I'm talking about that land which has been, since time immemorial been there and our Crown lands that are opened from time to time to assist ranchers to increase their viability in their operations. But I would like some assurance from the Minister that the policy is not to sell this land because once you have sold it then you have lost control of it. The people who buy it — and you can't blame them — demand extra services; they demand drainage; they demand roads which again increases the burden upon the municipalities. This is my prime concern and I do believe that there is better tenure by leasing from the Crown than to sell because with a good policy on Crown lands it can be handed down from father to son and kept in the families for as long as they can utilize that lan..

But we do not want to have land that is unproductive, we have to get the maximum without being a detriment to that land and to the public in general. I do believe that people living in Brandon, Killarney, Churchill, have a sense of ownership of Crown lands. You say, "Well, you know, I have some Crown land. I have land that belongs to me. I haven't got a title on it but it's still my land."

There are other areas, too, that we should be concerned with and that is recreation. I know the document that has been handed to us here just in the last week or so will I know create a lot of discussion and some of the points in there I think are very very well taken, but I would like some assurance from the Minister that the policy is not going to change where land will be sold to the highest bidder, and those people who now have that land will lose it.

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

**MR. FERGUSON:** I would just like to ask the Miiister a couple of questions. I'm not quite as anxious as the Member for Ste. Rose to have assurances that none of the Crown land will be sold. I think one of the pledges of our campaign was that in some instances, where land had been held for a number of years in one particular tenure, that the tenant, if it was tied in with the unit to make it a viable unit, would have the opportunity of purchasing this land.

I don't think that our government on this side is worrying this much about losing control of the land. We have never made a speciality of trying to pick up all the land in the province. I think probably this is one of the reasons that we are government on this side, instead of opposition as the honourable members are across the way, and another of the reasons why they haven't been able to make an inroad into the rural areas.

I think that another one of the promises that was made by this party was that land that was picked up for wildlife management areas, that it would be used as multi-purpose. I think this is something that can be developed between the farming community, or the Minister of Agriculture and the Minister of Renewable Resources, the environmental people, and all those that are involved, the farmers, etc. I don't think that there is any great problem here. I think that we can cut down our expenses considerably by leasing some of this land, possibly on a three-year lease with the assurance or with the contracts specifying that it will be seeded down and at the end of so many years it will go through this cycle again. Of course, there would have to be some protection to the individuals involved but, here again, we do find ourselves, when government becomes involved in the handling of land, that there is always the possibility that some political influence can be used. I am not saying that has happened, but the opportunity is there. And it is something that, to me, is very repulsive. I can assure you that I won't make a statement that it has happened but we will say that it has been bordering on happening, in my own particular area.

So, Mr. Minister, I would like to have some assurance that this land — again quoting the Member for Ste. Rose — that the land will be used as multi-purpose, that there will be a development program go on and which I am quite sure there will be.

I would like to know how many acres actually have been purchased and tied into wildlife management areas. And I think that that would pretty well cover all that I would like to ask at this time.

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

**MR. ADAM:** The Member for Gladstone raises a point. He mentions that there is always a possibility that when you lease land out that it can become political. I would suggest to him that selling land can also become political. You can't have it both ways. You could sell land to your friends, just as well as you can lease land to your friends. But I think the point system that has been developed for those people applying for agricultural Crown lands is a very good one. It is a very good policy. It works on a point system, and need. And I think this is very just and fair.

So when the Member for Gladstone is saying, "Well, you know, we don't want the Crown to have control of land because it might become political." Well, I don't think it has in the past. I don't think it has in the past, not with the present system that is here now with the point system. But if you sell land, I am afraid that you will sell it all to your friends. That's what you are suggesting. You are suggesting that if we hold the land for the Crown and for the people of Brandon, and for the people of Churchill and Killarney and Dauphin, that if we lease this land that we will be leasing it out just to our friends. So I am suggesting that you can't have it both ways.

**MR. MacMASTER:** I think, Mr. Chairman, I find myself in a sort of a familiar position —(Interjection)— not a quandary at all. I like to express it as walking the line.

There are those, I suppose, the extremists, who would love to have every square foot of property in Manitoba and other provinces just plowed under, and there are those that would love to protect all the property so we can walk and look. I like to believe that there are very competent people that surround me, and that I have an understanding for some situations that we can walk the line on this particular thing and we can deal with the responsible agricultural field, and we can deal with the responsible people who are concerned with wildlife in this particular province, taking the chance of upsetting some who have the great love for the wildlife management areas. There possibly is that possibility of a mixture of use. It's nothing new. It has come to my attention, and I don't know when it took place in years previously, that some areas are put in crop and hay is taken off them. I think this can be continued and looked at.

In relationship to me saying to the member, or promising the member from Ste. Rose that there will never be any Crown land sold, I can't say that to you. There have been instances, again, brought to my attention where lease holdings have been handed down from family to family, and some of these people are desirous now of purchasing that particular property that they feel they can have some merits to. They feel that they have put enough into it, had it long enough that they are wishing to lay claim to it.

I suppose those are fairly legitimate requests. I don't put them in the bracket that the member mentioned before, from Ste. Rose, Mr. Chairman, that be a fly-by-night thing where we will just come and catch and grab as we can. I think that we are capable of taking a responsible look at both sides and dealing with the situations as they arise.

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

**MR. ADAM:** Is the Minister saying now that the government will decide who will be able to buy the land? This land belongs to a million people and he is going to decide who should be the owner, without the land being sold by tender or by auction, whatever the case may be. He is saying that he is going to decide who shall own the land in this province, and I think that is a very very dangerous road to follow. And that is just exactly what is going to happen with what the Member for Gladstone has mentioned awhile ago, that there is a danger in leasing land. He wants the land sold so that it will not be used for political purpose and here, I think, is a classic example of what might happen, because the Minister has just said that he will decide who is going to buy that land. The criteria for selling of land has always been to the highest bidder and I say that if you do that, and that is the honest way to do it because that land belongs to the people living in Brandon, Killarney, Churchill and the press gallery, as well, and they want the highest dollar for it if it's going to be sold. They are quite satisfied to lease it out and have these ranchers produce foods, and make a living and raise their families, and keep the communities going. I'm sure that the majority of the people in this province are satisfied to have that kind of a policy.

But when the Minister tells us that he is going to pick out a few people to sell this land to, just because they have been farming it from father to son for a number of years, now I get concerned. Now I start to see what the Member for Gladstone was telling me.

**MR. CHAIRMAN:** (1)—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Thank you, Mr. Chairman. I'm looking at the chart, organizational chart, which outlines this particular section of the department. I note that you have noted the individuals involved here: the Director of Lands and Surveys Division, a Mr. Barr, and the Head of Surveys Branch, Mr. Roberts. I note that the Head of the Crown Lands Branch is vacant. Is that correct? Is there a vacancy there? It was my understanding that there was an incumbent Chief of Crown Lands when the administration changed hands.

**MR. MacMASTER:** That particular position is vacant at the moment, Mr. Chairman.

**MR. BOSTROM:** Well, without getting into names, Mr. Chairman, we did have a Chief of Crown

Lands, prior to the change of administration. Do we still have a Chief of Crown Lands, or has that position or person been changed in their duties?

**MR. MacMASTER:** I think it's a matter of terminology. The positions on the second row are considered Chief of the Land Use, and Land Management and registration system and administration of Indian land claims. They are, if you wish to call them, Chiefs. They are the heads of that particular area.

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

**MR. ADAM:** The Minister hasn't answered my last remarks and I don't know if he intends to. But I would like to ask him, then' if it is a policy that land is going to be sold. And I think he' like his colleague the Minister of Agriculture, has intimated that this is what's going to happen. Could he advise us how much land has been sold since he has become Minister of this department? And what is the criteria for setting the value of this land? Will it be sold by auction or will the land value appraisal commission be setting the value of this land, because I caution the Minister again that it's a dangerous policy to start selling Crown lands.

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

**MR. J. WALLY McKENZIE:** Mr. Chairman, I would like the members opposite to spell out their policy. Are you opposed or do you support the sale of Crown lands?

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

**MR. ADAM:** I would suggest to the Member for Roblin if he has any questions he should direct them to his Minister, that I am not the Minister for the Department of Mines and Resources, or Northern Affairs.

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

**MR. McKENZIE:** The record always and always brings out the eulogy of members opposite. I recall the speech of the Member for Ste. Rose, I guess in the last week or ten days, telling about the terrible conditions in the Ste. Rose hospital. People were dying. There was no lights, no food.

**MR. CHAIRMAN:** Order please. We are on (b5(1). Order please. The item under discussion is (b)(1) Salaries, Crown Land Management. The Honourable Member for Ste. Rose.

**MR. ADAM:** On a point of privilege, Mr. Chairman.

**MR. CHAIRMAN:** The Honourable Member for Roblin on a point of order.

**MR. McKENZIE:** Mr. Chairman, on a point of order, I think the members opposite have challenged the Minister on our policy on Crown land management, and I would like the Member for Ste. Rose to spell out their policy on land management before we proceed.

**MR. CHAIRMAN:** Order please, the Honourable Member for te. Rose on a point of privilege.

**MR. ADAM:** I was on a point of privilege and you recognized me, and then you recognized the Member for Roblin on a point of order.

**MR. CHAIRMAN:** The Chair recognizes the Honourable Member for Ste. Rose on a point of privilege.

**MR. ADAM:** My privilege is that I would not want the Member for Roblin to leave on the record the remarks that he made which had nothing to do with what we're discussing here. But I never mentioned anything about the hospital at Ste. Rose in the House in my remarks. I would ask him to withdraw that. He can read Hansard if he wants. The Hansard is there, there's nothing about the Ste. Rose hospital or any other hospital.

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

**MR. McKENZIE:** Mr. Chairman, regarding the Ste. Rose hospital, all you have to

read is the front page of the Dauphin Herald, of the lies and the allegations and the false truths that the Member for Ste. Rose put into the record of this province. So I ask him, on this subject matter, is he now doing false and lies under policy on . . .

**MR. CHAIRMAN:** Order please. I'm getting into the game also. The Honourable Member for Roblin is out of order. We are not discussing hospitals. We are discussing Crown land management. The Honourable Minister.

**MR. MacMASTER:** Mr. Chairman, we'll try and get back to where we were. Two or three questions have been coming, some from the Member for Ste. Rose and some from the Member for Rupertsland. I'll endeavour to answer some of them. The head of administration and handling of the Indian land claims area is the gentleman that you were making reference to, and this change has been made to improve the relationship to the workload distribution. The question about sales, there has been no Crown land sales taking place except for residential lots and land required for Crown corporations, for putting buildings or other improvements. And that's the only land. There hasn't been any great sales of land for agricultural use of any type so far.

**MR. ADAM:** I wonder if the Minister is prepared to answer my second question, what criteria will be used if any land is sold? He has intimated that some lands will be sold to people who are now leasing. I would like to know what the criteria will be to establish a value on this land. Will it be sold by public auction to the highest bidder? Or will the value of the land be decided by the Land Value Appraisal Commission, or will the land be sold to the friends of the Member for Gladstone for next to nothing?

**MR. MacMASTER:** Mr. Chairman, there has been no policy approved yet by the Public Land Use committee. They will be reviewing the logical options that are open to them and establishing a criteria. Your Land Classification committee of course, will play a great role in establishing usage and we then, of course will have to establish values, so the disposition of Crown lands is somewhere down the road and I can't at this particular moment say the amount of acreage or the amount that these particular acres will be sold for.

**MR. CHAIRMAN:** (1)—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Mr. Chairman, there are a number of issues that are connected to this section that I would like to raise to get some clarification of the present government's approach to various problems. The Minister did make passing reference to the Crown Land Classification committee, which was established by the previous administration, and it was to resolve the type of problems that the Member for Gladstone brought up, and that is the conflicts that arise between various user groups of Crown lands within the province. And as the Minister probably well knows by now, that Crown Land Classification committee has resulted in various land use guidelines to be developed for the areas of the province where the committee was operating. And having representation from the various departmental groups that are involved with the various user groups of Crown land, I believe that they were able to react to the pressures that were put upon the various departments, the Crown Lands Department as well as the Department of Agriculture, the Department of Tourism and so on. They were able to resolve those conflicts at the field level before they became full blown conflicts between departmental officials at different levels and before they had to come to the Minister or the Cabinet for resolution.

I believe that it solved a lot of problems in the administration of Crown lands, and I'm hoping that the Minister will continue this Crown Lands Classification committee in some form, and wonder if he would comment on that, its operation as he understands it, and what his policy will be with respect to this committee.

**MR. MacMASTER:** The committee will stay intact, their recommendations and observations will be given a great deal of credence by myself.

**MR. BOSTROM:** I might point out to the Minister that that particular committee did have the support of Cabinet. I hope that it will continue to have the support of Cabinet under this government.

I'd like to go on another point, and that is with respect to Crown land being made available for northern housing programs. The previous government had brought out a policy which was necessitated by the northern housing programs which were funded primarily by the Federal Government, and operated through the Manitoba Housing and Renewal Corporation. The northern community councils had their own program for awhile, that has been taken over now by the Metis

Federation that is delivering the entire northern housing program in northern Manitoba. The CMHC requirements required that land that was provided for those homes had to have title, so that where it was necessary to use Crown land we had to adopt a policy which allowed for the sale of that land to the CMHC, who in turn incorporated that land with the house as a package for sale to the individual families in northern Manitoba.

We adopted that policy, and in addition to that, Mr. Chairman, we adopted a special policy in terms of the sale of that land. In order to maintain the cost of housing and land at a price which would be affordable to northern residents we adopted a policy of providing those lots to residents through this CMHC program at cost. Now, the costs included such things as the development of the land, the surveys, the roads, and the other components that went in to putting in a housing subdivision, and as I recall, Mr. Chairman, these were not in the main, serviced lots, they were raw lots in the sense that there were no water and sewer facilities to most of them, so that the costs were not high and they ranged somewhere in the neighbourhood from a few hundred dollars to a maximum of a couple of thousand dollars in some cases.

I'm wondering if this Minister is continuing that policy, and does he plan to continue that policy in the future. I heard the Minister of Housing the other day get up in the House with reference to land in the City of Winnipeg that was bought by the MHRC, they are now selling that land at market value. Some of these lots in northern Manitoba that are in areas where they're accessible to people from other areas of the province may be quite high in price if they were put out on market value. We made these lots available exclusively to residents, permanent residents of those communities who were obtaining housing through the special programs that were available to them on a cost basis, and I would like to know if the Minister is continuing this policy and if his government plans to continue this policy in the future.

**MR. MacMASTER:** Yes, Mr. Chairman.

**MR. BOSTROM:** Thank you, Mr. Chairman. I appreciate the Minister's confirmation that he will be continuing that policy.

With respect to another issue related to this section of the department, and I believe it is one which encompasses not only the particular concerns of the Crown land management of this department, but the entire Crown land management of the entire government, and it relates to the data that is being pulled together by the Crown Lands Branch. We were putting together a plan for computerization of the lands data within this department, to set up a master file, so to speak, of all Crown lands that were held by the Crown Lands section, agricultural Crown lands and eventually the lands held by the various Crown agencies and corporations. I wonder if the Minister could indicate if this proposed computerization program is being considered as a possibility, if there's anything in the Estimates this year to proceed with any further analysis of the benefits and costs of establishing such a program, and if he has an opinion on the future possibilities of this program.

**MR. MacMASTER:** A basic central registry system, I suppose is another term for what the member, Mr. Chairman, is referring to, and I certainly concur that we should be going that way and we have a systems specialist and a programmer specifically lined into that type of work, and we're going just along that particular line.

**MR. BOSTROM:** To get down to a specific area of Crown land management, Mr. Chairman, and it relates to the mortgage problems that people face in rural areas of Manitoba, with particular reference to an area that I know the department was working on, and that is along the Winnipeg River system. There's a number of Crown land lots that are held by permanent residents of the area. They are permanent homes situated on Crown lots. Originally those people had one year permits from the Department of Tourism and Recreation. They were having difficulty, naturally, obtaining any kind of mortgage financing on the basis of a one year tenure, which is all they had.

We changed the classification of those lots to be Crown lots under the Department of Crown Lands, and they were able to obtain long term leases, but apparently his still was not sufficient for them to be able to obtain long term mortgage financing from CMHC and other lenders, because of their requirement that land must be titled. They do not, apparently, recognize, for whatever reason, the leases that are provided by the Crown of Manitoba, which I think they should recognize, but unfortunately they do not. And I know the department was investigating the possibility of making those lands that are occupied by permanent residents available for sale to those permanent residents so that they would be able to obtain the necessary mortgage financing in the open market, so that they could repair, maintain, improve their homes, and/or other residents from the area who wish to purchase those homes, would be able to obtain market financing on that basis. We were proceeding to make up a proposal along those terms to present to Cabinet, it was one that I would have supported and would have recommended to Cabinet. I'm wondering if his department has

along that direction and what the Minister would intend to do with that proposal.

**MR. MacMASTER:** I can appreciate the problem that has been outlined by the Member for Rupertsland in relationship to getting mortgage moneys. I understand that the long term lease was not sufficient also. I understand that there is some hydro reservation areas and problems that have either crept in or were there before, and I'm advised that the whole situation is still under review and we're trying to work it out. But I certainly appreciate the problem and the Member for Rupertsland can rest assured that we're not letting it die.

**MR. BOSTROM:** Thank you, Mr. Chairman. I note that there is a land use planning section within his outlines which he presented to us here, under the head of the Crown Lands Branch, was that the Land Use Planning Section that was formerly in the Planning Section of the Department, and has now been transferred over to this particular area?

Mr. Chairman, I have a number of questions with respect to that section. Would the Minister just give us a general outline what that particular section of this Crown Land Management unit will be doing this this year, in the way of planning for crown lands in Manitoba.

**MR. MacMASTER:** Has the member got some more questions and I'll attempt to get some answers to them as we go along?

**MR. BOSTROM:** I'm wondering if this is the section which I could ask the questions with respect to wild rice leases as well? I know that you have a program under the Development Resources Division for wild rice development, but I assume that the leases for the wild rice lakes in Manitoba, are held under this section where they were held before.

**MR. MacMASTER:** Yes, they are.

- **MR. BOSTROM:** Thank you, Mr. Chairman, I'll thank the Minister for indicating that. I would like to know what his policy is with respect to the wild rice leases in Manitoba, and just by way of contrast if there is any, I would like to indicate what the previous government's policy was with respect to these leases, and that is that the communities who were . . .

**MR. CHAIRMAN:** Order please. I would like to remind the honourable members that we are in the Department Estimates on Northern Affairs and Renewable Resources, and I do have a problem with one ear, and I'm having trouble trying to listen to the debate that's going on with all the other debate in the House. I would ask for a little consideration from the honourable members. The Honourable Member for Rupertsland.

**MR. BOSTROM:** Thank you, Mr. Chairman, for making it possible to continue the debate.

I would like to know, as I mentioned earlier, what the department's policy will be with respect to allocation of wild rice leases in the province, that is wild rice producing lakes in the province. Our policy, I was just about to outline, was specifically to give first priority to those communities that were closest to the wild rice resource, and in following that policy, the communities on the east side of Lake Winnipeg and other areas, where they were in the immediate vicinity of the wild rice resource, and it could be easily determined that these lakes were lakes that they had traditionally harvested as community groups. These lakes were leased to them on a long-term lease basis in order that they would have the first opportunity, in fact, the exclusive opportunity to harvest the wild rice resource, and to obtain the employment from the harvesting of that resource as a result of their development and harvest of it.

And, Mr. Chairman, secondly, there were a number of other lakes that had been traditionally harvested by Indian people in Manitoba, that were not immediately identifiable, certainly not conveniently identifiable as being in the specific or particular resource base of any one or more community groups or community areas of reference. Those lakes were leased out on a long-term lease basis to the Indian Wild Rice Producers Co-operative at first, and later transferred to the Algonquin Wild Rice Producers that was a corporation established, controlled and owned by a number of Indian Bands in the province, and they've collectively therefore, held these leases and participated in the harvesting of wild rice on those lakes.

In addition to that, there were a number of lakes that were held by private individuals who had submitted to the department a long-range proposal for the development of particular lakes that they saw a potential for developing, and we had that opportunity there for people to come forward, to make a presentation and say here's a lake that we think can be developed. The wild rice potential is marginal at the present time. We think that through these expenditures on water control and seeding and development of this lake we will be able to realize a return from it. We would therefore, based on their proposal, make a long-term lease available to them as a private entrepreneur to

develop that wild rice resource. And a number of successful wild rice operations were developed in that way.

So just to capsulize, Mr. Chairman, there were the three aspects of the policy. First priority to those community groups that were in the immediate vicinity of the wild rice resource. Secondly, that those areas that were traditionally harvested by the Indian people of Manitoba, that had the natural wild rice stands he on them, were awarded to the Algonquin Wild Rice Producers, that represented the Indian people of Manitoba on a collective basis. And, thirdly, there were opportunities for some private entrepreneurs to develop particular lakes in eastern, central and northern Manitoba, that the individual or group had identified as one that could be developed and were prepared to risk their time and effort and money in developing it.

I'm wondering, Mr. Chairman, if this Minister will continue that policy or if he intends any modification of it, and if so, I would like to know what modifications he is looking at.

**MR. MacMASTER:** Speaking in general, Mr. Chairman, I to date have found no reason to change the direction in which the wild rice program is going in Manitoba.

In relationship to the land use planning group that the Member for Rupertsland asked about, there has been a reduction in this particular group from 13 SMYs down to seven. The reduction included two planners, two technicians, one draughtsman and one typist. Initially, this particular program had two elements to it. There was the provincial overall planning dealing with large resource zones, assembling information on the resources, the availability and present use and identifying long-term potential use and/or development. Now, that was the one section.

The other was, the community area planning, preparing resource information packages for areas adjacent to communities and I'm sure we've all had a look at some of these packages.

We have eliminated the provincial planning portion for what we feel to be good reason at this particular time and that's that the Federal Government has now decided not to cost-share that particular portion of the program. In saying that, I have been led to believe that there is certainly not the greatest or the most amount of provincial planning that we would like to have, but there certainly is a great deal that have been done under the program, and we're going to put our emphasis in the forthcoming year at least on local community planning. And the local community planning group, well, the Land Use Planning Group itself will be putting emphasis on the local community planning and that consists of four planners, a technician, a draughtsman and an administrative secretary. And for the interest of members, Mr. Chairman, two of those planners and one of those technicians will be out in the regions and out in the field, so it's not a totally centralized based operation here in the city.

**MR. CHAIRMAN:** 1.—pass — the Honourable Member for Ste. Rose.

**MR. ADAM:** I have one more question I would like to ask the Minister. In regard to the Crown Land Appeal Board, how has that been operating? It seems to have been working quite well, and I'm just wondering if the Minister is satisfied with the way the Crown Land Appeal Board has been discharging their responsibilities insofar as deciding who needs the land the most on the point system and who should be able to obtain agricultural Crown land.

**MR. MacMASTER:** Mr. Chairman, that particular board is under the Department of Agricultural.

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

**MR. URUSKI:** Thank you, Mr. Chairman. I would like to ask the Minister if he could explain to me the relationship as to the nature of setting policy between the Department of Renewable Resources and that's dealing with the Crown Lands Section, and the land use aspect of Crown lands. There are vast areas within the Interlake Region, for example, that are under Wildlife Management areas, and of course adjacent to those wildlife management areas, there are agricultural Crown lands.

However, there are portions or buffers adjacent to the boundaries of the wildlife management areas of agricultural land where there seems to be from time to time disputes that may arise, whether it be between the two departments, whether it be between prospective lessees. Could the Minister indicate and explain as to what policies are utilized to determine the use, and who has the final say in determining the land use of a particular area, and in the area of agricultural land in the vicinity of management areas, or in agricultural areas that may not be Crown lands, which may not be directly adjacent to management areas, which would be in areas where there may be some lakes or resources where wildlife and natural nesting areas, and habitat areas, but not within management areas, what is the relationship and how is the policy formulated as to what use of the land is being

**MR. MacMASTER:** Mr. Chairman, I'll attempt to go quickly through some of the problems that we see ourselves having. I've been through them, I should say to the member at least once, possibly twice, but there is certainly that strong desire by those who wish to protect the land, the wildlife management areas and there is certainly a strong feeling by the agricultural community within our province who wish to further expand. And as I said before, I think my role is to walk that middle line and certainly be prepared to look at some alternate use, maybe of wildlife management areas, but I don't think we can go to the point where we will be destructive in our usage of the particular lands.

**MR. URUSKI:** Mr. Chairman, I'm certainly not advocating or suggesting that there be a holus-bolus opening up of, shall we say, grazing leases within the specific wildlife management areas.

I want to indicate, and I have done so on many occasions, that there is no intent on my part to suggest that that should be done, but I want to ascertain from the Minister, the relationship as to the decision-making. Who has the final say in the case of a dispute, shall we say, between the natural resources people and the agricultural people in lands that are outside the wildlife management areas but are within the Crown lands section, administered by agricultural, but I'm sure that there must be some input by the Department of Renewable Resources in the land use of that area?!

I'd like to know the process, and final determination, that it goes through when a decision is to be made on its use, if there is an application, shall we say, for a grazing lease?

**MR. MacMASTER:** Mr. Chairman, I would like to believe that the departments could work it out before it reached a crisis stage, but I suppose if an instant arose that couldn't be dealt with or neither department was prepared to give and it couldn't be established, the particular disposition of the property in question, that it would go to the Public Land Use Committee for a decision. I would hope that it wouldn't be made on an ad hoc sort of a basis. I would like to believe that the Public Land Use Committee will be coming down with some decisions in relationship to how we might handle the — and I don't use hypothetically sarcastically — I say the hypothetical areas that may affect future use of Crown lands that today aren't being utilized by either the agricultural field or by renewable resources.

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

**MR. BOSTROM:** To be more specific on the wild rice leases, Mr. Chairman, I would like to know if the Minister can confirm that all of those leases that were available to community groups and the Indian Wild Rice Producers Co-operative or rather the Algonquin Wild Rice group that has taken over those leases, if they have the same leases as they had last year, or if there have been any changes in that leasing pattern.

**MR. MacMASTER:** No change, Mr. Chairman.

**MR. BOSTROM:** A question on the position that is termed in his organizational chart here "Head Crown Lands Branch", could the Minister indicate where that position came from? Has there been a reclassification of another position? Was this position filled before and the incumbent vacated the position, or where exactly did this position come from?

**MR. MacMASTER:** It's an existing position retitled, Mr. Chairman.

**MR. BOSTROM:** Well, Mr. Chairman, could the Minister tell us what position it was before it was retitled?

**MR. MacMASTER:** Director of Planning, Mr. Chairman.

**MR. BOSTROM:** Thank you, Mr. Chairman. With respect to the other sections underneath that head of Crown Lands Branch, could he just indicate the administrative structure of each of those sections? That is how many staff in each one and do they have a sort of a manager or senior officer or whatever heading them up?

While the Minister is looking for that information or staff is seeking the information, Mr. Chairman, I'll just continue with another question which I have with respect to the local government district land which is a special type of so-called Crown land. It's not really Crown land in that this land is local government district land that was sold for tax sale in years gone by and it was through agreements with the LGDs transferred to the provincial government for administrative purposes and the provincial government through the Crown Lands Branch administered this land much as if it

was regular Crown land. Mr. Chairman, the previous government was in the process of negotiating with the LGDs in Manitoba to give them the opportunity of taking those lands back and the process that we were following was one of working at it on a common sense basis whereby the LGDs would identify those lands that were the ones that they required and those lands would be transferred back to them for their administration, dispersal, or whatever they wished to do with them. Our only concern at the time and I believe it's a valid concern which this government should also be concerned with, was that if those Crown lands, having been administered by the Crown Lands Branch whereby the Crown Lands Branch had made specific commitments to individuals, that before those lands would be transferred back to the LGD, there would be agreements with the LGD for them to either honour that commitment to that individual or individuals, to honour the leasehold rights or whatever other commitments the Crown had made to those individuals or that there would be proof that the individual was prepared to release the LGD from those commitments for some other arrangement which they could work out between themselves as an LGD council and the individuals involved. Can the Minister indicate what the policy of his government will be with respect to these lands and how he will be proceeding in terms of the outline policy that the previous government had indicated to the LGDs?

**MR. MacMASTER:** We are presently, Mr. Chairman, carrying on discussions with municipalities in relationship to the LGD properties and basically speaking in general that we'll be prepared to return them to the municipalities.

**MR. CHAIAN:** (1)—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Mr. Chairman, I did have a question with respect to the staff complement of these various sections under the head of the Crown Lands Branch. Before we leave it, I would ask the Minister if he could tell us how many staff were included in each area, what changes if any there are from last year and what kind of administrative structure there is in place in the sense that do they have an assistant head or do they have a chief or whatever you call the person who would be in charge of the four sections that are under the head of the Crown Lands Branch?

**MR. MacMASTER:** Under the system: six SMYs under administration, Indian Land Claim 18 SMYs, under Land Use Planning 12 SMYs, and under the Land Management 10 SMYs and they're all headed up by a Chief of that particular grouping.

**MR. BOSTROM:** Yes, Mr. Chairman, the Minister had indicated in an earlier comment that he had reduced the number within the Land Use Planning and just now in reading over the numbers very quickly, it sounded like the same number were still in place. I understood him to say earlier that there was a reduction of about six.

**MR. MacMASTER:** I'd like to take that as notice and get a written full explanation of it. There's a varied system in relationship to cost sharing which gives a different number and I'll break that out and I'll put it down and I assure the member I'll get it to him.

**MR. BOSTROM:** Mr. Chairman, I'd like the Minister to indicate if the ARDA Alternate Land Use Program, the Resources for Tomorrow Program and the Urban Periphery Program would be in this particular section, or would it be contained in one of the other items below this item.

**MR. MacMASTER:** The comprehensive land use planning is under (c), Mr. Chairman.

**MR. BOSTROM:** Mr. Chairman, the Alternate Land Use Program which is cost-shared with Ottawa, would that be within this section?

**MR. MacMASTER:** Under (d).

**MR. BOSTROM:** What about the Resources for Tomorrow Urban Periphery Programs?

**MR. MacMASTER:** Resources for Tomorrow are under Capital and there's no Urban Periphery Program.

**MR. BOSTROM:** Mr. Chairman, if the Resources for Tomorrow Program is located under Capital, which item is he discussing that under?

**MR. MacMASTER:** That's 9. in the Estimates, Mr. Chairman.

**MR. BOSTROM:** Mr. Chairman, it seems I may have a few other questions, but it appears as though honourable members opposite are inclined to move committee rise. If that is the case perhaps I'll forego the few minor items that I had in mind.

**MR. CHAIRMAN:** I'll just pass this item then. (1)—pass; (2)—pass; (b)—pass. (c)(1)—pass; (2)—pass; (c)—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Before we pass this section, could the Minister indicate what exactly is contained within the salaries and wages section of Canada-Manitoba Northlands Agreement? What was cut if anything out of here? I note that there is some reduction in both areas, Salaries and Wages and Other Expenditures, could the Minister indicate what program was carried out last year under here and what program is proposed for this year?

**MR. MacMASTER:** The appropriation (c) was the one that I gave to the member, I suppose, in advance, we were overlapping what we were getting at here which is your from 13 to 7 reduction of 6 SMYs and I outlined them and the two particular programs that were in place, one being the provincial and the other the community area, and the fact that the Federal Government is now not prepared to continue cost-sharing the provincial end of it so we are going with the community area of planning, putting our emphasis on that this particular year.

**MR. BOSTROM:** Well if I understand the Minister correctly when I asked a question earlier about Land Use Planning under the Crown Lands Management, he was quoting figures of 13 minus 6 and so on, that is referring not to that section but to this section, is that correct? And he will be providing us with a written explanation for the various sections under the Head of the Crown Lands Branch indicating the staff and whatever changes there are in that section, and the vacancies if possible.

**MR. MacMASTER:** As of the cost-sharing aspect, I'll get that document and give it to the member, Mr. Chairman.

**MR. BOSTROM:** In the Community Planning section that he is indicating as coming under this Manitoba Northlands Agreement section, can he indicate which communities are on the schedule for local community planning for this year? I note that this is a program that we established under the New Democratic Government and we had the various communities looked at in terms of their local resource base and the documentation on that was made available to the communities for their own use in terms of their planning of their resource development possibilities in their area. Can the Minister indicate which communities this group will be looking at in this coming fiscal year?

**MR. MacMASTER:** There are three at the moment, Mr. Chairman, and of course we have expectations that others will be coming forth during the course of the year and that's Island Lake, God's Lake and Pukatawagan.

**MR. BOSTROM:** Well, Mr. Chairman, the Minister is indicating several communities that will be completed this year. Are there any carry-overs in here from the previous year of communities that have not yet had the local planning completed and if so which communities would those be? -

**MR. MacMASTER:** Specific reports for isolated communities contained resource analysis and the job need and the development potential, which is your community package. Reports are completed for Little Grand Rapids, and the first stage back on information for Cross Lake. Reports are in progress, which is what the specific question was, on Norway House, Wabowden, Island and Red Sucker Lake, Gods Lake, Gods Lake Narrows, and Jackhead Harbour.

**MR. BOSTROM:** Thank you, Mr. Chairman. Can the Minister give us an assurance that these staff man years that are cost-shared with Federal and Provincial dollars that are tied into the Manitoba-Northlands Agreement will be specifically employed working at that local planning and will not be used in other areas of the department for other things which are not related to Northlands activities that are specifically cost-shared here.

**MR. MacMASTER:** Mr. Chairman, that's what it's earmarked for and that's what their directions will be.

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

**MR. BOSTROM:** Mr. Chairman, can the Minister indicate the changes here from last year, what this would mean in terms of staff programming and so on.

**MR. MacMASTER:** Mr. Chairman, there is a reduction from 14 SMY to 9. There will be no land acquisition this particular year. The reduction in moneys is due to the decrease in staff. The disposition of the 9 remaining are the chief of the department, secretary to wildlife specialists and 5 other people that will be in the field. The \$65,000 that was not in there last year, the Other, is for travel, office and expenses of this particular group.

**MR. CHAIRMAN:** (1)—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Mr. Chairman, if the program funding for land acquisition has been cut, and if that's what the Minister is saying, that there will be no new acquisition of lands in this program year, why would there be requirement for travel in Other Expenditures?

**MR. MacMASTER:** Conversion work, Mr. Chairman.

**MR. BOSTROM:** Mr. Chairman, in the remarks on (d)(1) the Minister indicated there had been a cut from 14 SMY to 9 and yet the appropriation has only been reduced from \$191,000 to \$180,300, and then there's an increase in the Other Expenditures. Can he indicate why there has only been a decrease in the Salaries and Wages of some \$10,000 when he claims that there has been a cut of 5 SMYs here.

**MR. MacMASTER:** Mr. Chairman, the previous administration and in particular the previous Minister, had the expenses, whatever, travel allowances, they were budgeted under Capital, and it's our feeling that they're more appropriately budgeted here up front in the Current.

**MR. BOSTROM:** Mr. Chairman, can the Minister indicate what staff are contained within the 9 complement that he has indicated are proposed for the fiscal year 1978-79, and what their specific duties will be since they will not be having any program expansion in this year.

**MR. MacMASTER:** The 9 people I spelled out before, maybe I didn't make it clear, is the chief of the area, his secretary, two wildlife specialists and five people who will be doing conversion work in the field.

**MR. BOSTROM:** Mr. Chairman, can the Minister indicate where this program will be concentrated in this fiscal year before us, what areas they will be concentrating their activity, and if he could indicate just in broad terms where the majority of the funds would be spent.

**MR. MacMASTER:** The program last year required approximately 3,400 acres of land and we're going to be doing a great amount of conversion work on that particular land and the main project areas include the Assiniboine Valley, Duck Mountain periphery, Pembina Valley, Mars Hill, Portage Sandhills, and the Whitemud Watershed. And it's proposed that the program concentrate on the watershed and conservation districts and continue to be active in the periphery of the Duck Mountain, Riding Mountain and the southeastern region of the province.

4MR. CHAIRMAN: (1)—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Mr. Chairman, I note with some humour that the Minister appears to be reading from the same notes that I had last year in terms of where the program will be concentrating. In view of the fact that the program did concentrate on those areas last year, is this completing that work? Will this be completing the work that was started last year, and secondly, Mr. Chairman, how long will this particular agreement continue? Can the Minister give us an indication when this agreement will terminate as it has been negotiated with the Federal Government?

**MR. MacMASTER:** It's a five year program, Mr. Chairman, we're in the fifth year. It expires December of this particular year and we're going to be endeavouring to negotiate an additional agreement or a follow-up agreement or whatever you wish to term it as.

**MR. BOSTROM:** Mr. Chairman, is the Minister indicating then that the moneys that are contained

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in here are really only for the two-thirds of a year under consideration or are these funds budgeted for the entire fiscal year before us?

**MR. MacMASTER:** I think you'll find, Mr. Chairman, that you can complete your fiscal year's worth of work if you're in the midst of a program, and as it happens that our fiscal year would end next spring, I don't believe there will be any problem with the Federal Government in relationship to that.

**MR. CHAIRMAN:** (1)—pass; (2)—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Just on the Other Expenditures, Mr. Chairman, could the Minister indicate more specifically what exactly is contained within there. He made sort of a broad brush reference to it, I believe, already, but if he could outline more specifically, it would be appreciated.

**MR. MacMASTER:** We're suggesting, Mr. Chairman, that vehicles, field expenses, telephones, stationery and travel would be the makeup of your \$65,000.00.

**MR. CHAIRMAN:** (2)—pass; (d)—pass. The Honourable Member for Rupertsland.

**MR. BOSTROM:** Before we leave this section, Mr. Chairman, I just saw the urban peripheral program has been cut from the funding for the coming fiscal year. Can he indicate where it shows up in terms of the expenditures for last year, for comparison purposes?

**MR. MacMASTER:** That was Capital, Mr. Chairman. It will show up in Section 9.

**MR. BOSTROM:** Can the Minister indicate what the rationale was for cutting this particular program?

**MR. MacMASTER:** In this particular case, Mr. Chairman, we felt that we should concentrate on the conversion and not acquire any more land.

**MR. CHAIRMAN:** (d)—pass; (e)(1) Salaries—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Mr. Chairman, on the surveys section, it is a great deal of money. I note there's an increase in the section. Could the Minister indicate what is being proposed here, what changes if any in the staffing, and what proposals there are for this fiscal year before us?

**MR. MacMASTER:** Mr. Chairman, we have increased the number of SMYs from 74 to 77. The three particular additions are two engineering aids and a resource technician who is really an aerial camera operator, and you have the increase in your increments so we will have this year 77 SMYs. Are we just dealing with the Salaries, Mr. Chairman? —(Interjection)— Okay. That's the explanation for that.

**MR. BOSTROM:** Mr. Chairman, I believe that under this section it would be appropriate to ask what type of work this department is planning under this section for the fiscal year before us. What will be their main program of surveying and mapping. I believe that the mapping would come under this section as well, would it not? So I'd like to know what is their program for the fiscal year under consideration? What will be their main area of activity?

**MR. MacMASTER:** Mr. Chairman, I suppose the statements that I'm about to read are quite possibly very similar to the program that the former Minister had. If he wishes for me to read the general responsibility and the staffing complement and the project administration and the mapping office, the field surveys and the computations and data and, we can go on into the whole programming of the whole department if that's what you. . .

**MR. BOSTROM:** . . .to outline all of the specific responsibilities of the section but more appropriately, what the program of this section will be for the fiscal year before us, that is their activity program. In what areas of the province are they planning to do the major part of their surveying. For example, you've increased the staffing complement here by 3 so I assume that there will be some increased activity by this section over last year and I would like to know where the majority of that activity will take place. There are some routine things of course that they do. I know they are involved in certain routine surveys as a field survey section. I'd like to know, however, which main area they will be proceeding on in this fiscal year before us. There was a section related

to Northlands surveys and mapping, project related to Northlands, and I assume that would come under the next section, which is the Canada-Manitoba NORTHLANDS Agreement. So I will not enter into the debate on that right here but I would like to know from the Minister what will be the main activity of this section. Why did he see fit to increase the section by three? What increased major activity will they be involved in this year?

**MR. MacMASTER:** Mr. Chairman, we feel that the required complement was close to being sufficed but not quite, and we have added what we feel is necessary additions to the particular group. We do have some additional obligations this year in relationship to mapping, in relationship to the Flood Agreement that was established in northern Manitoba, but the workload within the province, generally, requires that we have the number of complement that we have here.

**MR. BOSTROM:** With reference to the Northern Flood Agreement and the requirements for surveying under that section, I understand that there will be a considerable amount of surveying required to comply with the Northern Flood Agreement. I would like to know from the Minister what implications this will have for other work which this section of the department normally completes, such as the northern communities surveys for residential subdivisions, airstrips, and so on, that are required on a continuing basis, the recreational surveys that this department carries out with respect to summer home lots in recreation areas required by the Department of Parks and Tourism, and other routine and day-to-day survey type operations that they are called upon to perform as the year progresses, where requests come in from various departments, whether it is the Water Resources Division, the control surveys that they are required to make, in terms of their mapping and so on, the retracement surveys that they are called upon to make from time to time.

The type of retracement surveys that have been done over the number of years that I was a Minister, I did not believe were really adequate to complete the retracement type of survey system that is required in the province. In order to do that, it would require a major increment to the staffing of this department. I assume that with the requirement now for the Northern Flood Agreement surveys that that particular retracement survey problem will intensify, if anyth ng.

Other surveys that this department will be called upon to perform from time to time, such as the necessary northern community surveys for residential purposes, the surveys that are required for housing to be able to be put in place, I'm wondering if the Minister can tell us what the implications will be. How much of the staff time will be required for the specific requirements and commitments that are made under the Northern Flood Agreement, particularly, and how those have reference to the other things I have mentioned.

**MR. MacMASTER:** Mr. Chairman, the Northern Flood Agreement and the funding for such, and the majority of the surveying that will be discussed in relationship to it, will be dealt with under the — I know we have had great debate on it this evening, if you wish to call what took place a oreat debate. But it will be covered under your Development Resources Division and, at that particular time, I will be quite prepared to discuss how it is going to be funded and the amount of people, and the contracting out of some of the work that will take place. But some of our people in this particular area will certainly be utilized in supervising of the contracts that will be given out in relationship to dealing with the Flood Agreement requirements.

I just might add that we feel confident that we can carry on with the obligations of the department as they arise throughout the various parts of the province.

**MR. CHAIRMAN:** (1)—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Mr. Chairman, the surveys of residential and other subdivisions in the north for housing purposes are a very essential part of the work of this division and I'm wondering what, if any, are on the planning board for this department for this coming year. The Minister indicates in a very general way that he hopes to be able to meet the requirements that come up from time to time, and so on, but can he indicate which community surveys are required as a result of the requests that have already been made from the various housing groups that are putting in housing in northern Manitoba, and whether or not his department will be able to meet those commitments, as well as those that will be expected throughout the year?

**MR. MacMASTER:** Mr. Chairman, there is a substantial bank of lots tt are available and as requirements arise we feel capable to deal with them.

**MR. BOSTROM:** Mr. Chairman, as I indicated earlier, the retracement survey problem in the province was brought to my attention as being a serious one in the sense that there is a problem of a general deterioration of the old dominion land survey system, mainly in the southern agricultural area of

Manitoba. And because the department never had the staff and other resources to do a complete retracement of the Dominion land survey system, what was followed was more or less a brush fire approach in that the department attended to problems as they came up, at the request of municipalities and/or individuals in southern Manitoba.

I'm wondering if the Minister is addressing himself to this problem, if he will be doing anything different in this area in the coming fiscal year.

**MR. MacMASTER:** It is our feeling, as I'm sure it was the previous administration's feeling, that the Federal Government should participate in this type of program, and discussions are still carrying on to attempt to reach some type of arrangement. We are aware of the problem but we feel that there should be federal participation in the particular program.

**MR. BOSTROM:** Mr. Chairman, to get down to the specifics of this section, could the Minister indicate how many staff were involved in each of the sections that are underneath the Head of the Surveys Branch, the Legal Surveys, and so on? Last year's numbers, this year's numbers, and the vacancies, if any.

**MR. MacMASTER:** Administration 6 SMY; Map Office 4 SMY; Field Surveys 36 SMY; Computations and Data 4 SMY; Photogrammetry 7 SMY; Remote Sensing 3 SMY; and Cartography 17 SMY.

**MR. BOSTROM:** I assume those are the SMY figures for the fiscal year that is before us. Can he indicate how those compare to last year's figures?

**MR. MacMASTER:** I will take that as notice and I will sort that out and get back to you.

**MR. CHAIRMAN:** (1)—pass; (2)—pass; (e)—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** On (2), Mr. Chairman, before we pass it, I note there is a fairly significant increase there in terms of the Other Expenditures in this section. I note the Minister did indicate there was an increase of 3 SMYs. Would that justify the increase here? , What other expenditures are involved in the increase?

**MR. MacMASTER:** Yes, Mr. Chairman, there is additional funds to bring the library of maps up to standard. There is an additional \$5,000 for repairs and maintenance on the 70 mm. camera. Purchase program print of your photographs, we are planning a \$10,000 per year figure for that particular section. That's generally the increases.

**MR. CHAIRMAN:** (e)—pass; (f)(1) Salaries—pass — the Honourable Member for Rupertsland.

**MR. BOSTROM:** Mr. Chairman, can the Minister indicate what has been the change here from last year? I note there has been a significant change in the Salaries and Wages section. What is being proposed for the fiscal year before us as compared to the last fiscal year?

**MR. MacMASTER:** Mr. Chairman, there is the identical number of SMYs this year that there was last year, which is 3.26. There was a number of contract people, the survey program and the field program for survey control over mapping was finished, and when it finished the contract people's positions finished also.

**MR. BOSTROM:** Mr. Chairman, before we leave this section, I'd like to know what their proposed program of activity is for this coming fiscal year with their 3 SMYs.

**MR. MacMASTER:** The field work being completed, that being the contract employees we were talking about, we are now going to do the mapping end of that particular work that was achieved through the other portion of the program.

**MR. BOSTROM:** Mr. Chairman, there was always a particular project area involved with this section in terms of what area the department would be concentrating for the fiscal year. Could he indicate which geographic area the department is concentrating on in their activity program for the fiscal year under consideration?

**MR. MacMASTER:** They have been emphasizing on the northern community mapping and we feel that within the next three years that that will be completed, Mr. Chairman.

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**MR. CHAIRMAN:** (1)—pass; (2)—pass; (f)—pass. Resolution No. 96: Resolved that there be granted to Her Majesty a sum not exceeding \$2,762,700 for Northern Affairs and Renewable Resources, and Transportation Services, Lands and Surveys Division, \$2,762,700—pass.

Resolution 97, Clause 3. Fisheries and Wildlife Division (a)() — the Honourable Member for St. Vital.

**MR. WALDING:** Yes, Mr. Chairman. I move that Committee rise.

**MR. ENNS:** Mr. Chairman, Committee rise.

**MR. CHAIRMAN:** Committee rise. 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 Radisson.

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

**MOTION presented and carried.**

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

**MR. ENNS:** Mr. Speaker, I move, seconded by the Honourable Member for Winnipeg South, that the House do now adjourn.

**MOTION presented and carried** and the House adjourned until 2:30 tomorrow. (Wednesday)